



Letter from the Chief Executive Officer



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Chief Executive Officer

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United Nations - Two UN Plaza
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eni is a major integrated energy company, committed to growth in the activities of finding, producing, transporting, transforming and marketing oil and gas. The company operates in the oil and gas sector, in electricity generation and sale, in petrochemicals, in oilfield services construction and in engineering industries. In these businesses it has a strong edge and a leading international market position that are strictly connected to its commitment for sustainable development.

Sustainability is an integral part of **eni's** history and culture. It represents the driving force for a process of continuous improvement and cuts across all areas of the company, guaranteeing value creation for all stakeholders over time. As an integral part of its commitment for sustainable development, **eni** – first among the Italian companies, joined the Global Compact in 2001.

The company's dedication to the respect and promotion of the Global Compact Ten Principles has been confirmed during the years through a large number of concrete actions, embedded in its business operations. I would also like to recall the signature of the "CEO Statement for the 60th Anniversary of the Universal Declaration of Human Rights"; the endorsement of "Caring for Climate: The Business Leadership Platform"; the support to the campaign "Seal the Deal!" and the participation to the "UN Leadership Forum on Climate Change". **eni**, within the framework of its broader commitment to transparency – has also subscribed "CEO Letter on UN Convention Against Corruption".

Furthermore, the company expressed its interest in confirming its lasting dedication to the Global Compact through envisaging a significant participation to the next 2010 Global



Compact Leaders Summit. **eni** is keen to play a relevant role in the event and wishes to work in cooperation with the Secretariat of the Global Company Italian Network and with the Italian Ministry of Foreign Affairs – Direction General for Multilateral Economic and Financial Cooperation, in order to contribute to an active participation of other Italian companies to the Summit.

eni's commitment to the Global Compact Ten Principles is included in the company's 2008 Sustainability Report, approved by the Board of Directors in March 2009, and submitted to shareholders during the annual Shareholder's Meeting held in April, 2009. The document, drafted in accordance with Global Reporting Initiative principles, was widely distributed to relevant stakeholders and I'm pleased to attach it to this Communication on Progress.

Referring to this new COP, I would like to remark that it is the product of **eni's** continuous dialogue with the Secretariat of the Global Compact Italian Network. The document provides the specific actions set up in 2008, the future commitments and the measurability of the objectives achieved. The focus on the future commitments highlights the company's determination to assure the integration of the Global Compact Ten Principles in **eni's** business strategy, to face the future challenges in human rights' promotion, in the strengthening of labour standards, in the protection of the environment and the fight against corruption.

(Paolo Scaroni)

Eni Communication on Progress (COP) 2008

HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

Reference to corporate governance policy

Eni Guidelines for the Promotion and Protection of Human Rights; the Code of Ethics; the Indigenous People Policy of **eni** Australia and **eni** Norge (**eni** Norwegian subsidiary); Security Policy and Guidelines of the Nigerian subsidiary NAOC (Nigerian Agip Oil Company). The inclusion of clauses with reference to the corporate Guidelines on Human Rights in procurement contracts.

Specific actions in 2008

Endorsement of the initiative promoted by the High Commissioner for Human Rights as well as by the Global Compact document at the time of 60th anniversary of the universal declaration of Human Rights. A project was launched for Risk Analysis on the Protection of Human Rights (Human Rights Compliance Assessment HRCA) in some pilot areas (Nigeria and Kazakhstan). Planning of HRCA in Algeria, Congo and Egypt for 2009.

Future commitments

To extend the implementation of the Guidelines indicated; to upgrade the security system in line with the Voluntary Principles on Human Rights; to expand HRCAs to other operating realities; to implement improvement action plans following the HRCAs already conducted. Evaluation of the **eni** participation in the Global Compact Working Group on Human Rights.

Outcomes Measurability

GRI indexes: EC5, LA4, LA6-9, LA13-14, HR1-9, SO5, PR1-2, PR8, HR1-9, SO5

KPI indicators	Reference to Sustainability Report 2008 and Annex
Suppliers subject to qualification procedures, including screening on human rights (HR1)	pag 78
Percentage of procurement from suppliers subject to qualification procedures including screening on human rights (HR1)	pag 78
Reports the internal audit dept. filed by area (HR2)	graph pag 31
Reports closed by investigation results 2008 (HR2)	graph pag 31
Training of key officers (executives and corporate communication upper management) through Webseminars and virtual forums (HR3)	pag 57
Number of consultations and negotiations with the trade unions (HR5)	pag 45
Number of employees covered by collective bargaining (LA4) Ref to SR	pag 45
Percentage of employees covered by collective bargaining (LA4) Ref to SR	pag 45

LABOUR STANDARDS

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.

Reference to corporate governance policy

Code of Ethics and Guidelines for the Promotion and Protection of Human Rights; agreement of the **eni** European Workers Committee; the ICEM Agreement; Self-disciplinary Code; Model 231.

Specific actions in 2008

In Italy an Industrial Relations Protocol, signed in 2001 with the leading union organizations and renewed on a regular basis, is in operation; updating of the transnational ICEM (International Federation of Chemical, Energy, Mine and General Workers Unions) agreement and updating of the agreement with the Comitato Aziendale Europeo (CAE).

Specific action plan following the first corporate culture analysis: internal communication, leadership and work lifebalance programs (including the Nursery School Project). The Diversity Project which aims to evaluate the scale of diversity: **cultural, age and gender**. For **cultural diversity**: HR Towards the future and development programs for local employees in operating countries; for **gender diversity**: **eni**'s involvement with the European Commission group WIST Women In Science and Technology; Communication Project on parents' rights and available company's services. For **age diversity**, introduction of the professional title of Knowledge owner to recognize a specific status to senior employees having critical skills and knowledge acquired over a long period of time.

Future commitments

The definition of a research project on International Industrial Relations, in order to identify possible critical areas; promotion of an action plan in support of the Diversity Project.

Outcomes Measurability

GRI indexes: LA4-5, HR1-3, HR5, SO5, HR1-3, HR7, SO5, HR1-3, HR6, SO5, EC7, LA2, LA13-14, HR1-4, SO5

KPI indicators	Reference to Sustainability Report 2008 and Annex
Number of employees covered by collective bargaining (LA4)	pag 45
Foreign locals by professional category 2008 (EC7)	pag 45 and Annex pag 3
Turnover rate by gender – Italy and abroad 2008 (LA2)	pag 40
Number of independent and none executive members in the Board (LA13)	pag 30
Number of Minority Members in the Board (LA13)	pag 30
Number of employees by gender and professional category 2008 (LA13)	graph pag 40 and table pag 41
Number of employees by age and professional category (LA13 BS 41)	graph pag 40 and table pag 41
Percentage of women managers (LA13)	table pag 41

» ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Reference to corporate governance policy

Guidelines on Health, Safety and the Environment and Public Safety; Guidelines on Environmental, Social and Health Impact Assessment to be applied to all new relevant projects. Norms for the management of emissions as part of the emissions trading arrangement; Operating procedures for the monitoring and reporting of HSE data; Technical Audit and Verification of HSE Compliance - Periodic Reporting by Business Units (BUs) to HSE **eni** corporate; Technical documentation relative to: HSE Data Reporting, the Analysis and identification of HSE simulation models of reference for the **eni** group (with technical enclosures).

Specific actions in 2008

Implementation of emission reduction projects through energy saving and reduction of emissions from flaring and venting. Implementation of water injection projects and of actions for groundwater reuse for the refining and petrochemical sectors, reduction of water withdrawal and increase in water recycling. Introduction of Ecosystem and Biodiversity Protection into the company's processes. Biodiversity assessments in Italy (Region Basilicata), Ecuador, Kazakhstan and the Arctic Region. Cooperation with MIT and Solar Frontiers Research Program in the development of technologies for the exploitation of solar energy. The **eni**-Enel agreement for the development of CCS technology and a pilot project for the capture of CO₂ and the monitoring of storage safety. A protocol of understanding between **eni**-Enel-Ministry of the Environment for the spread of CCS and the promotion of renewable sources.

Future commitments

The definition of policy and strategies in the area of biodiversity and ecosystem services. The establishment of partnerships with relevant NGOs in the area. Achievement of targets set on GHG, energy efficiency and NOx-SOx emissions. Broaden the realisation of projects for the reduction of oil spills. Achievement of targets set on freshwater consumption and water injection. The definition of targets for the reduction of the waste and the launch of a system for the continuing monitoring of HSE performance. New offers of eco-compatible products and services, and savings incentives for customers. The definition of policy on biofuels and participation in initiatives for the sustainability of biofuel production.

Outcomes Measurability

GRI indexes: EC2, EN18, EN26, EN30, SO5, EN1-30, SO5, PR3-4, EN2, EN5-7, EN10, EN18, EN26-27, EN30, SO5

KPI indicators	Reference to Sustainability Report 2008 and Annex
Number of plants involved in the ETS (EC2)	pag 48
Total emissions from ETS plants (EC2)	pag 48
Surplus/deficit of allowances assigned (EC2)	pag 48
GHG emissions (EN18)	pag 48
Percentage of GHG emission reductions (EN18)	pag 48
GHG from flaring (EN18)	pag 48 and 16
CO ₂ emissions indexes by divisions (EN18)	pag 48-49
Power plant energy performance index and energy intensity index in refining (EN18)	pag 49
Environmental expenditure (EN30)	pag 46
Environmental expenditures by type	pag 46
Water consumption – fresh water (EN1)	pag 47
Water consumption – sea water (EN1)	Annex pag 3
Direct energy consumption by primary energy source (EN3)	Annex pag 2 and 4
Energy efficiency performance indexes (EN5)	pag 48 and graph pag 49
Biofuel volumes sold (EN6)	Annex pag 4-5
Multienergy stations (EN6)	Annex pag 4-5
Initiatives to provide energy-efficient and reductions in energy requirements as a result of these initiatives (EN6)	pag 77
Automotive methane sold (EN6)	pag 77
Fresh water withdrawals (EN8)	Annex pag 3-4

KPI indicators	Reference to Sustainability Report 2008 and Annex
Percentage of recycled water (EN10)	Annex pag 4
Direct and indirect GHG emissions (EN16)	Annex pag 2
SO _x and NO _x emissions (EN20)	pag 50
Waste from production (EN22)	pag 50-51
Destination of hazardous and non hazardous waste from production (EN22)	pag 50-51
Number and volumes of oil spills (EN23)	pag 50
Oil spill volumes by cause (EN23)	pag 50
Litigations (EN28)	pag 33

» ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Reference to corporate governance policy

Code of Ethics, Adherence to the Extractive Industry Transparency Initiative (EITI) since 2005.

Specific actions in 2008

Transparency as governance tool: Adherence to PACI of the WEF by the Brazilian subsidiary; Publication of a table showing the relationship between International Transparency Principles (Business Principles for Countering Bribery and Corruption-BPCB) and **eni's** procedures.

Transparency as operating tool: Publication of data concerning Nigeria and Kazakhstan in compliance with EITI requirements. Updating of Multistakeholder Working Group (underway since 2007) activities linked to the realisation of and multi-year programme for the implementation of an initiative in Timor East (not still in production); **eni's** participation in the Executive Committee in Congo for the process of implementation of EITI. The inclusion of a specific EITI clause in contracts pertaining to recent acquisitions (Gabon).

Future commitments

To expand the involvement of relevant stakeholders in issues such as Transparency International (TI).

Strengthen **eni's** role as a facilitator in countries that, while showing interest in the initiative, have still not signed up.

To improve the commitment to publish the data from operating sites where governments have already signed up to the EITI.

To expand the inclusion of specific clauses on EITI in all contracts from recent acquisitions where governments have already signed up the initiative. To provide further contents to international analysis on the transparency issue (such as the "Promoting Revenue Transparency 2009 Report" -PRT- and the Transparency Reporting on Anti Corruption self assessment-TRAC).

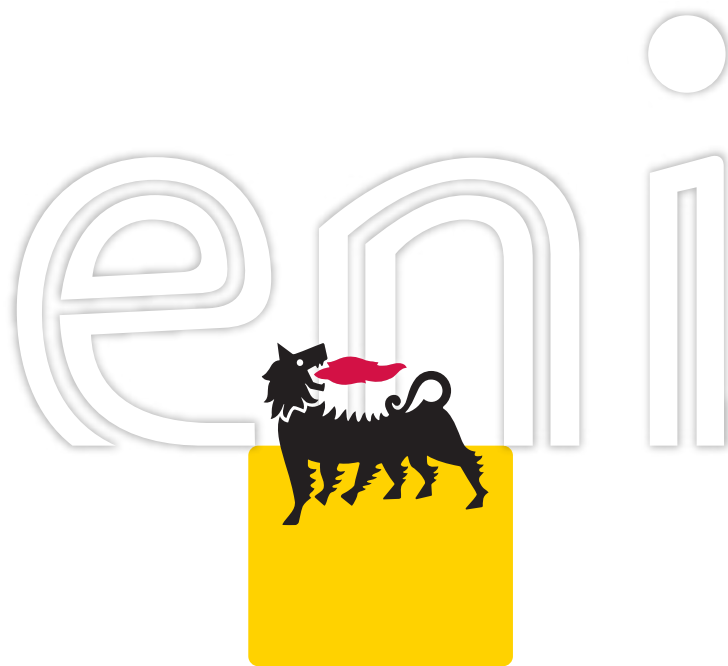
To improve the commitment on some specific topic (i.e. the CEO UNCAC Letter). Elaboration of a new anti-corruption procedure.

Evaluation of the **eni** participation at the UN GC Working Group on the 10th Principle against Corruption.

Outcomes Measurability

GRI indexes: S02-6

KPI indicators	Reference to Sustainability Report 2008 and Annex
Percentage of employees trained on the Code of Ethics (S03)	table pag 29
Reports closed by investigation results (S04)	graph pag 31
Number of consultations and negotiations with the trade unions (S04)	graph pag 31



Sustainability Report 2008



Sustainability Report 2008

Letter from the Chief Executive Officer

The portrait of Eni, as featured in this Sustainability Report, takes the form of a comparison between the policies adopted by the Company in order to build sustainable development and the complexity not only of energy world, but of the modern world in its entirety.

A positive vision emerges: a Company underpinned by a solid business culture can tackle a crisis and emerge with more strength and with a clearer perspective.

There is confirmation that the policies underlying the Company strategy have been validated: making people the focus, making sure they are safe whatever their job, in any part of the world.

Eni's experience proves that it is possible to establish models of cooperation with the producer Countries that can create development through long-term agreements, build networks that contribute to Europe's energy security and invest in innovation starting from an appreciation of different cultures and diversity.

Research into the energy of the future remains at the center of the Company's strategy and will make it possible to resort to more and more difficult conventional resources, set conditions for using renewable sources and create a less carbon-intensive world. Eni's commitment in this area is the central focus of a new publication, entitled the Eni Technology Report, which from this year accompanies the Sustainability Report.

The message that emerges is one of commitment, resoluteness and solidity of action in which the present is lived with a keen eye to the future.

This is a message conveyed by all those people who are part of Eni and is an asset for the regions of the world in which the Company operates, secure in the conviction that the role of a large international Company within society is above all to build confidence and trust.



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SUSTAINABILITY INDICATORS (SEPARATE DETAILED SECTION)

Choosing innovation to build the future

Conversation between Paolo Scaroni, Eni CEO, and Ernest Moniz, MIT's Energy Initiative Director



Paolo Scaroni:

The crisis we are experiencing has overturned many established notions that had so far underpinned our economic model. The effect is like seeing mighty idols tumbling one by one: doubts are arising in people's minds about things they had never doubted before, and this could cause a breach in the confidence that holds the whole system together.

Today like never before, companies play a crucial role and have a great social responsibility. People should feel that the workplace they go to every day is their safe haven: companies should offer a strong, shared set of values and a key to interpret what is happening in the world, they should prove that they are determined to pursue a clear course, and that everyone can have a role in this objective. In other words, the organization must offer safety and confidence to people as we go through the storm – most importantly, confidence in the fact that the decisions that are being made will allow us to navigate past the crisis and to direct the change.

On the other hand, a crisis of this magnitude might perhaps "clear the fog" and redefine priorities. Those, like Eni, who have operated in a fair and responsible manner will come out strengthened. Over time we have built a strong social memory, and our stakeholders are unlikely to perceive any discrepancies between our set of values on the one hand, and our conduct on the other. This is the essence of a solid reputation. Now as never before, we need to strengthen our relations within the Company in order to maintain and enhance the confidence we have earned.



Ernest Moniz:

The global economy is clearly facing immense challenges, and this spills over to how we work together to face the world's urgent energy and Sustainability challenge – forward – looking energy companies, research and educational institutions, governments all working together. Eni has transitioned from Oil & Gas multinational to integrated energy

Company through a clear vision of the future, and its many relationships and alliances are integral to this strategic development. I view and value the partnership between Eni and MIT as a very good example of this.

Being an integrated energy Company, engaged in the search for the energy sources of the future together with other major industry operators, is the strength on which Eni relies to be a credible player for all our stakeholders.

A key aspect of innovation is cooperation with oil and gas producing

Countries. Our Company has a competitive advantage because of the legacy left by Enrico Mattei, who first believed and invested in relations with the producer Countries. We have identified opportunities for new models of cooperation, and we are building on those models.

We have already entered into agreements based on the awareness that a producer Country "chooses" Eni because the Company can offer proven and tangible benefits as regards the creation of opportunities for social and economic development for the entire nation.

This provides stability to our investments, because it allows us to establish long-term relationships.

We now need to go one step further: strategic agreements are necessary with producer Countries who are able to guarantee a fair share of risks and profitability. The oil industry needs cooperation, in the interest of a price stability that is beneficial to producers, and even more to consumers – who need steady supply just as much as producers need steady demand.

Focusing on the development of all Countries – industrialized and developing, energy producers and consumers – is vitally important. As the world experiences extremely difficult times, we cannot opt out of recognizing the needs and investing in the growth potential of all regions. Providing energy and growing Sustainability is a virtuous cycle that is beneficial to everyone. Development and fairness will also support enhanced security, which is another necessity for global Sustainability.

Undoubtedly, companies play a vital role in this respect. We need to state this forcefully at all times, even at times like the present when no organization, whether public or private, seems to deserve the complete trust of the citizens. Large organizations like Eni are called on to promote innovation in the entire system, not just in the areas of technology and research. Our new models of cooperation with the producer Countries are based on the strategic need to favour their development. This also means promoting human rights, protecting the environment and engaging in common efforts to weather major changes wherever we operate.

Protecting the environment calls for strong and coherent action to mitigate the risks of climate change. Our understanding of the regional impacts of climate change is still in the early stages, but areas thought to be at very high risk include polar regions, the Middle East, and Africa. This can have profound implications for energy supply, major societal dislocations, and consequent environmental, economic, and security consequences worldwide. Innovation in technology, policy, and business models are all called for, and both Eni and MIT are tackling these with determination – including through our strategic partnership.

Protecting the environment calls for strong and coherent action. Renewable sources are one of the ways to build a less

carbon-intensive world, where oil has a smaller role than it has today. Very likely, we will see a sharp discontinuity in the way of producing energy, and for this we must be prepared.

Today, renewable sources are affected by two basic limitations: one is related to costs, and the other to low energy density and power. Cost constraints can be partly compensated by policies aimed at encouraging the use of alternative energy, whereas technological limits require significant investments in research efforts. We must steer research in the right direction in order to resolve these issues, and this is what we are doing by investing in research on a source that has a very high potential, namely solar energy.

At the same time, we should not overlook the fact that another low-carbon energy source is available in the form of natural gas. Eni has a leading position in the European gas market and actively contributes to the security of supplies in Europe. We are going towards a progressive integration of the entire supply chain, and our credibility is based on solid ground: Eni has been the first Company in Europe to invest heavily in the gas business. This is one of Enrico Mattei's great legacies, and over time we have been able to achieve leadership also in pipeline management, while our ability to set up deals with the producer Countries allows us to have a wider range of supply sources than any other Company. The fact of being a truly integrated energy Company, i.e. of having developed our gas segment, gives us on the one hand a clear competitive advantage even at times of extreme oil price fluctuations like the present one, and on the other allows us to carry out a well-balanced transition towards renewable sources.

I am optimistic about development of advanced renewables through cutting-edge research and accelerating their deployment at large scale. A change in this direction is certainly needed, not only in technology. Innovation must integrate with new business models. For example, in supporting research on renewable sources I think Eni is going in the right direction. As regards natural gas, the least carbon intensive fossil fuel, we are convinced that it will be a critical and growing energy source as carbon dioxide emissions are more and more strongly constrained in the next several decades. Our relationship with Eni is an important strength. Business experience is an essential backdrop to good energy policy. And furthermore, I believe that large energy companies are essential for accelerating introduction of clean technologies at large scale – linking their capital, supply chains, and distribution networks with a sustainable vision.

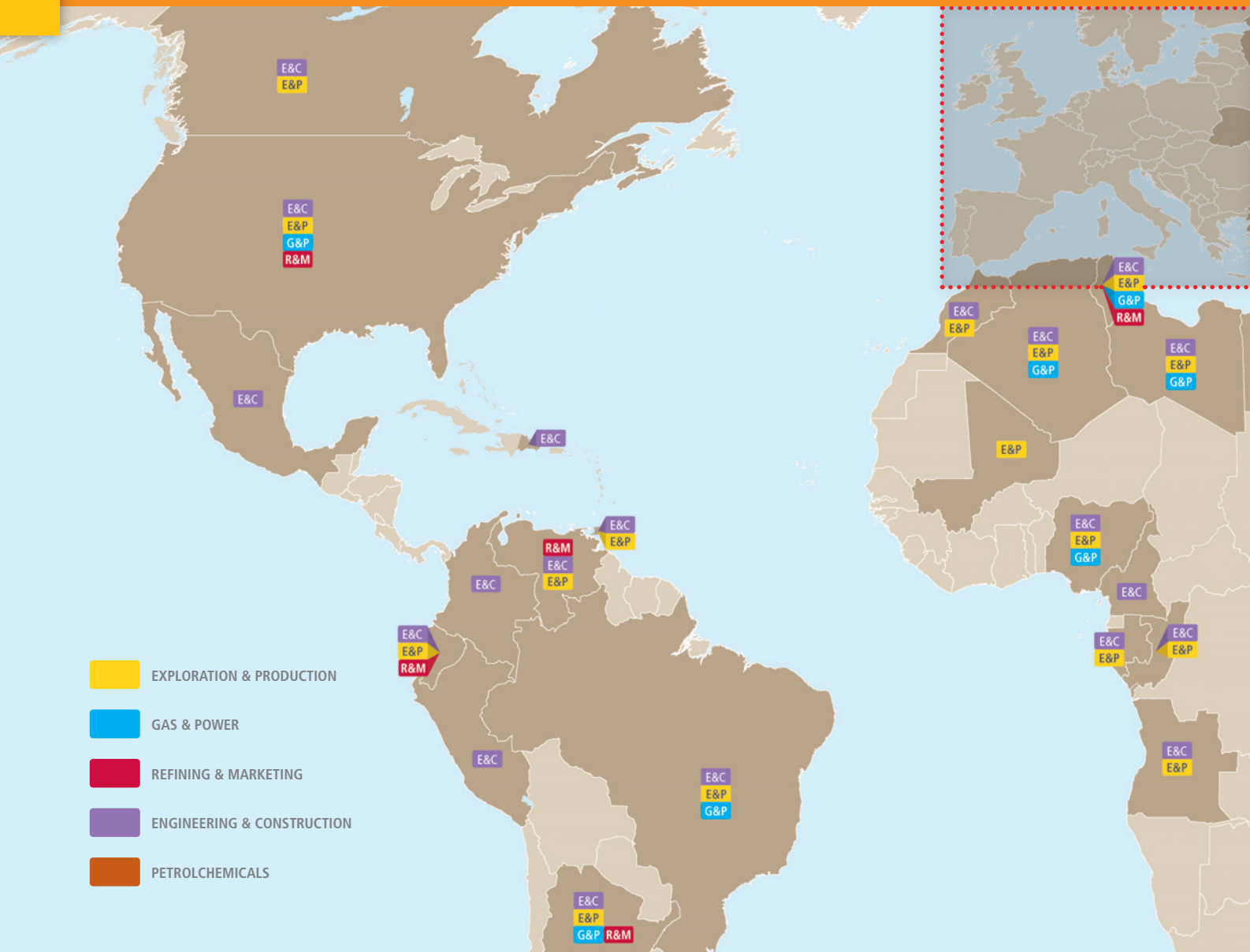
I think this need for acceleration should be extended to the management of human resources, and particularly of the Company's talents. Young people who are capable and strong-willed must be allowed to find ways to develop and show their potential. This is why at Eni we try to create situations of discontinuity, career paths for people with an extremely high potential, even outside the ordinary development processes ensured by organizational mechanisms. People's age should not limit their authority. Valuing merit within diversity is key to promoting cultural innovation within the organization.

It is crucially important to recognize and encourage young talents, particularly of diverse education backgrounds, able to think "outside the box" to find new solutions.

At Universities, we should never forget that our first product is not research, but the students themselves who will shape the world of tomorrow. Some of them will work in the energy industry, in large companies like Eni. Others will be members of Governments or will join non-government organizations.

Many will be opinion leaders. If during their time at MIT they see companies working for the future in cooperation with their University, they will understand how energy enterprises offer important perspectives and operate for change. And our energy industry partners can build relationships with tomorrow's energy technologists, economists, and planners. Our confidence in the future rests with young people such as the graduate student Eni-MIT Energy Fellows.

I am convinced that there can be no innovation without an understanding of the value of diversity. I like to quote Lorenz and Lorsch, who back in the 70s argued that the secret of a Company's success is to promote close interaction between widely diverse people. My front line is composed of people who are very different from each other – who think and address problems along very different lines. I tend to mistrust companies that only hire people with the same basic training and require the same skills, just as I mistrust those where all diversity is suppressed in the name of a standardizing approach. I firmly believe that a diversity-centered corporate culture is challenging, and yet it is what we need to pursue, because a Company's innovation capability is driven by the pooling of different personalities, ideologies, skills, and geographic origins. Valuing diversity means having the cultural tools to do so. In order to work with Eni, each of our people must be thoroughly familiar with the history and culture of the areas where we operate. When I travel to a Country to sign a deal, I consider the knowledge of that Country's history and culture as a negotiating prerequisite. The relationships between Russia and the young eastern European nations, for example, cannot be understood and explained unless you are familiar with the past events that have marked these relationships. This is why culture, in the widest meaning of the word, is an essential aspect of our work, and perhaps the most important true source of innovation.



Eni's activities

Eni is an integrated energy Company committed to growth in the activities of finding, producing, transporting, transforming and marketing oil and gas. The Company has global operations in about **70 Countries** and employs approximately **78,880 people**.

In 2008 Eni reported revenues from core business of 108,148 million Euros, with an **adjusted net profit of € 10.2 billion** (up 7.7%). Investments and acquisitions amounted to € 18.9 billion.

Eni's business portfolio is unique in the Oil & Gas industry, and includes oil and gas Exploration & Production, natural gas transmission and distribution, power generation, refining and petrochemicals, engineering and construction, and other activities.

E&P Exploration & Production

Eni has large operations in some of the most attractive oil fields in the world, in 39 Countries in 5 Continents. **11,194 people** are employed in this business. In 2008 hydrocarbon production reached a record **1.797 million barrels per day**, with an increase of 3.5% due to new acquisitions (Gulf of Mexico, Congo and Turkmenistan) as well as to growing production in Angola, Congo, Egypt, Pakistan and Venezuela. On the basis of crude oil year-end market values, **proven reserves amount to 6.6 billion boe**, with an all-source replacement rate of 135% and a reserve life index of 10 years.

G&P Gas & Power

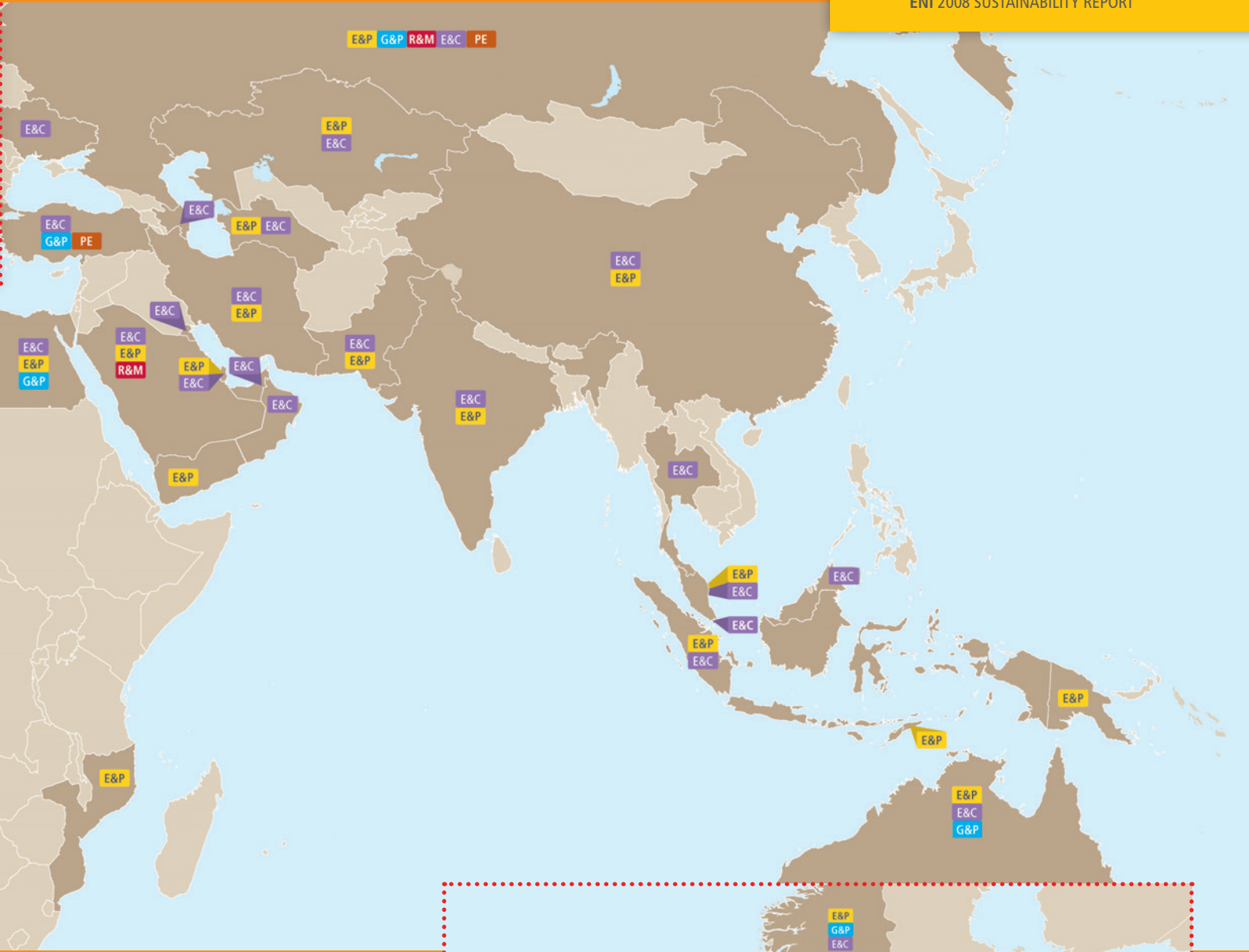
The Gas & Power business covers all phases of the gas value chain: supply, transmission, distribution, sale and LNG, through a unique integrated business model. Eni is the leading supplier of gas in terms of sales in the European market. Its strong market position is underpinned by extensive gas supplies,

both produced and imported under long-term agreements, access to infrastructure, and a broad customer portfolio. Eni also has significant power generation capabilities.

In 2008 Eni sold **104.23 billion m³ of natural gas** (up 5.3% from 2007), and the volume of gas transmitted to Italy was 85.64 billion m³, with an increase of 2.8%. Power sales amounted to **29.93 TWh**. **11,389 people** are employed in this business segment.

R&M Refining & Marketing

Eni is Italy's leading oil refining Company, and is competitively positioned in the European market. Its refining system has an overall balanced capacity of approximately 737,000 barrels per day. Eni is also Italy's leading network distributor. In 2008 **oil product sales amounted to 50.68 million tons**. The Oil Refining segment employs **8,327 people**.

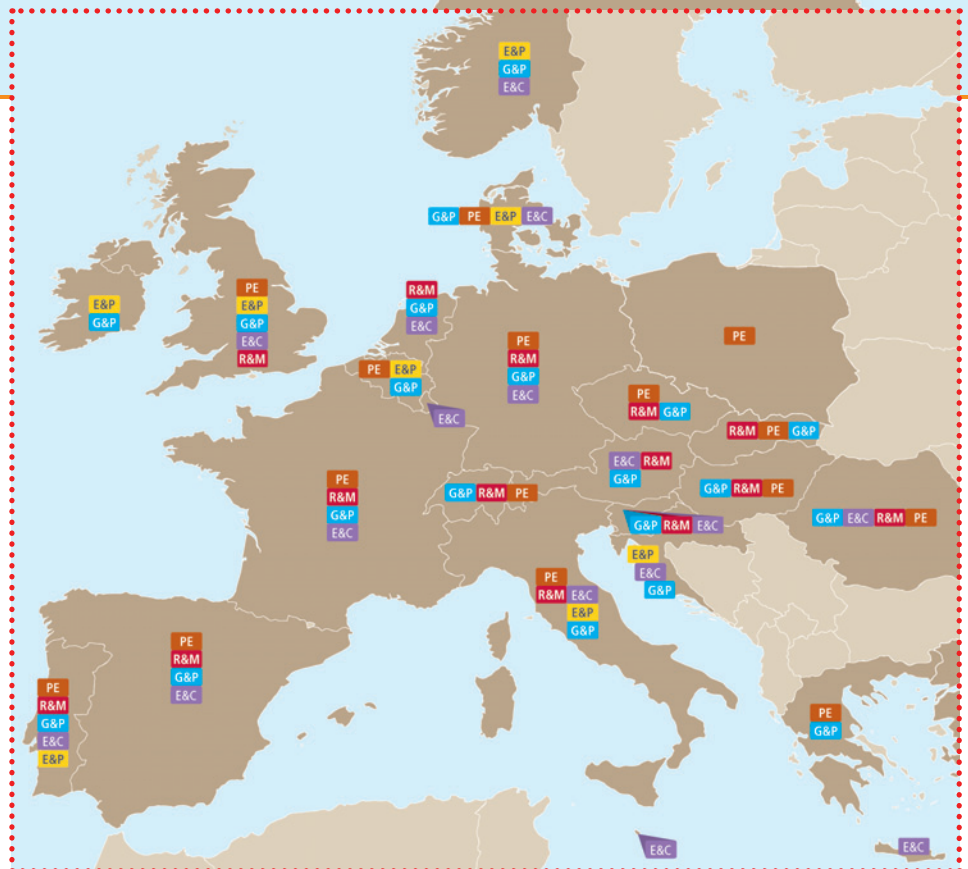


PE Petrochemicals

Through Polimeri Europa, Eni is engaged in the production and sale of a broad portfolio of petrochemical products, backed by its range of proprietary technologies, next-generation plants, and an extensive and efficient distribution network. Eni's strategic business areas in the petrochemical sector are basic chemicals, plastics, and synthetic rubbers. **7.37 million tons of petrochemical products** were manufactured in 2008. The segment employs **6,274 people**.

E&C Engineering & Construction

Eni's major operations in oil field engineering and services are performed through its subsidiary Saipem. The distinctive technologies and expertise which Saipem provides to Eni in the engineering and implementation of complex projects are a key element in Eni's growth and innovation strategies. In 2008 Saipem received **purchase orders for 13,860 million Euros**, and operated in 54 Countries. **35,629 people** work in this sector.



Eni and the Future of Energy

SUSTAINABILITY 08

“ Major companies like Eni are called on to promote innovation in the entire system, not just in the areas of technology and research.

Our new models of cooperation with the producer Countries are based on the strategic need to favour their development. This also means promoting human rights, protecting the environment and engaging in common efforts to weather major changes wherever we operate. ”





TULPAR ТҮЛПАР
AKTAY АКТАУ

Complexity of the global scenario

Complexity has always been the distinctive feature of the social, political, economic and environmental contexts in which Eni operates.

2008 was a year of such radical change as to force the world economies – and the companies that operate within them – to tackle new opportunities and thereby rethink their business models.

This constantly evolving scenario is bound to influence the role and strategies of Eni as an international energy Company while at the same time confirming and consolidating many of the choices made over time by the Company as regards product and process innovation, relationships with producer Countries and local communities, customer focus and social responsibility.

THE FINANCIAL AND ECONOMIC CRISIS

The financial crisis that erupted in the latter months of 2008 had its roots in the early 2000s and is the result of accelerated growth of household debt, real estate bubble, easy bank credit, and the illusion that the development of innovative finance could reduce the risk of insolvency.

A serious confidence crisis has hit the credit systems of the major industrialized Countries, causing key operators to be confronted with severe difficulties.

Against this backdrop, in a rapid crescendo, the outlook for all primary economies deteriorated significantly. Since autumn 2008, expectations have progressively worsened, and from the third quarter onwards many Countries were in an all-out recession.

As a consequence, the mid-term growth forecasts of all the main Countries have been reduced by the international institutions.

It is difficult at this time to predict how long it will take for a recovery to set in; it will depend largely on the effectiveness of the measures to counter the crisis that will be adopted by the Governments, first of all by the new US Administration. Another factor that will have a considerable influence on the intensity and duration of the crisis will be the ability of emerging economies to continue their fast-paced growth, despite reduced export flows towards the western markets.

Energy markets have not been immune from the financial and economic crisis. In 2008 the trends in oil prices were affected by strong fluctuations, with radical changes in both operators' expectations and benchmark fundamentals on which oil price valuations are based (see below, "Reasons of the shock in crude oil prices"). Oil demand in the US should be weak again in 2009, after a substantial decrease in 2008. The economic crisis could force consumers to cut their transportation costs in Europe as well. If Asia were to be dragged into the crisis as a result of the US and European recession, China's and India's economies could slow

REASONS OF THE SHOCK IN CRUDE OIL PRICES

2008 will also be remembered as the year of the great shock in oil prices. In the first part of 2008, prices climbed steadily up to a peak of US\$ 144 per barrel by mid July. After this date, valuations declined rapidly. The reasons of the boom are well-known: during 15 years of low prices, continuing until 2002, investments in Exploration & Production were limited and mostly concentrated in mature areas like the United States and Canada.

Added to a sustained growth in demand, driven particularly by the emerging economies, this led to a reduction in spare capacity (i.e. the capacity of unused production) and therefore to vulnerable markets, global uncertainty and soaring prices. The bust that followed can be explained by three reasons. In the first place, when oil prices rise beyond a certain level, oil product demand cannot remain unchanged, because consumers can do nothing to increase their purchasing power. Additionally, in all the developed world high oil prices and a more acute awareness of environmental issues have heightened interest in energy saving policies and promoted more responsible consumption styles.

The second factor that accelerated the drop in prices was the financial and economic crisis and its impact on operator expectations, the production system and actual resources available for expenditure. The third factor that determined the decline in oil prices concerned the supply side. After 2002, rising prices stimulated investments in production capacity. Global investments in upstream oil projects doubled between 2002 and 2007. Consequently, production started to increase, albeit at a lower rate than investments. On top of all these considerations, financial speculations contributed first to inflate prices and then to knock them down.

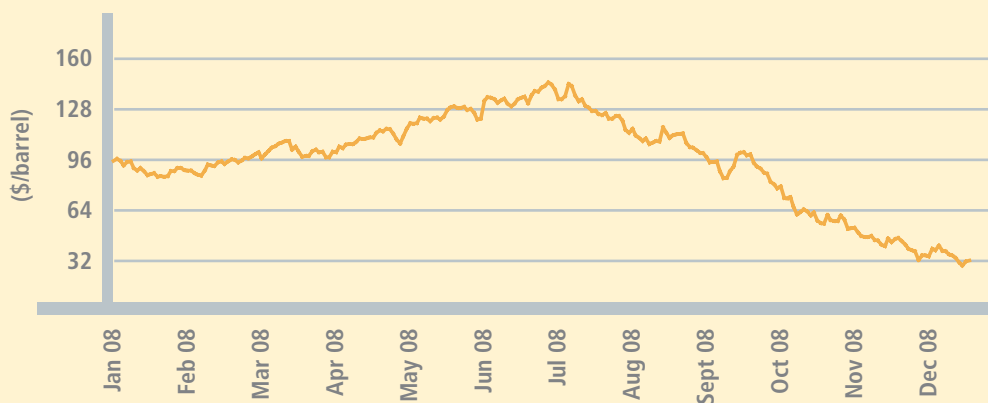
down and their oil demand could decrease. In this case, the support of non-OECD Countries to global oil demand would drop, and declining consumption in OECD Countries would no longer be offset by the Asian economies as it had been in the last few years. At the supply side, weaker demand could clash against operational production capabilities resulting from projects completed in recent years. Investments about to be completed may drive a boost in production capacity, particularly in the new producer Countries anxious to win market shares in order to support the growth of their national economies with oil sales. On the other hand, OPEC Countries' revenues from oil exports are rapidly dropping because of reductions in both price and quantities sold abroad. OPEC is therefore trying to contain falling crude oil prices by cutting production and, wherever possible, by postponing investments in new production capacity. Natural gas consumption is also impacted by the global economic crisis, and its growth could slow down in the next few years. The industrial sector's gas demand will predictably decrease. Since consumption growth is driven largely by the thermoelectric sector, this industry will be the most influential in determining gas demand trends. Indeed, due to the crisis, demand for electricity may grow at a reduced rate but gas could reinforce its role within the mix of energy generating options. In view of this, natural gas consumption is less likely than oil to be heavily affected by the global economic crisis.

LEVERS OF CHANGE FOR INTERNATIONAL ENERGY COMPANIES

According to most scenarios, the trend in global energy demand will continue to grow in the mid to long-term, although the expected growth rate varies depending on how the crisis evolves. Demand will be driven mainly by the economic – and demographic – development of emerging Countries, currently slowed down by the global crisis. In the next few years, the priorities in European and US energy policies will be promoting more responsible consumption styles, improving energy efficiency, and spreading the use of renewable sources. In all the scenarios that can be forecast today, fossil fuels are not seen as losing their significant role in the global energy mix, although opinions differ somewhat as to how much of this mix will be represented by alternative and renewable sources. As late as 2020, it is probable that more than 80% of the world's primary energy consumption will be met by oil, coal and natural gas. In effect, while people have become deeply aware of the huge environmental impact brought about by these sources, the technical and financial constraints that still affect alternative sources continue to limit their capacity to broadly replace fossil fuels, at least in the next ten years.

Against this backdrop, international energy companies can contribute to laying the foundations for global energy security: on the one hand, by strengthening cooperation with the Countries which have hydrocarbon reserves, and on the other, by committing

2008 BRENT PRICE TREND



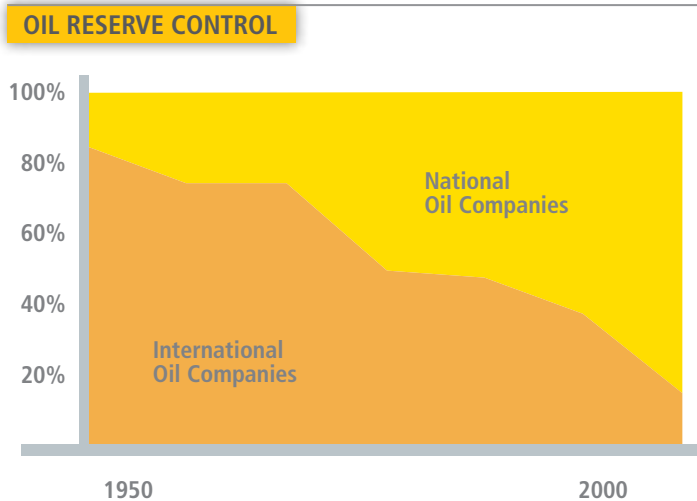
High uncertainty prevails in today's oil market, with many factors likely to play a role in determining new balance levels. In the mid to long-term, once crude oil consumption picks up again, the need to balance demand and supply could arise again to support prices. The average level and volatility of crude oil prices will be a function of the intensity of this process.

to research for the improvement of technical-financial and environmental performance of fossil as well as alternative sources, including renewables.

International oil companies have traditionally supported reserve owning Countries and their National Oil Companies in developing and marketing their resources. Today, NOCs are taking over a leading role in the oil industry. With increasingly advanced technical and managerial skills, they are fast catching up with international companies as regards management and operating methods, as well as an increasing focus on profitability and efficiency.

Many upstream projects are now handled independently or with the sole support of service companies or by NOCs.

Finally – and in order to seek autonomy in their domestic markets – NOCs are expanding their activities abroad in a perspective



of business growth and diversification. In this environment, IOCs need to rethink their cooperation models with NOCs, with initiatives aimed at establishing steady relationships and wide-ranging strategic agreements for a balanced sharing of risks and profits. IOCs can bridge the gap between the western Countries' need to rely on secure hydrocarbon supplies at reasonable prices, and reserve owning Countries' need not only to market their output but also to meet their domestic energy requirements and to promote sustainable and autonomous development. Alongside improving the security of hydrocarbon supplies, we also need to promote more responsible consumption styles, enhance energy efficiency, and find solutions to the issues that are still holding back the large-scale

use of alternative sources. Thus, investing in innovation is one of the factors that will make the difference: the ability to innovate in the areas of research and technology must go along with a new way of building and maintaining relationships. Commitment to attracting and recognizing people's value as well as customer and consumer satisfaction and the capacity of energy companies to create effective dialogue responding to requests from local communities and civil organizations will play an increasingly significant role in the Company's chances of success and market valuation, in an industry characterized by a growing need for security.

THE NEW ENERGY POLICIES IN EUROPE AND THE UNITED STATES

Energy consumption scenarios seem to agree on the fact that fossil sources will maintain a crucial role in the global consumption balance; however, the percentage covered by these sources vs. alternative and renewable sources differs. This variability in scenario projections is reflected in the European Union's policies as well as in those recently outlined by the new US administration. The process for the development and approval of the new European Energy Policy (EEP) was completed in December 2008.

Specifically, the measures adopted will aim at achieving the following objectives by 2020:

- 20% reduction in EU greenhouse emissions from 1990 levels (this percentage can be increased up to 30% if a global climate agreement is reached);
- energy from renewable sources to contribute 20% of final gross consumption.

The EU recognizes that energy efficiency is the key to achieving the greenhouse emission reduction objective, particularly for the transport, agriculture and residential sectors, although no binding objective is identified. Europe's policy to promote efficiency in the main industries is based on strengthening the Emissions Trading system by extending it to other sectors and gases and by issuing stricter rules for participation. The Carbon Capture & Storage option is considered necessary to continue to use fossil sources for sustainable power generation.

THE ROLE OF ALTERNATIVE ENERGIES IN THE ENERGY SCENARIO

With the exception of the hydroelectric segment, renewable sources typically have low energy and power density. In the case of solar and eolic energy, output is intermittent and difficult to program. Additionally, higher generating potential is often geographically remote from more intensive consumption areas.

For the hydroelectric segment, the development of new capacity in industrialized Countries is limited by the fact that the natural potential is already widely exploited. As to developing Countries, the announced projects could be opposed because of the substantial impact they would have on the conservation of complex ecosystems. Nuclear energy could provide an important tool to reduce greenhouse emissions in the energy sector. However, nuclear plants involve very long construction times, high costs and considerable authorization issues, while at the same time maintaining significant drawbacks, including the acceptance of new sites by the local communities and the disposal of radioactive waste. Whereas cost constraints can be partly compensated by government policies aimed at funding the development of these sources, technological constraints require substantial investments in research, so as to find the breakthrough solutions that will allow alternative sources to take over a primary role in meeting energy demand.

Solar energy is plentiful and is the most promising long-term option, provided strong research efforts are made to overcome the constraints that currently limit its role in the energy mix.

Transports are today the primary field of use of crude oil, where other fossil or renewable sources seem to be still marginally employed. In the mid term, biofuels could at least partly replace oil products. Their use ensures the absence of certain pollutants, like sulphur and polyaromatic hydrocarbons, although their energy yield is lower. For this opportunity to materialize, technological innovation shall have to find solutions to the limits that hinder the production and use of biofuels. Currently available technologies pose doubts on the Sustainability of the entire production chain, as biofuel cultivations require vast extensions of arable land and large amounts of water and fertilizers.

Moreover, current industrial processes for biomass conversion only use part of the plant, and generate large quantities of by-products for which little valuable use has so far been found. Other considerations concern the potential competition with food products for arable land and raw materials, with unfavourable implications on foodstuff availability and prices.

Second-generation technologies for biofuels may represent an important step forward in overcoming these problems, also thanks to the capacity of converting the whole biomass of biofuels in a efficient and economically sustainable way, without secondary productions difficult to exploit. Among biomasses suitable to these production chains there are fast-growing or highly-productible vegetable species per hectare, or else algae duly selected to produce huge amounts of biodiesel forerunners or alcohols utilizable as gasoline substitutes (e.g. ethanol or butyl alcohol). Another system to use biomasses is the process of transforming organic substances into gas (gasification), to be utilized for the subsequent fuel synthesis (GTL - Gas To Liquids Technology).

Mechanisms based on cooperation between Member States are available to achieve the renewable source objective. Biofuels are viewed as the primary tool to achieve the renewable energy consumption target in the transport sector (10%).

In the United States, President Barack Obama's energy policy aims at ensuring a higher level of energy security to the Country, while assuming a leading role in environmental protection and giving new momentum to the national economy.

These objectives will be achieved by rationalizing consumption styles, improving energy efficiency, and developing renewable sources. In detail, the plan aims at:

- *saving more oil than the US currently imports from the Middle East and Venezuela by the end of the next decade;*
- *registering one million hybrid automobiles by 2015;*
- *producing 10% of the Country's power requirement from renewable sources by 2012 (25% by 2025);*
- *abating greenhouse gas emissions by 80% within 2050 through the introduction of a national emission trading system.*

The US Administration estimates that the new energy policy will allow the creation of 5 million new jobs in the next 10 years, with investments for US\$ 150 billion.

Eni as a player in sustainable development

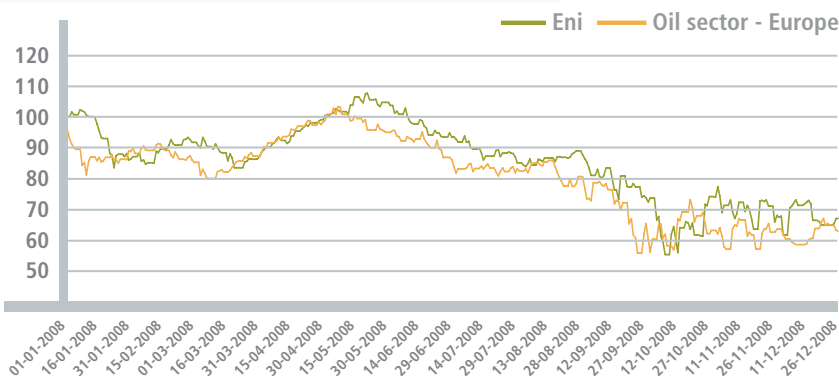
Eni is responding to the dynamics of global change by focusing on two key elements: its capacity to create confidence in the markets and amongst citizens and, at the same time, its intrinsic nature as an integrated energy Company that is capable of operating in a sustainable manner with respect to stakeholders and the overall society. All of this has become possible due to Eni's history and corporate culture and to the strategic policies which currently guide the Company. These policies remain valid even within a context of economic crisis since they are not short-term strategies but respond to the major global challenges through a vision which emphasizes innovation in all its forms: a central position both in terms of industrial and technological processes as well as in relations with producer Countries, local communities, Company personnel, customers, shareholders and overall civil society. The intention and capacity to concretely contribute to sustainable development and to be an active part of the search for innovative solutions has resulted in concrete commitments and actions which affect all of Eni's operations; these actions – as well as the commitments for the upcoming years – are summarized within the summary framework of this section.

CAPITALIZING ON TRUST AND STRENGTHENING OUR IMAGE

>A leadership position within Sustainability indexes

In 2008 Eni has been newly recognized within primary stock market indexes assessing Company Sustainability. It was acknowledged as the international leader for the Oil & Gas supersector in the Dow Jones Sustainability Index World where it had been included in 2007. In addition, its stock has been included in the DJSI STOXX, the index which refers to European companies, and has been re-confirmed in the Ftse4good and Carbon Disclosure Leadership Indexes; these indexes only include four other companies from the Oil & Gas sector in addition to Eni. The evaluation attained by Eni on the part of the financial analysis Company – which independently and in a certified manner, determines the inclusion within the DJSI and gives Eni a position of leadership amongst the global oil

PERFORMANCE OF ENI – EUROPEAN OIL SECTOR



companies – is particularly encouraging as the analysis appears to be balanced in terms of all analyzed dimensions. Eni attained a high score, but not the maximum attainable figure, in each of the ranked areas. On the one hand, this represents a recognition of the Company's capacity to manage its activities in a sustainable manner from all perspectives and, on the other hand, confirms the possibility for Eni to continue on its path of improvement. This is an important result, even in light of the international economic

crisis that has seriously damaged investor confidence given that the fundamental principles guiding investment choices in the past have been seriously questioned. In addition to classical economic and financial parameters, it seems likely that more complex assessments of a Company's health will acquire greater relevance, including the capacity to identify and minimize risk. In 2008 there has been by a high level of uncertainty within stock markets; the latter fell by more than 40% in the last twelve months and even the energy sector was affected significantly, particularly in the second half of the year following the rapid fall of oil prices. Eni's stock price was not immune to the effects of the economic and financial crisis and closed the year with a negative performance of -33%. The fact that Eni is part of the primary Sustainability indexes makes its stock a preferred investment for index funds specialized in socially responsible investments. At the end of 2008 Eni stock was held within the portfolios of 64 European mutual funds specialized in SRIs with a target primarily including retail customers; these funds owned circa 0.1% of the share capital of Eni. If one considers the main European institutional funds (retirement funds, foundations and therefore not only retail SRI's), these investors hold 2.43% of the share capital. The penetration of Eni within this segment is comparable, and in certain cases better, than that of its European peers. The market for this type of funds is still a niche market; they currently manage less than 1% of the overall assets managed by European funds open to the public (Vigeo, Vigeo Study For Eni, March 2009).

>Strengthening our reputation

The economic crisis has generated a general lack of confidence – not only with respect to financial markets but also in terms of relations between public and private institutions and citizens. Eni can count on certain strong elements relating to its reputation which have been consolidated over time and which have developed a well-established “social memory”. One of the most important factors determining the reputation of the Company is its position as one of the major players in the Oil & Gas industry but the smallest amongst the super-major players. This market positioning is, on the one hand, associated with a perception of solidity and on the other hand with a capacity to operate in a more flexible manner with respect to the super-major players. This solidity is confirmed by the portfolio of the Company while the element of “most flexible” is directly derived from its historical tendency and the current strategic policy to create positive relationships, particularly with oil and gas producing countries.

Eni’s reputation is also based on its corporate characteristics, including its strong technical and engineering competencies and its constant investment in innovation. These corporate characteristics are also ascribable to Eni’s staff and management which are recognized for their capacities and effectiveness. Finally, the results of the Company in terms of its commitment to sustainable development – recognized in the last few years by credible parties such as those which included Eni within the Sustainability indexes – have reinforced the confidence of stakeholders in the fact that Sustainability is an actual competitive factor and a distinguishing characteristic of its business model. Eni analyzes its image by monitoring its perception amongst all its stakeholders: media, consumers and customers, shareholders and investors, opinion leaders and citizens (refer to the section, “Living in the world”). By means of this research, it was possible to ascertain that – despite the moment of current crisis – the Company has been maintaining a stable and positive reputation and has a level of “credit” in terms of trust from the public. Citizens expect Eni to be capable of serving as both a reference point as well as an engine for innovation by operating not only as a Company that is sustainable from the energy point of view but also by actively contributing to the proposal of solutions that can improve the quality of life of people, of the Country and of society in general. From this perspective Eni may legitimately promote responsible activities, not only within the Company but also within a broader social environment. The trust capital of Eni is an asset which must not only be maintained but also reinforced; the “New Identity” strategy, indeed, moves exactly in this direction: the evolution of the corporate image reflects the integration of all businesses into a single entity that operates in an integrated manner within multiple sectors but speaks with one voice and one brand. This definitively marks the transition of Eni from an Oil & Gas Company to an energy Company: the Company thereby positions itself as an agent promoting “open energy” which is not only perceived as a form of wealth for the Company but also as an asset to share.

THE NEW IDENTITY PROJECT

The New Identity Project – created in 2006 – features two fundamental strategic lines: maximum disclosure and transparency with respect to stakeholders – both internal and external – and the intention to reach out to the final consumer with not only a service but also an ensemble of consistent values. The project included several work phases. A comparative analysis of the brand management strategies adopted by competitors was initially implemented; subsequently, research on the knowledge and perception of the Company was conducted, involving opinion leaders and consumers. Finally, an internal consulting survey was conducted. The result of the project was the definition of a brand management strategy which led to the creation of a single trademark that could more effectively represent Eni’s new role in the market. The new trademark

BRAND INTEGRATION




graphically depicts the dynamism, closeness and openness. It maintains the elements which have characterized Eni, including the six-legged dog, the yellow square and the threaded lettering, but also incorporates new innovative elements. The six-legged dog is not outside of the square and moves, facing towards a new corporate reality.

The writing is original, cut at the bottom and all lowercase letters, in order to highlight the closeness and partnership relationship which the Company intends to establish with stakeholders. The logo becomes – for the first time – interactive and can be subdivided. The brand evolution during a period of crisis for the global market intends to send a message of energy and confidence, thereby confirming the expectations of those who believe that the Company is capable of orientating change.

RELATIONS WITH PRODUCER COUNTRIES

Eni's distinguishing characteristic has always been its capacity to engage in preferential dialogue with producer Countries by establishing lasting partnerships that not only incorporate the Company's objectives but also the legitimate need for producer Countries to meet their own energy requirements and reach elevated standards of socio-economic development.

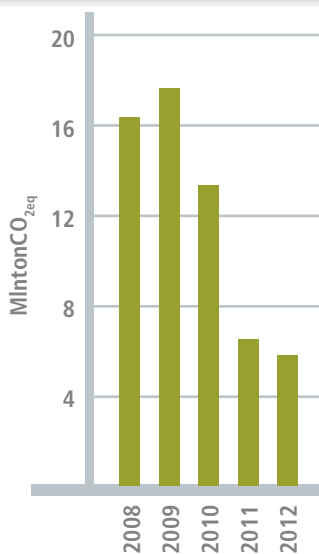
The current model of cooperation has reached a level of development which allows for the implementation of integrated projects across the whole oil and gas supply chain including activities for electrical generation and renewable energy sources. Eni provides technical cooperation for development, making its managerial skills and technical competencies and its wealth of contacts available to the countries. A central role is ascribed to the technologies which Eni utilizes for the enhancement of mineral resources; this is implemented through the improved recovery of oil from fully utilized oilfields, the optimal utilization of natural gas, the exploitation of unconventional resources and the total transformation of crude oil into high-quality fuels. This allows producer Countries to preserve part of their mineral resources for future generations. Eni's strategic objectives include future development of relations aimed at defining forms of cooperation between producer Countries and consumers which must be increasingly based on a balanced allocation of risks and opportunities, with the objective of contributing towards stabilizing oil prices. Contractual initiatives of this type could guarantee stable demand for producers and increased security of energy supplies for consumers. In 2008 strategic cooperation agreements were stipulated in Congo, Angola, Gabon and the Russian Federation. The section "Living in the world" is dedicated to the cooperation model established with producer Countries. 

COMBATING CLIMATE CHANGE AND ENERGY EFFICIENCY

>Strategies to combat climate change

The international debate on policies for mitigating climate change has continued with the aim of reaching a post-Kyoto international agreement; this agreement is expected to be implemented in December 2009 in Copenhagen. In the meantime, the EU has already approved an energy policy for 2020 is to reduce greenhouse gas emissions by 20% compared to 1990. Within this context, the strategy for combating climate change developed by Eni has already allowed for the attainment of significant results in the past years, particularly with regards to the efficiency of processes for the transformation of oil products (refining, petrochemicals, electrical generation) thanks to the technologies adopted and the carbon density of the fuels utilized. Eni's strong presence within the gas market and the simultaneous production of high-performance fuels also mark Eni as a Company which promotes the utilization of efficient energy products amongst its customers.

GHG EMISSIONS FROM FLARING



*The increase expected in 2009 is due to the higher production in Congo.

This commitment has been recognized, two years ago, by the Company's inclusion into the Carbon Disclosure Project Leadership Index which only includes the five best companies in the world in the Oil & Gas sector. The Carbon Management strategy for the next years confirms and strengthens this commitment on the part of Eni:

- defining a reduction target for Exploration Production, the activity sector with the greatest impact on greenhouse gas emissions;
- continuing to constantly improve the efficiency of its industrial plants;
- consolidating its commitment to R&D of new technological options (such as geological underground confinement, biofixation of CO₂) and renewal energy sources (refer to the third part of the chapter);
- promoting energy savings behaviours amongst consumers (refer to the section, "Living in the world").

More specifically the Exploration & Production sector, Eni has continued its reduction of gas flaring by developing projects, including projects for which it promotes the recognition as Clean Development Mechanism (CDM). The gas associated with oil is generally burned (flared) in developing countries, particularly within the African continent, thereby resulting in large amounts of greenhouse gases emitted into the atmosphere.

The recovery of associated gas with oil in these Countries requires the construction of costly infrastructures such as new gas pipelines, highly efficient electrical plants and gas liquefaction facilities; this would contribute to the economic development of the producer Countries while simultaneously reducing impacts on the global climate change. Current projects for the reduction of gas flaring serve the objective of reducing gas flaring emissions by 70% within 2012 compared to 2007: these emissions are one third of the overall GHG emissions of Eni. The reduction of energy consumption at production plants is a positive process which has been continuing for many years and has allowed for the gradual reduction in energy consumption at "historical" plants (such as petrochemical facilities and refineries) as well as the completion of new efficient combined cycles within the electrical sector (this is expected in 2012). The detailed performance results are specified in the section "Sustainability in Corporate Behaviour".

>Promoting responsible behaviours

Combating climate change is an objective which requires a global commitment and concerns companies, public organizations and citizens. Eni is not only an important player in developing sustainable energy strategies in Italy and in the world but also performs its role by proposing itself as a catalyst for a new energy culture, capable of triggering a process for spreading responsible behaviours that operate autonomously and gain momentum. Even in this case relationships are of primary importance as they allow for the creation of alliances with other companies and public and private institutions in order to reach common objectives. Eni's 30PERCENTO social communication campaign – inaugurated in May 2007 and of multiyear duration – has confirmed Eni's capacity to implement a fundamental role in promoting responsible principles and behaviours, not only within the traditional realm of corporate operations but also with respect to citizens.

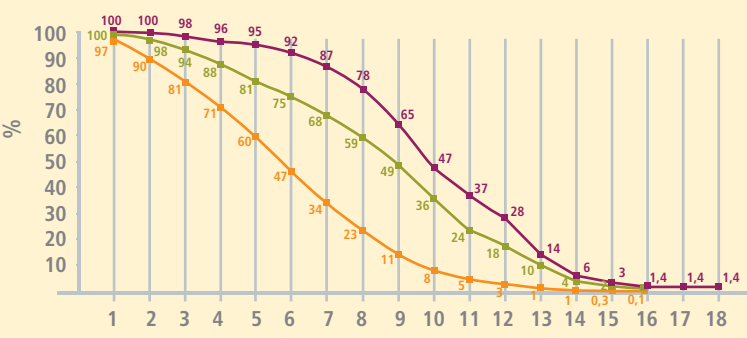


THE ROLE OF NATURAL GAS AND THE SECURITY OF SUPPLIES

Currently circa one quarter of the primary energy requirements in Europe are met by natural gas, and the demand for this sources will grow, even if within the limits enforced by the current international crisis. Of all hydrocarbons, natural gas is the product with the lowest degree of polluting emissions and the lowest amount of carbon. Eni is endowed with an unquestionable level of credibility in this sector amongst all European players and its function within the European market clearly emerged during the so-called "Ukrainian crisis" of the past winter when Eni was called upon to act as a mediator in the complex negotiations between the EU, Russia and Ukraine. The reasons for this achievement can be traced back to the history of the Company: Enrico Mattei was,

THE RESULTS OF THE "30PERCENTO" CAMPAIGN

THE 30PERCENTO CAMPAIGN: AN EXAMPLE OF AN INFORMATIONAL CAMPAIGN AND TRAINING



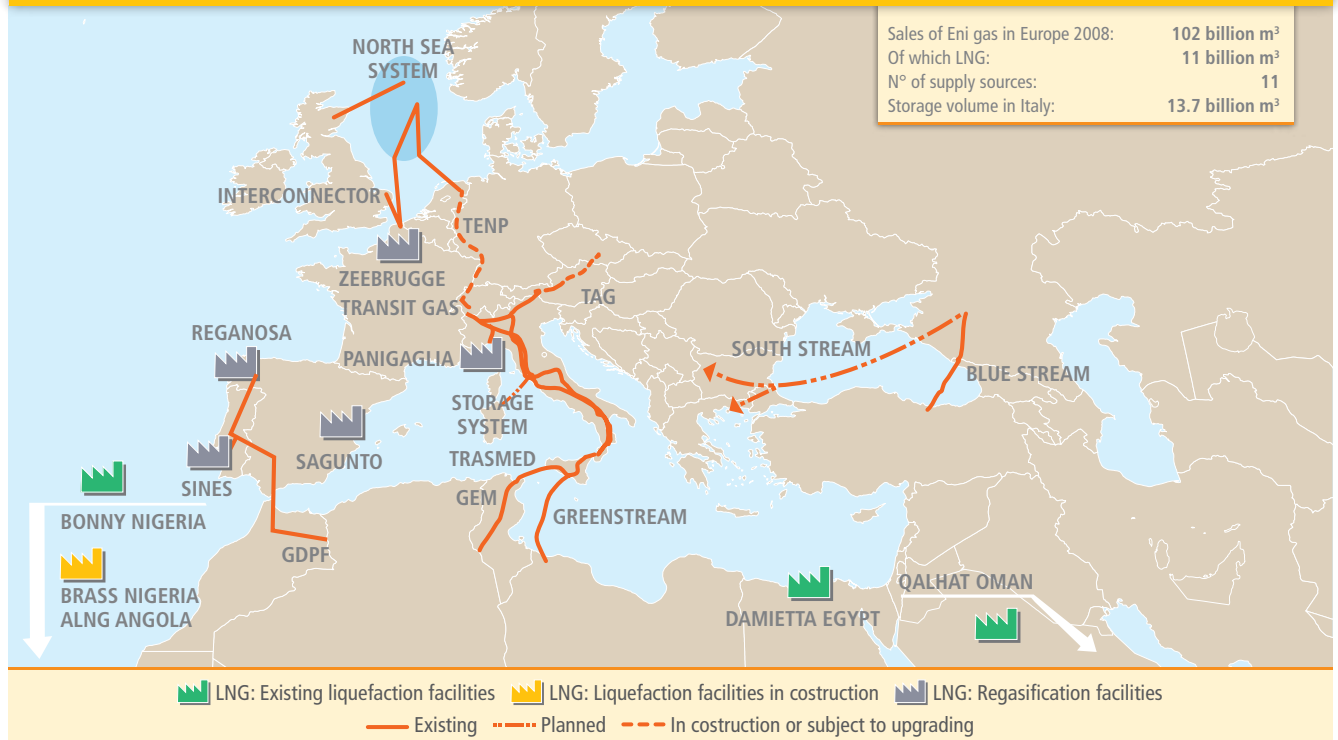
The x-axis depicts the number of energy efficiency recommendations. At the beginning of the campaign, 23 out of 100 families followed at least eight of these while in January 2008 this figure increased to 59 out of 100 (almost 80% for the panel "managed" by the Company).

The results attained after one year from the launching date of the Eni "30Percento" campaign are extremely favourable. According to polls by Eurisko, an increasing number of families have declared to be applying the 24 recommendations – forming the heart of the Campaign – over the last few months. For example, before the start of the campaign only 23 of the sample families declared to be following eight out of the 24 recommendations while in January 2008 this figure had increased to 59 and in September had reached 78. The recommendations which were less known before the campaign – such as those relative to tire pressure – had particularly high application rates (+300%). The sampled families declared that – when applying the recommendations – they obtained significant levels of savings. One family out of four followed at least 13 of the 24 recommendations with savings of more than one thousand Euro per year. Another important result was the capacity to "aggregate" more than ten companies and

trademarks – from a variety of industrial sectors, ranging from financial services to large-scale consumer products – within the project; these companies adopted the Campaign, thereby allowing the target population to be larger than that attainable by Eni alone and multiplying benefits for citizens.

indeed, among the first individuals to “bet on natural gas”, developing production on a national level and laying the foundation for the birth of the European natural gas market when few Countries of the world were utilizing this natural resource. Due to this strategic choice, Eni has guaranteed the Country with the national production of a supply of energy that has a low level of carbon; at the end of the 1950’s, indeed, Italy had a gas transmission network of 6,000 km, the highest in the world in proportion to territorial surface and population. Ever since that period, Eni has contributed to the energy security of the Country by meeting the growing national demand through the construction of important infrastructures for importing gas from Algeria, northern Europe, Russia and Libya while also stipulating important long-term importing contracts. Eni is currently ranking first amongst international Company for natural gas sales within the European continent and, in 2008, reinforced its leadership position even through the acquisition of a majority shareholding in Distrigaz, a Belgium Company which primarily operates within the markets of central/northern Europe, as well as a shareholding in Altergaz, a gas marketing Company in France. The objective to pursue activities for expanding natural gas sales in Europe is in line with the strategy for consolidating the Company’s leadership position in terms of sales in the continent and allows for the optimization of operating margins and the management of natural gas volumes for portfolio purposes. The Company also contributes to the security of gas supplies for Europe by means of a very broad range of strategic agreements with the government-owned companies of the leading producer Countries. In particular, Eni has stipulated an important partnership with Gazprom, the primary supplier of natural gas for Europe; this partnership is strengthened by a strategic agreement signed in 2006. From the infrastructure perspective over the 2009-2012 four-year period, the Company has planned investments totaling 7.7 billion Euros in order to maintain and develop its transmission and distribution capacities through pipelines as well as for storage in Italy and the rest of Europe. With regard to the development of international transmission capacity, the reinforcement of the TAG, TTPC and Greenstream gas pipelines will be completed; these pipelines transmit Russian, Algerian and Libyan gas to Italy, respectively. Within the LNG sector, the Company plans to be able to sustain a liquefaction capacity of circa 20 billion cubic meters and a regasification capacity of more than 23 billion cubic meters by 2015. The primary liquefaction projects will be implemented in Nigeria, Egypt, Libya and Angola.

ENI GAS INFRASTRUCTURES IN EUROPE AND THE EVOLUTION OF LNG GAS EQUITY




THE PROTECTION OF HUMAN RIGHTS AND ECOSYSTEMS

A large multinational Company which operates within complex geopolitical environments has a sphere of influence that is much broader with respect to that created by its direct influence and may thereby contribute towards promoting responsible behaviours on the part of other social parties with which it cooperates. Eni has adopted a proactive approach for the protection of human rights as well as of ecosystems and biodiversity. As a matter of fact, these are two themes which Eni, as an integrated energy

Company, has considered vital for its commitment to sustainable development. These two areas currently require innovations with regard to both the adoption of a more integrated approach in terms of Company strategies as well as in terms of the acquisition of operational tools to reach Company objectives.

>Human Rights protection and promotion

Abstaining from committing violations of human rights within its sphere of influence (in the strict sense of the word) and equipping itself with tools for externally and independently verifying the actual application of its principles is the prerequisite underlying the commitment of the Company with respect to the protection and promotion of human rights. An active and attentive approach is also adopted in order to prevent the risk of complicity in violations committed by third parties in combination with the intention to promote human rights as a fundamental theme for sustainable development while strengthening the involvement of public institutions and the business community in this area. In 2008 a variety of initiatives and specific risk analyses were implemented with the common objective of ensuring that all operational realms of Eni – ranging from daily operations to long-term strategies (for information on the protection of human rights within security and supply activities, refer to the chapters “Governance and Sustainability” and “Relationships with customers, consumers and suppliers”) – are in compliance with the principles contained within the guidelines on human rights that were adopted in 2007. The importance ascribed to human rights by Eni and the Company’s intention to follow a precise commitment is also demonstrated by the fact that the CEO, Paolo Scaroni, has adhered to the initiative promoted by the High Commissioner for Human Rights as well as by the Global Impact document drafted at the time of the sixtieth anniversary of the universal declaration of human rights, 10 December 2008. The text drafted by the CEO of ENI, indeed, declares the following: “At the time of the sixtieth anniversary of the universal declaration of human rights, we – the leaders of companies of all parts of the world invite the governments to fully meet their obligations on the subject of human rights, reaffirming our commitment to respecting and promoting the human rights within our sphere of influence. Human rights are universal and are an important element for all companies throughout the world”. 

>The protection of ecosystems and biodiversity

Ecological equilibrium and the preservation of the functions fulfilled by the ecosystems are central elements of sustainable development and high-value resources for companies. As of 2002, Eni has promoted and implemented projects for the study and protection of biodiversity by collaborating with international stakeholders such as Fauna and Flora International as well as the participation of local entities during the implementation of these initiatives. The current objective of Eni is to renew the competencies and tools which are utilized for the purposes of achieving a more systemic use within its cooperation and development model and to promote integrated strategies for responsibly facing the complexity of the territorial systems in which it operates. For this purpose, Eni started the “Biodiversity Project” with the objective of developing strategies, methods and tools which were suitable for managing elements linked to the protection of ecosystems and biodiversity. The general strategy which will be developed aims at identifying risks associated with the dependence of the various ecosystem “services” of reference as well as the impact of operational activities on the latter while also identifying new opportunities for creating value for the territory. Refer to the section, “Living in the world”.

HUMAN RIGHTS COMPLIANCE ASSESSMENT

In 2008 Eni initiated a risk analysis on human rights, beginning with an assessment on compliance with international standards through the HRCA. The methodology was created in order to help companies in understanding their responsibilities with regards to human rights in relation to all areas of business while defining the sphere of influence within which they are called upon to protect human rights. This methodology – applied by means of a self-assessment conducted by independent experts – allows for the identification of behaviours and decisions which could affect the respect of human rights in all areas of activity, thereby becoming an opportunity for training participants and determining potential areas of weakness or critical elements. In 2008 Eni began utilizing the Human Rights Compliance Assessment methodology by implementing two pilot experiences within its subsidiaries in Nigeria NAOC, NAE and AENR and Kazakhstan and within the KPO facilities in Aksai. Testing the HRCA methodology in two such differing areas has allowed us to observe how the theme is perceived on the basis of changes in culture, regulatory frameworks and the operational elements of the business while, at the same time, resulting in the identification of many common traits characterizing the corporate culture of Eni. Within both countries, circa thirty managers belonging to the departments of Procurement, Health, Safety and Environment, Human Resources, Security, Legal Affairs and Relations discussed – with the support of external specialist teams – challenges, issues and attained results. The partner selected for implementing this initiative was the Danish Institute for Human Rights, an influential global institution which promotes the Business Human Rights Project (HRBP), currently one of the most significant projects in the world for human rights research and support for companies. In 2009, further analyses in other business areas will be conducted.

SUSTAINABILITY: COMMITMENTS, RESULTS AND OBJECTIVES

GOVERNANCE AND SUSTAINABILITY

SEE SECTION "SUSTAINABILITY IN CORPORATE BEHAVIOUR"

Commitments	2008 Results	Objectives for 2009-2012
Maintaining and strengthening a governance system which is capable of managing the complex operational environments of Eni and the challenges of sustainable development	<ul style="list-style-type: none"> ■ Creation of a team for the promotion of a Code of Ethics, approval of the plan for promoting the Code, 2008 pro-quota activities carried out ■ Approval of Eni SpA new Model 231 and start-up of its extension to subsidiaries in Italy and abroad ■ Creation of a training plan for the new Board of Directors and Statutory Auditors 	<ul style="list-style-type: none"> ■ Implementation of methods to involve minority shareholders ■ Continuation of training activities for members of the Board of Directors and the Board of Statutory Auditors

PEOPLE

SEE SECTION "SUSTAINABILITY IN CORPORATE BEHAVIOUR"

Commitments	2008 Results	Objectives for 2009-2012
Guaranteeing the safety of all Eni human resources and of local communities	<ul style="list-style-type: none"> ■ Reduction of employee injury severity (-22.7%) and frequency (-25.3%) due to the excellent performance within the G&P sector (-29.1%) and the Petrochemical sector (-31.2%) ■ Reduction of injuries due to employees road accidents from 94 in 2007 to 34 in 2008 ■ OHSAS 18001 certification of 11 out of 16 Polimeri plants, of 40% of foreign subsidiaries within the E&P sector, of 4 operating companies and the Business Unit Onshore of the E&C sector ■ Within the "Leadership and Safety program" of the E&P sector, more than 180 workshops were offered to approximately 3,000 people 	<ul style="list-style-type: none"> ■ Completion of an OHSAS 18001 certification plan for all Divisions, Polimeri Europa, EniPower, Eniservizi and Syndial ■ Continuation of the "Asset Integrity", "Process Safety" and "Leadership in Safety" projects within the E&P, R&M and E&C sectors in order to assess and minimize risks and achieve a further reduction in injury rates
Guaranteeing and promoting the health of all Eni human resources	<ul style="list-style-type: none"> ■ In all Countries in which the E&P sector operates, the healthcare management development program has been started ■ Healthcare protocol for cardiac monitoring carried out in remote areas and in extreme work conditions, launch of cardiovascular monitoring campaign in the E&C sector ■ Achievement of regular activities on the website "Healthcare promotion" 	<ul style="list-style-type: none"> ■ Promotion of know-how and best practices in relation to healthcare ■ Definition of reference standards for workplace medicine and industrial hygiene for risk assessment and control. Extension of the healthcare management system to E&P foreign subsidiaries completed
Creating a corporate culture of collaboration and participation in the Company's objectives, also through the improvement of organizational welfare	<ul style="list-style-type: none"> ■ Corporate culture analysis response plan: <ul style="list-style-type: none"> □ definition of a number of initiatives supporting leadership □ increase of internal communication initiatives □ development of initiatives envisaged by the Welfare Project □ approval of a support plan for parents 	<ul style="list-style-type: none"> ■ Continuation of programs following the corporate climate analysis: □ Development and training of leadership skills □ Internal communication initiatives □ Continuation of action plan for human resources welfare (Eni nursery, time & money saving and mobility management initiatives, parenting support)
Attracting, managing and motivating human resources at the national and international level by implementing consistent professional growth paths and developing the potential of Company staff while valuing their diversity	<ul style="list-style-type: none"> ■ Extension of the Knowledge owner Project ■ Implementation of the Youth Project ■ Launch of the Global Grading System and of Total Reward Package ■ Extension and integration at the international level of tools for the assessment, management and development of human resources and launch of programs promoting the integration of individuals working in Italy and abroad ■ Definition and utilization of international recruitment tools as well as of recruiting hubs and training aimed at hiring staff in the Countries of operations 	<ul style="list-style-type: none"> ■ Consolidation and extension: <ul style="list-style-type: none"> □ of the knowledge management tools to other business areas □ of the Global Grading System and Total Reward Package Projects ■ Development of the activities of the Youth Observatory and investment for youth turnover and training ■ Continuation of initiatives for human resources internationalization ■ Continuation of the recruiting, training and developing plan for human resources in the Countries of operation

CLIMATE CHANGE AND ENERGY EFFICIENCY

SEE SECTION "THE FUTURE OF ENERGY" AND "SUSTAINABILITY IN CORPORATE BEHAVIOUR"

Commitments	2008 Results	Objectives for 2009-2012
Contributing to achieve the objectives set by the Kyoto Protocol and pursuing a policy aimed at the reduction of CO ₂ emissions at the global level	<ul style="list-style-type: none"> ■ Reduction of GHG emissions by 7.6% ■ Elimination of gas flaring in the assets in Russia and the Congo ■ Start-up of the flaring down projects in Algeria, Tunisia (phase 1 of the Gaz du Sud project completed, project completion forecasted for 2011) and Libya (operational as of 2010); continuation of the activities in the Congo (re-powering of the Djeno power plant completed) and Nigeria (plants operational as of 2011) ■ Completion of the combined co-generative cycles of the Ferrara thermoelectric plant (12 out of 13 completed) ■ Further reduction of energy consumption in refining activities of 31 Ktoe in 2008, 33.6 Ktoe considering the Milazzo refinery ■ Reduction of gas emission by 3% in the Italian gas network ■ Implementation of a pilot project concerning Castoro Sei (E&C Saipem Fleet) for the monitoring emission 	<ul style="list-style-type: none"> ■ Reduction of flared gas, up to 70% in 2012 over 2007 emissions (forecasted investment: more than 1.26 billion Euros) ■ Continuation of energy saving plan in the refining sector (53 operations equal to a CO₂ emissions reduction of 270 Kton/y (forecasted investment: 30.2 billion Euros) and in the petrochemical sector (17 operations equal to a CO₂ emissions reduction of 83 Kton/y) ■ Completion of the turbogas power plants (forecasted investment: 2.5 billion Euros); and maintenance of the performance index below 390 gCO₂/Kwhq ■ Implementation of efficiency and sustainable mobility initiatives at the Italian headquarters ■ Development of the LNG business in order to achieve sales of 14.5 billion cubic meters in 2012

TECHNOLOGICAL INNOVATION AND RENEWABLE SOURCES

SEE SECTION "THE FUTURE OF ENERGY" AND "SUSTAINABILITY IN CORPORATE BEHAVIOUR"

Commitments	2008 Results	Objectives for 2009-2012
Developing technologies for increasing the availability of hydrocarbons, maximizing the utilization of existing reserves while protecting the environment and safety. Contributing to reducing climate change by investing in innovative technologies such as emerging solar technologies and biofuels. Constantly anticipating regulations, the evolution in the quality of fuels and motorization as well as customer needs through the production of high-quality fuels with low environmental impact	<ul style="list-style-type: none"> ■ 96 patent applications filed (+43% over 2007) ■ Development of CSEM and 4dMGG advanced exploration technologies developed, successful completion of the first ever seismic campaign on floating ice ■ Completion of the experimental engineering activities of the proprietary GTL (gas to liquid) technology; implementation on a pilot plant of the first test in the world for the transmission of high-pressure natural gas (TAP) ■ Industrial testing for the implementation of a ULDPE (ultra low density polyethylene) product for automotive applications has been conducted with a positive outcome ■ The Front-End Engineering Design for an industrial unit of 250 thousand tons/year of Green Diesel fuel produced from soy and/or palm oil has been completed ■ Launch of the five-year program, "Solar Frontiers Research Program" in collaboration with MIT for research in solar energy ■ A strategic cooperation agreement was stipulated between Enel and Eni for the joint development of CO₂ geological confinement technologies and the creation of the first Italian pilot project ■ A collaboration agreement with the FIAT research center for the testing of new fuel formulations - was signed ■ First edition of the "Eni Award" ■ Development and installation of a prototype for energy recovery from tides in the E&P sector 	<ul style="list-style-type: none"> ■ Development of new technologies for the utilization of solar energy and the use of organic compost for photovoltaic cells, the production of biofuels from biomass, completion of the Basic Design Package for a Biodiesel pilot plant from micro-algae ■ Development of new processes/products in the field of styrenic and elastomeric polymers aimed at the reduction of plant energy intensity ■ Development of experimental carbon sequestration as well as CO₂ transportation activities also through pipelines ■ Development of Enhanced Oil Recovery (EOR) projects utilizing CO₂ and steam ■ Construction of the first industrial plant with 23,000 b/d based on EST technologies at the Refinery of Sannazzaro de' Burgundi ■ Continuation of research in solar energy and Oil & Gas issues in partnership with the Massachusetts Institute of Technology of Boston ■ Extension of the Eni videoconference system continued

THE ENVIRONMENT		SEE SECTION "SUSTAINABILITY IN CORPORATE BEHAVIOUR"
Commitments	2008 Results	Objectives for 2009-2012
Improving the efficacy of management, control and reporting systems	<ul style="list-style-type: none"> ■ ISO 14001 Certification 66% completed for E&P companies and for 3 additional Saipem operating companies ■ EMAS registration completed for 4 of the 5 owned refineries (Gela refinery has a suspended EMAS registration and is awaiting authorization from the Regional Environmental Agency) as well as for 50% of electrical plants ■ Completion of the testing phase of the PRTR environmental IT system 	<ul style="list-style-type: none"> ■ Expansion to foreign subsidiaries and completion for all petrochemical sites of ISO 14001 certifications, EMAS coverage within 2010 for all power plants ■ Completion of an environmental IT system centralized within PRTR sites
Reducing the local environmental impact of operations by improving environmental performances and implementing resource recovery and reuse	<ul style="list-style-type: none"> ■ Implementation of the Waste Management Plan in 73% of the 15 identified E&P subsidiaries ■ Re-injection projects in an advanced state of completion in Egypt, Libya, Pakistan, Nigeria and Indonesia. Completion of water-reuse projects in the refining sector and start-up of similar plants in the petrochemical and reclamation sectors ■ Continuation of the testing phase for VeLoNox burners in the thermoelectric sector ■ Completion of reclamation in an industrial area of 20 hectares in Cengio (Italy) ■ Reduction of SO2 emissions by 9% 	<ul style="list-style-type: none"> ■ Circa 20% reduction of Nox emissions and circa 30% reduction of Sox by 2012 ■ Completion of water injection projects in Libya, Egypt, Pakistan, Indonesia and Nigeria for an overall reduction of discharge of 14 million cubic meters at full capacity in 2009 ■ 20% reduction of fresh water consumption by 2012 ■ Continuation of environmental reclamation commitment for the 63 sites of national interest, in compliance with authorities ■ Completion of the Waste Management Plan in the E&P subsidiaries in 2009
HUMAN RIGHTS		SEE SECTION "THE FUTURE OF ENERGY"
Commitments	2008 Results	Objectives for 2009-2012
Implementing a system for assessing the risk of human rights violations in Countries at risk	<ul style="list-style-type: none"> ■ Implementation of risk analyses with respect to human rights: assessment of the internal regulatory system compliance with international human rights standards and implementation of two field tests in two operational Countries through the Human Rights Compliance Assessment methodology ■ Launch of a training path on Human Rights for employees of Security departments 	<ul style="list-style-type: none"> ■ Additional HRCAs in foreign subsidiaries, starting from Countries with the greatest risk of violations and implementation of corrective actions ■ Integration of Human Rights protection issues within the Social Impact Assessment and Risk Assessment methodologies (Saipem) ■ Clarification of Human Rights protection issues included in the security contracts and start of adjustment of the Security System to the Voluntary Principles on Security and Human Rights
TERRITORY AND COMMUNITY		SEE SECTION "LIVING IN THE WORLD"
Commitments	2008 Results	Objectives for 2009-2012
Defining a territorial cooperation and development model which includes the effectiveness measure of community and business investments	<ul style="list-style-type: none"> ■ Four MoUs were signed which include actions for cooperation in the development of Angola, the Republic of the Congo, the Russian Federation and Gabon ■ Approval of a Best Practice for Community Investment in Countries with E&P operations; community investments amounted to 69.88 million Euros ■ Health Impact assessment (HIA) carried out in the Congo, Saudi Arabia, Libya and Mali, HIA continued in Kazakhstan and Pakistan; Social Impact Assessment (SIA) conducted in Indonesia, Australia, Kazakhstan; Environmental and Social Impact Assessment (ESIA) in the Congo, Kazakhstan and Indonesia ■ Participation in the EITI Mediterranean Roundtable, promotion of the EITI in the Congo, Timor Leste and Gabon, publication of payments in Kazakhstan and Nigeria 	<ul style="list-style-type: none"> ■ Application and further development of the Cooperation Model within Italian operational environments and in at least five critical foreign areas by 2012; identification of tools which allow to assess the effectiveness and efficiency of expenditures for the territory ■ Further extension of impact assessment tools (ESIA, SIA, HIA)
Contributing to local development through community investments and projects	<ul style="list-style-type: none"> ■ Initiatives for the development of local procurement and for the quality of suppliers in Australia (performance indicators), India, Libya, Pakistan, Timor Leste (clauses in the supply contracts) ■ Micro-credit and local empowerment actions implemented in Australia, Nigeria, Pakistan 	<ul style="list-style-type: none"> ■ Implementation of projects for the development of local socio-economic production chains through the strengthening of local procurement, micro-credit and local empowerment initiatives
Ecosystem protection and biodiversity conservation	<ul style="list-style-type: none"> ■ Launch of a project for the definition of policies and strategies on biodiversity through the adoption of an eco-systemic approach and an inter-department consultation on biodiversity policies ■ Start-up of phase 2 of the AgriBiodiversity Project in Val D'Agri ■ Continuation of the biodiversity study projects in Kazakhstan (4), Ecuador (1), Norway (2), and the USA (1) ■ In the E&B sector, it was possible to launch new projects in areas sensitive to biodiversity, concerning onshore and offshore activities, ensuring compliance with the highest standards of environmental protection thanks to specific biodiversity monitoring and protection projects 	<ul style="list-style-type: none"> ■ Definition of policies and strategies on biodiversity and ecosystem protection in collaboration with reference stakeholders at the international level ■ Mapping of production sites with respect to the interaction of operations with biodiversity sensitive areas by 2012 ■ Start of three more research projects in three countries ■ Adherence to the UNEP-WCMC "Proteus" initiative for the mapping of ecologically sensitive areas
CUSTOMERS AND CONSUMERS		SEE SECTION "LIVING IN THE WORLD"
Commitments	2008 Results	Objectives for 2009-2012
Improving two-way communications with customers and consumers, also through the promotion of sustainable behaviours	<ul style="list-style-type: none"> ■ Implementation of the conciliation protocol with Consumers' Associations ■ R&M: training activities (Training Van) for the improvement of the service provided to the customers and distribution of professional guides for service stations managers ■ R&M: three "Mystery Motorist" investigations in order to monitor compliance with customer quality standards ■ G&P: customer satisfaction index higher than competitors ■ Continuation of the Eni "30PERCENTO" campaign and final reporting on energy saving promotional campaign 	<ul style="list-style-type: none"> ■ Implementation of projects for assessing customer satisfaction ■ "Green" offers for customers ■ Further construction of multienergy stations
SUPPLIERS		SEE SECTION "LIVING IN THE WORLD"
Commitments	2008 Results	Objectives for 2009-2012
Improving of processes for supplier monitoring and management	<ul style="list-style-type: none"> ■ Opening of dedicated structures in two emerging markets for suppliers' knowledge and qualifications 	<ul style="list-style-type: none"> ■ New activations of structured supplier management systems in critical areas and/or emerging countries ■ Encouragement of awareness on Sustainability issues for employees involved in supply processes and in the management of contracts
<p>OBJECTIVES PLANNED for 2008: ■ PARTIALLY REACHED - the result indicated is a part of the objective planned for 2008 ■ REACHED ■ RESULTS BEYOND OBJECTIVE - the result indicated is higher than the objective planned for 2008</p>		

Innovation for sustainable energy

Being one of the world's greatest energy companies also means acting responsibly to make sure the future generations have sustainable energy. This entails investing in new ways to meet the world's increasingly pressing demand for energy. The solutions adopted must address vital global and local issues, such as the need to discover and sustainably use all available energy resources, fight climate change, secure supplies, identify innovative and efficient products and processes, acquire the ability to transform energy resources into real social and economic development for the producer Countries.

Investing in sustainable energy means starting to build a long-term future where alternative sources will also replace fossil energy production. In order to build this future, research is the only way to make the use of renewable energies feasible both financially and technically. Eni has chosen to invest in research on solar energy and biofuels, which – for different reasons – are viewed as the energies of the future, along with the sustainable use of other available resources.

R&D activities are subdivided into two programs: the development of key core business technologies and the search for new technological solutions in the area of renewable energy sources.

The first group includes, for example, technologies for mining a greater amount of crude oil contained in a field, or for the total conversion of crude oil into high-performance low environmental impact fuels.

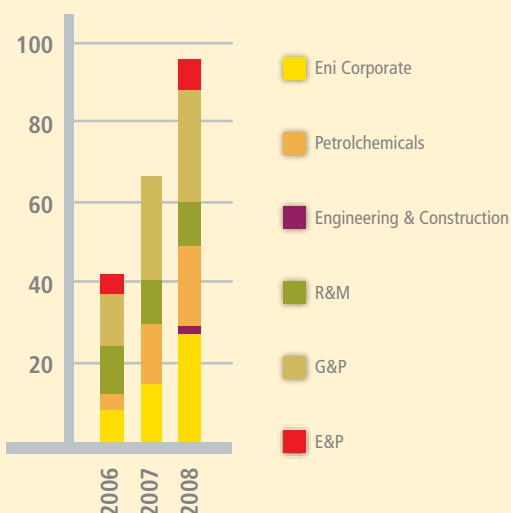
The second group includes a program called "Along with Petroleum" (AWP), a systematic approach to research and technological development of renewable sources and environmental protection.

The goal of AWP is to develop technologies that will enable the sustainable, large-scale use of solar energy and the production of biomasses on a large scale in addition to achieving superior results in the combined use of fossil and renewable sources in the Countries where the Company operates. The primary constraints which renewable resources must overcome are limited productive capacity, elevated costs and a low degree of efficiency in production processes, thereby resulting in the doubtful environmental and economic Sustainability of currently available production systems. The AWP program projects have the objective of overcoming these obstacles with regard to the use of solar energy and the production of biofuels; these two groups have been identified as those with the greatest degree of future potential.

ENI RESEARCH: STRATEGIES AND RESULTS

To enhance the effectiveness and efficiency of its technological innovation activities, Eni has strengthened its research and technological innovation policy, organizing it into the following four lines of action:

FIRST PATENT APPLICATION FILINGS



- distribution of the research and technological development programs among three centers: the Centre for Non-conventional Energies in Novara, the Oil & Gas Centre in S. Donato Milanese, and the Environmental Studies Centre in Monterotondo (Rome); research and development of technologies for the use of solar energy and the production of biofuels are conducted at the first two centers;
- development of a system of strategic alliances and scientific collaborations. Eni is developing a system of strategic alliances with Universities, Centres and primary companies engaged in research in the energy sector or in related areas, of internationally recognized excellence and equipped with a unitary structure for external relations. In 2008 Eni signed an important research partnership with the Massachusetts Institute of Technology of Boston, which focuses on the development of innovative energies in the solar sector; the five-year alliance includes a total financial commitment of US\$ 50 million. Master agreements signed in the same year with the Polytechnical Institutes of Milan and Turin will be the framework for numerous collaborations, ongoing or about to be set up with these Universities;
- adding value to the intellectual property generated by research and development activities. Intellectual property is among Eni's most valued assets. In 2008 the Company filed 96 patent applications, 43% more than in

ADDING VALUE TO DIFFICULT RESOURCES

The most important mining fields in the world are managed mainly by the national oil companies of the respective producer Countries. Under the pressure of limited access to the reservoirs, international companies strive on the one hand to open new mining frontiers, even in very difficult areas, and on the other to make the most of available hydrocarbon resources. In these areas, it is vitally important to have distinctive technologies and key skills, and to adopt sustainable engineering and operating solutions designed to minimize the unfavourable effects of operational activities on the environment by protecting biodiversity, reducing visual impact and emissions in the air, containing waste and confining any hazardous substances.

Today, and even more in a mid- to long-term perspective, exploration and production initiatives in "difficult" areas are an essential element in oil companies' development strategies. The Company operates numerous upstream projects in arctic areas (Alaska, Norway, Russia) and in deep and ultradeep waters (e.g. Angola, Brazil, Gulf of Mexico and India), often characterized by a complex geology, as well as in mining fields with high sulphur content and high pressure and temperature (Caspian Sea).

Additionally, Eni is starting the development of ultra-heavy crude oils in Venezuela, opening up a new development frontier for bituminous sands in the Congo which will allow for the forecasting and prevention of environmental accidents. The increase in production registered in 2008, and even more the growth expected in the next 4 years, will also be the outcome of the technology and engineering solutions adopted.

As part of the effort to optimize hydrocarbon resources, an important tool is the improvement of oil recovery techniques in already discovered fields now in a phase of advanced drilling maturity. With current technologies, an average of only one third of the oil originally existing in a reservoir can be actually drilled. An improvement, however small, of our oil recovery capabilities would allow us to expand the stock in existing fields. In this respect, one of Eni's objectives is the large-scale application of collaborative recovery technologies and the development of innovative Enhanced Oil Recovery (EOR) techniques.

A growing percentage of oil supply is obtained from heavy oil and non-conventional oil reservoirs. Optimizing the use of these types of crude oil requires advanced technology processes. For this purpose, Eni has developed the proprietary EST (Eni Slurry Technology) technology process. As regards gas transmission, in addition to the infrastructure described in the previous section, Eni is investing in technologies for the exploitation of "marginal gas" and "non-conventional gas" fields (approximately 15% of proven reserves) which cannot be put to valuable use with current transmission technologies because of their small size or distance from end markets. When associated with oil production, these resources are burnt in the atmosphere (gas flaring), with significant impacts on the environment.

Possible technological options currently under study or development include: high pressure pipeline transmission (TAP), transport in liquid (LNG) or compressed form (CNG), in-collar transformation into other energy vectors such as electric power and hydrogen, and conversion into liquid products (GTL). In addition to expanding its LNG portfolio and increasing the use of gas also in

2007. Specifically, the Company filed: 27 patent applications for drilling and completion technologies, geology/geophysics/oil fields, mid- and downstream engineering; 2 for gas transmission technologies; 20 for biofuels, catalysts, and refining and environmental process technologies; 8 for solar and biomass energy; 11 for petrochemical technologies;

■ *promotion and support of scientific research. As part of this objective, in 2007 the Company created the Eni Award for scientific research in the area of sustainable energy. Encouraged by the success obtained in the first year (2008), the 2009 awards have been expanded, both in a number of recognitions (a third award, "New Frontiers in Hydrocarbons", has been added to the two existing: "Alternative and Non-conventional Energies" and "Environmental Protection") and in monetary amount. The number of competitors for the 2009 award (490 from all over the world, 124% or more than double from last year) and the outstanding scientific value of the projects submitted prove the success of the initiative and its appreciation by the scientific community. The Award relies on a consolidated and prestigious network of energy and environment researchers, and aims at gathering the best research projects and the most prominent international scientists in this field, with the ambition to become a sort of "Nobel Prize for Energy".*

In 2008 Eni invested 217 million Euros, after administration and general expenses in Research & Development (208 million Euros in 2007, approximately 50% of which went into Exploration & Production research), with 1,098 people working full-time in R&D activities at the end of 2008. Over the next four years Eni plans to invest a total of approximately € 1.1 billion in the "Blue Sky" fund, created to finance research on high-risk, highly innovative technologies for industrial application in the mid- to long term; 96 million Euros have been allocated in the four year period. In 2005-2007 the percentage of Eni's revenues devoted to research and development is in line with the best performers in the O&G industry (with the additional exception of fine chemicals and pharmaceutical companies, whose innovation efforts are considerably greater than those in the energy sector). For additional details on the technologies developed and the results achieved, see Eni's "2007-2008 Technology Report".

developing Countries through the construction of power plants and electroducts, Eni is studying the adoption of technological solutions to connect markets and production areas located at more than 3,000 km from each other, transmitting gas volumes for a total for about 20-30 billion cubic meters per year. The High-Pressure Transport project (Trasporto Alta Pressione – TAP) has developed a technology that allows such transmission through the use of high and very high grade steel able to withstand levels of operating pressure in the pipes that are double those normally possible. The pipes used require significantly lower thicknesses and smaller diameters than current industry standards: the next stages of project development will include testing to verify whether the technology can be extended to environments with extreme weather conditions.

COMMITMENT TO IMPROVING REFINING PROCESSES AND PRODUCTS

For capacity and complexity of its refining plants Eni is the #1 oil Company in the Mediterranean area, and is further strengthening its leadership. To this end, Eni is improving its ability to add value to “difficult” crude oils and to manufacture and sell increasingly cleaner oil products. Using its proprietary EST process, Eni is able to perform the full conversion of heavy and extra-heavy oils into high-quality, minimum environmental impact distillates (free of sulphur and heavy metals) with zero residue output (fuel oil and coke). Minimized fuel oil production will allow Eni to respond in advance to a “zero fuel oil” scenario. This product is already largely replaced by other energy sources for thermoelectric and industrial uses, and in the long term it is also expected to become superseded in maritime transport, as a result of the recent international regulations issued by the International Maritime Organization (IMO). Cutting-edge refining technology and strong commitment in research have allowed the Company to achieve leadership in the production of eco-compatible and technologically advanced fuels and lubricants. In particular, in 2008 the sales of “Blu” products (BluSuper and BluDiesel Tech) reached 660,000 tons, or approximately 8% of the total Eni network sales in Italy. These fuels help to improve vehicle engine efficiency and to reduce polluting emissions significantly. Research is currently in progress to develop new, low-environmental impact diesel oils (lower particle emissions) and innovative technologies for the generation of hydrogen, used to obtain high-quality, less polluting fuels. Lastly, Eni is enhancing its distribution network for environmentally friendly fuels, like LPG and methane, and is planning to install photovoltaic panels to generate “clean” energy in 76 filling stations (see the section “Living in the world”).

GEOLOGICAL CONFINEMENT OF CO₂

In the appropriate conditions, the geological confinement of carbon dioxide (CO₂) may contribute significantly to reduce its emissions in the air. This technology involves separating carbon dioxide from combustion fumes issuing, for example, from large thermoelectric plants, transmitting it to the site selected for geological confinement, injecting it underground, and monitoring CO₂ evolution. This process is called CCS (Carbon dioxide Capture and Storage). In October 2008 Enel and Eni signed a strategic cooperation agreement for the joint development of CCS technologies. The two companies decided to join forces in order to accelerate the implementation in field operations of the entire technology package required for the capture, transfer and confinement of carbon dioxide. The first Italian pilot project will be completed under this program. Enel will be responsible for the processes required to separate CO₂ from the combustion fumes of the Brindisi thermoelectric plant, while Eni will focus on technologies for underground injection and monitoring at the Cortemaggiore (Piacenza) field. In the Brindisi site, the two companies will also set up a pilot line to study the transmission of dense CO₂. Downstream of these pilot-scale activities, Eni and Enel will conduct a feasibility study for the completion of a large integrated project for the confinement of CO₂ generated by a coal-powered plant owned by Enel. A joint study will also be carried out to determine the domestic CO₂ storage potential. This project will allow Eni to develop expertise along the entire technological process for CO₂ capture, transmission and storage; this expertise can then be applied to large-scale demonstrative projects strongly encouraged by the European Commission. Concomitantly with the signing of the strategic agreement, Eni, Enel and the Italian Ministry for the Environment signed a Protocol of Understanding for the testing and widespread application of CO₂ capture technique and for the promotion of renewable energy sources. Underground CO₂ injection can also be employed to increase the recovery rate of crude oil from reservoirs. Eni has started research for the adoption of an Enhanced Oil Recovery (EOR) technique with CO₂ injection to increase the rate of recovery of heavy oils from Eni operated fields. Carbon dioxide could be recovered from industrial facilities in proximity of the fields, so that CO₂ capture, transmission, EOR and storage could be carried out at a single integrated industrial complex. In the most favourable cases, preliminary estimates indicate the possibility of doubling oil output.

RESEARCH ON RENEWABLE ENERGY SOURCES

>Solar energy

Solar energy can be exploited either through the direct conversion of the sun's rays into electricity (photovoltaic solar energy) or into thermal power by heating a fluid using appropriately oriented mirrors (thermal solar power). The heat generated through this process is converted into electricity in steam powered turbines (Concentrated Solar Power – CSP) or employed for civil uses (low-temperature thermal solar energy).

Current technological limits to the use of solar energy include low capture efficiency, variable intensity and non-correspondence between areas with high irradiation (e.g. deserts) and with high energy consumption levels. Eni is committed to finding solutions to these problems, and has also entered into numerous partnerships with the most prestigious research institutions worldwide. Among these, one that is particularly worthy of mentioning for breadth of objectives and program duration is the strategic alliance with the Massachusetts Institute of Technology (MIT) of Boston, Mass. The core part of the agreement includes the "Solar Frontiers Research Program" for the development of advanced solar technologies, in which Eni will invest 25 million dollars over five years. In detail, Eni's goal is to replace silicon, which is the basic material used to make current solar cells, by organic materials with significantly lower costs than silicon and conversion efficiency levels that could become comparable in the long run. In the area of concentrated solar power Eni is testing solutions based on breakthrough innovations in terms of fluids used for energy accumulation and transfer, as well as materials used to make the mirrors that concentrate sunlight. Research projects are also underway to integrate efficiently the use of solar and fossil sources for the production of a wide range of products (electricity, heat and desalted water): an example of this technology is found in the hybrid systems consisting of a CSP system and a combined cycle gas turbine (CCGT). These systems are the ideal choice for Countries with high levels of solar irradiation and natural gas reserves to be exploited locally. In addition to the partnership with MIT, all activities in the area of solar energy development are carried out at Eni's Donegani Research Centre for Non-conventional Energies in Novara.

>Biofuels and biomasses

Eni's research and development are devoted to the production of high-performance biofuels, such as biodiesel obtained from bio-oil hydrogenation and isomerization, with a higher cetane number than traditional diesel oil; another objective of our research is to develop technologies for the production of second-generation biofuels, able to convert all the biomass into energy products. Lastly, Eni is developing a carbon dioxide biofixation and biomass production process based on the use of microorganisms. Tests are well underway at the Gela Refinery with a process that uses microalgae for the biological fixation of carbon dioxide generated by the refinery's power plant, the purification of civil or industrial waste water, and the production of biomasses to be converted into biodiesel through a proprietary process. Eni also participates in the development of analysis models for second-generation bio-ethanol production systems as part of the EU's NILE project (New Improved Lignocellulosic Ethanol). Other research efforts are directed at finding solutions to specific problems of the environments where it operates: one example of this is the feasibility study for the production of renewable energy using an infesting plant found in the Niger Delta. Research and development on the use of biomasses are conducted mainly at the Novara Research Centre for Non-conventional Energies, and are supported by an extensive network of Universities, international research centers and automotive companies (refer to the Table on partnerships with Universities and research centers in the section "Living in the world").

Sustainability in **Corporate** Behaviour

SUSTAINABILITY 08

“ Employees must come to work knowing it is a secure place: the Company must offer them a strong value system, provide instruments to help them understand world events, demonstrate to have a clear vision and ensure that everybody has an indispensable role in the reaching of the Company's goals. ”





Governance and Sustainability

Eni's Sustainability management model became fully operational in 2008. This implies that the Sustainability planning, monitoring and control processes have completed a fully integrated cycle within the Company's management system. Areas of improvement on the matter of Sustainability have been defined taking into account the stakeholders' requirements and the analysis of Eni's performance. Priority intervention areas, objectives and action plans – which make up the section dedicated to the Sustainability of Eni's strategic plan for the 2009-2012 four-year period – were then identified within these areas subject to improvement. The projects that reflect the needs of intervention in these areas have or will be shared during the implementation phase with the Company's stakeholders and reported through this Sustainability Report and other communication tools. Regular operations have allowed all Company departments to be involved in designing and implementing the Sustainability objectives. It was thereby ensured that they are taken on board, verified and approved by the Company's top management. This process has further highlighted the importance of the premises on which the Sustainability Model is based: the proper and systematic integration of the needs of all significant stakeholders within the Company's governance systems, starting with its founding charter, the Code of Ethics and an excellent Corporate Governance system, with a high level of awareness on the part of the Company's senior decision-makers, the members of the Board of Directors, who also define the strategies for sustainable development. Due to these basic elements, the Sustainability Model is able to meet the objectives for which it has been adopted:

to assure the creation of value for all Eni's stakeholders by means of correct Company management while contributing to business risk control and enhancing Eni's reputation with its stakeholders.

The capacity to effectively and continuously oversee stakeholder relationships is a lever that is crucial for ensuring the creation of sustainable value. Eni has established an organizational structure which identifies, for each of the key stakeholders, a single key contact point within the corporate functions. The departments responsible for interfacing with the various stakeholders therefore benefit from the technical and operating expertise available in the different business areas.

THE SYSTEM OF STAKEHOLDER RELATIONS	
Corporate function/department	Relations with:
Public Affairs and Communication Department	<ul style="list-style-type: none"> ■ international, national and local institutions; ■ public bodies operating in Italy and abroad; ■ national, Community and international consumer associations; ■ organizations and networks engaged with Sustainability; ■ information and media.
CFO	<ul style="list-style-type: none"> ■ institutional investors; ■ socially responsible investors; ■ financial analysts; ■ key Sustainability rating agencies for the financial markets.
Chief Corporate Operations Officer (CCOO)	<ul style="list-style-type: none"> ■ Eni's people; ■ trade union organizations; ■ suppliers.

The Sustainability Unit, which operates within the Public Affairs and Communication Department, connects with all stakeholders as regards their proposals and expectations about

THE SUSTAINABILITY MODEL

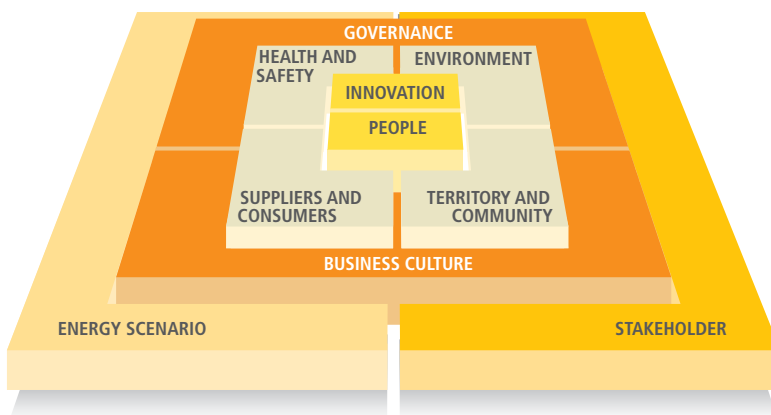
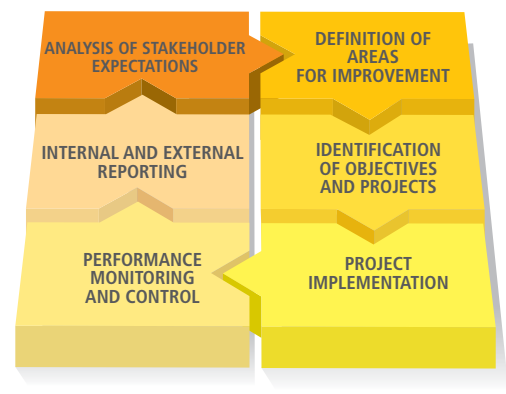



DIAGRAM OF SUSTAINABILITY PROCESS



sustainable development matters.

More specifically, as well as working closely with all offices within the Department to which it belongs, it shares with the CFO area and Corporate Operations Officer, which coordinates the Personnel Management and Organization Department and the Procurement Department, management of the expectations of the socially responsible investors and rating agencies, as well as people within the Company, trade union organizations and suppliers.

The main stakeholders engagement activities in 2008 are described in the section "Living in the world". 


Eni's values: the Code of Ethics

The new Code of Ethics, which came into force in March 2008, reiterates the general principles that guide the work of the Company and all the people who belong to it: respect for laws, transparency, honesty, propriety and good faith. It places at the forefront the pursuit of sustainable development objectives, including the Company's responsibility vis-a-vis the territories in which it operates as well as the safeguarding of third generation rights and the defense and promotion of Human Rights. These general principles are embodied in a conduct which must underpin the relationship with the different stakeholders. The commitment to create value for shareholders must be pursued by adopting the principles of fairness toward the market. Mention is made of the main rules of Corporate Governance, the conduct to be adopted regarding corporate reporting and relations with the media, based on transparency and propriety, but also timeliness and accuracy.

The obligation to actively cooperate with public institutions

in order to pursue objectives of collective interest has been introduced and the commitment to develop local communities has been reaffirmed; this has also been implemented by supporting non-profit activities. The Company's commitments toward customers and consumers are reconfirmed.

The Company's people are central because they perform a dual role. They are the ones who implement the principles and conduct contained in the Code in their everyday action, but they also enjoy special rights guaranteed by the Company: the right to be valued for their diversity within a safe, respectful and collaborative working environment. The adoption of the principles is assured by the internal control system and the role of Guarantor of the Code of Ethics is entrusted to a collegial body, the Supervisory Body, established by Model 231.

This innovative choice allows the different forms of control to be integrated, thereby placing the Code of Ethics at the very center of Eni's entire compliance model. In order to ensure the independence of those appointed to perform the assurance function, the chairman of the Supervisory Body and two of its members are represented by independent people external to Eni. Another distinguishing feature of Eni's Code of Ethics is that the Code does not only cover the Company's staff and its directors, but also all those involved in the supply chain which create Company value. A Code of Ethics Promotion Team has therefore been set up so that the Code of Ethics can fully perform its function of promoting responsible conduct. The task of the Team is, on the one hand, to disseminate the Code's contents whilst, on the other hand, collecting proposals from all the stakeholders so that ongoing improvements can take place.  As far as distribution and training on the Code of Ethics

BREAKDOWN OF ADDED VALUE 2008

The added value, namely the wealth generated by Eni from its operations and distributed to the various stakeholders, in 2008 amounted to 24,534 million Euros, the equivalent of 23% of revenues.



BUSINESS SYSTEM

4,548

is 19% of the added value and accounts for the portion of net profit reinvested



STATES AND PUBLIC ADMINISTRATIONS

9,692

accounts for 40% of the added value and includes income taxes



HUMAN RESOURCES

4,291

accounts for 17% of added value and includes wages, salaries and social security charges



FINANCIERS

993

accounts for 4% of the added value and includes interest paid for credit capital funding



SHAREHOLDERS

5,010

accounts for 20% of the added value and represents the dividends distributed

is concerned, the document has been translated into German, French, Portuguese, Spanish, Russian, Hungarian, Rumanian, Polish, Arabic, Greek, Dutch, Slovak, Slovenian, Turkish and Czech, as well as Italian and English, in order to ensure maximum distribution throughout the international environment in which Eni operates.

A comprehensive distribution process has therefore been organized, supported by internal communication initiatives and a training scheme designed to reach every organizational level of the Company, from the Board of Directors to new young recruits, through differentiated actions using interactive tools as well as dedicated presentations and integration in the Company's institutional training courses.

The Code of Ethics Promotion Team has then initiated a consultation process with the Company's internal and external stakeholders. In addition to Eni personnel, Consumer Associations, institutional and socially responsible investors, a representative sample of suppliers, vendors and franchisees have been involved. Finally, Eni has asked for critical comments on the document from various non-governmental organizations, including environmental associations and others committed to the protection of human rights, organizations engaged in studying and researching business ethics and socially responsible investment management (see the table "The Relations with stakeholders on Sustainability themes" in the section "Living in the World"). The set of evaluations received from all the different types of stakeholders will be submitted to the Code's Supervisory Body and top management within the first few months of 2009 for consideration and inclusion in the Code.

Corporate Governance

Eni's Corporate Governance is founded on a system of rules in line with the highest standards defined by the market and regulatory bodies.

The highest decision-making body is the Board of Directors which, whilst entrusting the Company's administration to the Chief Executive Officer, has retained a central role in managing matters of utmost importance, including the Sustainability strategies. Three committees operate within the Board of Directors: the Internal Control Committee, the Compensation Committee and the Oil and Gas Energy Committee.

The Company's Board of Directors and Board of Statutory Auditors were both renewed in 2008. In line with the Code of Ethics, Eni has drawn up a training plan, the Board Induction scheme, which is aimed both at the new directors and the new members of the Board of Statutory Auditors, although other members of the two Boards have also been invited to take part. The project started on June 30th 2008 and consisted in a series

of sessions dedicated to examining a range of topics, illustrated in the table below. The training modules have been run by the Company's top management with the participation of external speakers.

Special sessions have been dedicated to the members of the Board of Director's Committees. In addition to the Induction program, provision is made for all directors to be involved in regular training initiatives and ongoing training programs. The Company believes that its shareholders should not only be aware of the system of values and assurances underpinning its governance, but that they should be actively involved. In other words, not only does Eni undertake to protect their rights, it helps exercise them, communicating comprehensible and accessible information and encouraging participation in Company activities. The idea of presenting to the shareholders such a complex Company as Eni in a simple and intelligible manner forms the basis of a Project aimed at the retail shareholders, the so-called "small shareholders", who will be involved in initiatives dedicated specifically to them. This means that the shareholders will also be able to provide the Company with useful feedback for developing greater Company awareness of the needs of the respective minority shareholders.

MEMBERS OF THE BOARD OF DIRECTORS 2008	
	2008
Members of the Board of Directors	9
Independent	7
<i>Non-executive</i>	8
<i>Minority members</i>	3
Annual Meetings	19
Annual Board Induction sessions	6

SHAREHOLDER BREAKDOWN ON THE BASIS OF NOMINAL RECALLS OF THE RECEIVERS OF ENI DIVIDEND AT YEAR-END 2008		
	Shares	%
Block shareholders	1,213,731,615	30
Institutional and professional investors	2,127,144,080	53
Retail investors	230,750,591	6
Own shares at the dividend date	360,801,934	9
Other (shares for which nominal recalls were not received)	72,930,656	2
Share capital	4,005,358,876	100

INDUCTION BOARD TOPICS

The role and prerogatives of the Board of Directors
The market and reference sector
<ul style="list-style-type: none"> ■ Energy and the energy sector ■ The international context and the competitors ■ The financial market
Eni's characteristics and structure
<ul style="list-style-type: none"> ■ The organization ■ The Company's different businesses
Company management
<ul style="list-style-type: none"> ■ Eni's management ■ Risks ■ Planning and investments ■ The system of controls ■ The remuneration system
Ethics, Sustainability and technological innovation

> **Whistleblowing**

In compliance with the provisions of the Sarbanes-Oxley Act and through a set of internal regulations, Eni handles all direct and indirect reports of issues, even if in confidential or anonymous form, that are received by the Company and by the subsidiaries. It is thus guaranteed that all reports of issues related to internal control, corporate guidelines, Company administrative responsibility, fraud or other types of concerns, sent by Company's employees, by members of the Company's administrative bodies or by third parties, are received, analysed and addressed. The results of the assessments carried out on the reported cases are communicated to the top management and submitted to the appropriate control and governance bodies. The people who report issues of concern in good faith are guaranteed full confidentiality. The number of reports received through the activated communication channels is a confirmation of the wide use of this procedure.

Business risk management

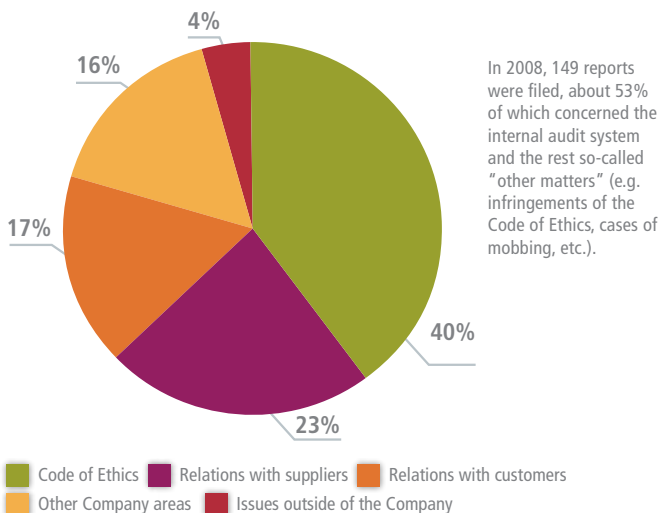
Every action carried out by a Company is intrinsically related to the existence of risk factors. A solid business reputation, whereby the image communicated to the stakeholders is a true reflection of the Company's identity, is the basic factor contributing to risk management (see the section "Eni and the Future of Energy"). In general, the internal audit system is made up of a number of people working all together but each with a specific task. More specifically, the Board of Directors defines – once the proposals of the Internal Control Committee have been examined – the guidelines of the Internal Audit System, to ensure identification, measurement, administration and monitoring of the Company and its Subsidiaries.

The aim of the economic and financial risk management system, which includes the dedicated Guidelines and a risk management function, is to identify, monitor and actively manage all the risk aspects listed in the table on the next page. In addition to the risks managed through the internal audit system, Eni has adopted particularly important measures as regards the "security risk". The security Risk Assessment activity is based on the following steps:

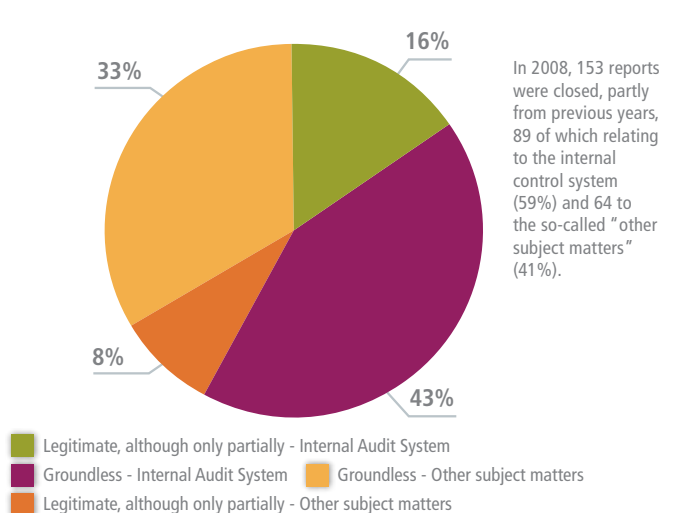
- identification of the potential hazards and threats to which the Country and area where Eni operates is exposed;
- definition and quantification of the hypothetical risk scenarios that could affect the Company directly or indirectly;
- formulation of the most suitable countermeasures for assuring adequate management and control of the so-called "manageable" risks.

The Country risk and the risk for the Company's specific areas of interest are assessed on the basis of general information on the Country, statistical data and analysis of specific political and

REPORTS THE INTERNAL AUDIT DEPT. FILED BY AREA 2008



REPORTS CLOSED BY INVESTIGATION RESULTS 2008



security phenomena. At the same time the appraisal process assesses risks concerning primarily domestic and international terrorism, common or organized crime and security related to travel and internal movements. The whole risk assessment process is designed to obtain certification from an independent agency. In addition to initiating this extensive risk analysis process for sites and offices, action has been taken for suppliers to add a clause relative to respect for human rights and other principles contained in Eni's Code of Ethics within any undersigned contracts. Particular attention has been paid to minimizing the impact on the environment in which Eni operates. Decisions – in terms of active and passive means of protection – are taken so as to ensure a proper and balanced relationship with the local situation: more specifically, a study has been

started on the use of non-contaminating materials intended for use in high-sensitivity areas, such as deserts. In addition, during the year the Company actively engaged in the study and development of an internal body of regulations for preventing and resolving any negligent or culpable activity that could cause direct or indirect harm to Eni's people or the Company's tangible and intangible resources. Accordingly, the "Security Regulations Code", containing the principles and general provisions regulating the main situations of interest and offering a general guide to Security activities, was issued in 2008, together with other guides for specific risks.

The Code applies to Eni and all its direct and indirect subsidiaries, in Italy and abroad.

TYPE	DESCRIPTION	OBJECTIVES AND ACTIONS
Market risks		
Exchange risk Interest rate risk	Exposure to the risk of exchange rate variations is the result of the Company trading in currencies other than the euro. Interest rate fluctuations impact on the market value of the Company's financial assets and liabilities and net financial expense.	Minimizing risk managing exposure within the limits set by the Treasury Structures.
Commodity price risk	The Company results are influenced by raw materials and sold products price variations.	Optimizing of the "core" activities in pursuing production margin stability objectives and managing exposure within Treasury Structures limits.
Credit risk		
Trading counter-party risk	The risk that obligations assumed by a counterparty within the context of trading relationships will not be discharged.	Optimizing of the risk profile managing the Business Units credit process and defining the risk quantification and control methods.
Financial counter-party risk	The risk that obligations assumed by a counterparty within the context of commercial relationships will not be discharged.	Optimizing of the risk profile in pursuing operating objectives, by defining the limits of maximum reliance with the counterparty, according to the rating.
Liquidity risk		
	The risk that, due to the impossibility to find new funds or to liquidate activities on the market, the Company cannot face its payment commitments.	Establishing a financial structure that, consistent with business objectives, guarantees an adequate level of liquidity while maintaining a balance in terms of duration and settlement of the debt.
Risks relating to operating activities		
Country risk	Risk related to the economic-political instability of the Countries where Eni operates and to the instability of local regulations which may create uncertainties on the protection of the rights of the Company.	Periodic monitoring of the risks of political, social and economic nature in the Countries where the Company invests or intends to invest in the future and their integration into the financial-economic assessment of investments.
Operation risk	Risk of non-compliance with regulations directed to the protection of environment, health and safety.	Implementation of a HSE management system to ensure the safety and well-being of people and communities as well as the protection of the environment. Activation of the Eni Crisis Unit for the management of operating emergencies.
Specific risks of the activity	Risk related to the probability of successful exploration activities, and influence on the volatility of oil prices and of other goods and services based on the projects' profitability.	Minimizing exploration costs through the use of instruments of the highest technological level and planning investments under the most cautious scenarios of the energy market.

Litigation

Eni is a party in civil and administrative proceedings and in legal action linked to its normal business operations. More specifically, the proceedings involve environmental matters, investigations of the Italian judiciary and actions of the European Commission and the Italian Anti-Trust Authority (Autorita Garante della Concorrenza e del Mercato – AGCM), the electricity and gas Authority and other regulatory authorities. The tables indicate current litigation regarding environmental issues and

proceedings relating to Antitrust and Regulation matters, as well as litigation proceedings which were concluded in 2008. See the explanatory notes to Eni's 2008 Consolidated Financial Statements for a complete list of litigation proceedings, which also include other judicial and arbitration proceedings, tax litigation and investigations currently being conducted by the judges. In 2008 three litigations that involved Eni SpA, Syndial SpA and Agip KCO NV were closed.

MAIN ENVIRONMENTAL LITIGATIONS DURING 2008

Criminal litigation

Eni SpA

Investigations on the subsidence phenomenon attributable to mining operations in the Ravenna and Northern Adriatic areas.

Investigations into the alleged damage caused by emissions from the Gela plant (2002).

Investigations into the alleged negligent fire in the Gela Refinery (2002).

Investigations to check the quality of underground waters in the Gela Refinery area (2002).

Investigations into a fire that took place in 2006.

Eni Power SpA

Investigation into unauthorized waste management (2004).

Investigation in relation to atmospheric emissions.

Civil and administrative litigation

Syndial SpA

Contamination caused by the Mantua plant activity (1992).

Summons to appear before the Venice Courts for damage to the Lagoon caused by the Porto Marghera plants(2002).

Action for compensation for damages caused by the industrial activity within the Crotone local area (2003).

Writ of summons for compensation for damages for pollution on the Lake Maggiore (2003).

Application for the state of the Avenza site locations to be restored and compensation for damages (1984).

Ministry of Environment (2005) - Rada di Augusta.

INTERVENTIONS OF THE EUROPEAN COMMISSION, ITALIAN ANTI-TRUST AUTHORITY, ELECTRICITY AND GAS AUTHORITY AND OTHER REGULATORY AUTHORITIES

Antitrust

Eni SpA.

Abuse of Snam's dominant position registered by the Italian Anti-Trust Authority (AGCM) (1999).

Investigation ordered by the European Commission to verify any participation in agreements or agreed practices, which restrict competition, in the paraffin sector (2005).

Investigations of the European Commission into operators in the natural gas sector (2005).

TTPC (2006).

Polimeri Europa SpA. and Syndial SpA

Investigations into possible changes in antitrust regulations regarding the elastomer sector (2002).

Regulation

Toscana Energia Clienti SpA

Writ served by Toscana Energia Clienti SpA on Diddi srl for interpretation of AEEG Resolution 229/01.

Distribudora de Gas Cuyana SA

Infringement proceedings started by the national gas sector Regulation Authority in Argentina (2004).

People

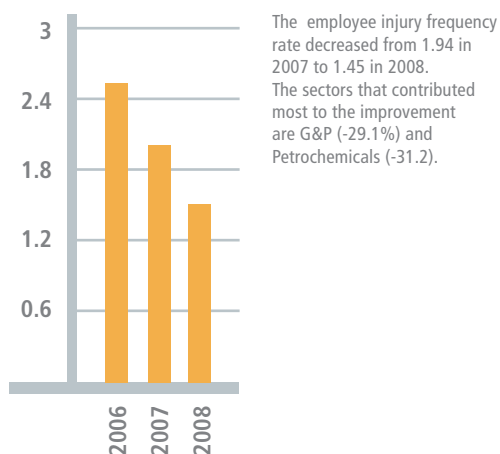
Safety

Eni devotes a huge commitment and resources to protecting the safety of its people, the communities in which it operates and the production sites. In 2008 this commitment led to a favourable performance with an improvement of almost all the safety indicators. The result is due, in particular, to the activities planned in 2008: further dissemination of the safety culture, new methods of analyzing and reducing process risks, interventions in critical sectors (road accidents and contractor staff). The employee injury frequency rate fell by 25.3%. The improvement in performance involved all business areas, except for the Exploration & Production sector, which felt the impact of the acquisition of companies requiring a period of transition to bring them up to Eni's safety standards and in line with Eni's management systems. The injury rate in the Exploration & Production sector is, however, in line with the performance of its international peers. The severity rate fell by 22.7%. The E&P sector also contributed to this improvement. Against significant improvements in employee rates, the injury rates for contractors are up slightly compared to 2007. Unfortunately, in 2008 17 fatalities occurred, involving 5 employees (2 in 2007) and 12 contractors (15 in 2007). While this figure is part of a consistently downward trend for contractors, the figure for employees has risen for the first time since 2003. The reason is a serious accident involving the Saipem 7000 semi-sub during the laying of the sealine between Algeria and Spain.

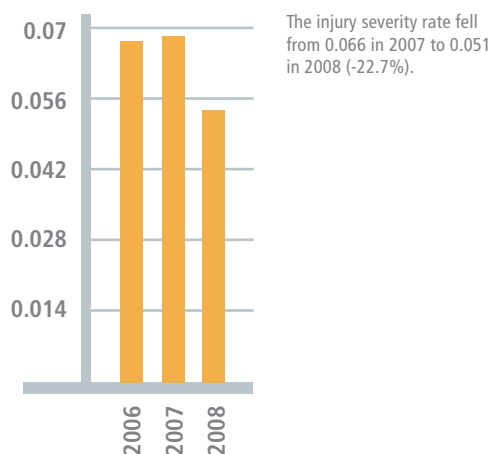
>The accident on board Saipem 7000

On 17 September 2008, on board the vessel Saipem 7000, Saipem suffered the most tragic accident in its history during operations to lay the Medgaz gasline in international waters. A fault with the IT system regulating pipe handling in the J-Lay tower caused the release of two pipes, which at that moment were restrained in two different areas of the tower. The first pipe slid inside the tower, without causing any particular damage, the second, however, smashed down onto a walkway, causing the death of four people and the injury of another four. An analysis of the accident, carried out immediately after the event and in the days thereafter, showed that it was caused both by a malfunctioning in the control software, which, when restarted, caused the pipe sections to be released, and by the presence – prohibited by safety procedures – of people on the platform underneath the pipe elevator. Immediate measures were put in place to remove the software instructions that caused the pipe to release as well as introduce additional electromechanical and acoustic protections in the handling operations and remind personnel of the prohibition to be in the risk areas during handling operations. The actions were supported by management which, after intervening directly on board Saipem 7000, sent a message to all personnel which – in addition to expressing regret for the severity of the accident that had occurred – confirmed, with even greater vigor, that the "Leadership in Safety" project

EMPLOYEE INJURY FREQUENCY RATE*



EMPLOYEE INJURY SEVERITY RATE*



*The rate does not include in itinere injuries.

would continue in order to disseminate a safety culture for personnel employed in Engineering & Construction.

>A culture of safety

In addition to training, which increased by 8.4% in 2008 in terms of attendance (Eni Consolidato, KPO and Agip KCO), work continued on spreading the safety culture with new internal communication projects also targeted at contractors of all business units. The year saw work on the Leadership in Safety Project reach its peak in the Engineering & Construction sector. Finally, the incentive schemes and trophies for encouraging safety-conscious conduct have continued.

>Reduction in road accidents

2008 registered a sharp fall in road accidents involving employees, which are one of the major causes of workplace accidents in Italy and abroad: 55 in 2006, 94 in 2007 and 34 in 2008.

This result, which is the best ever, has been attained by intensifying prevention policies regarding vehicle use. In Italy work has continued for gradually renewing the vehicle fleet with more modern and intrinsically safe vehicles, combined with an increase both in training, through safe driving courses, and the monitoring frequency of heavy-duty vehicles. Monitoring started abroad, particularly in Countries outside the European Union, of the implementation of the Safety technical

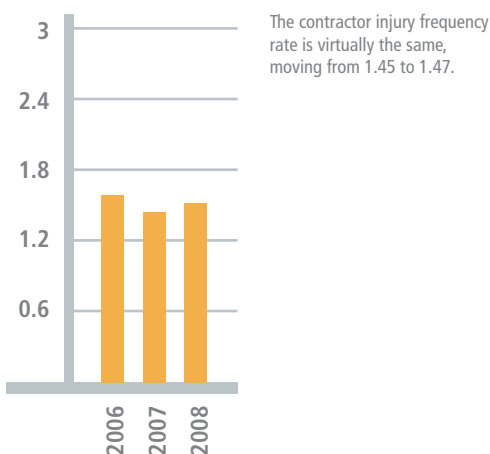
guidelines on vehicle driving in non EU Countries issued by Eni Corporate in 2006. In particular, vehicle speed control devices were installed on all vehicles in Algeria and in Kazakhstan various Road Safety Awareness Training actions were initiated at KCO, with the involvement of contractors as well.

>Contractor safety

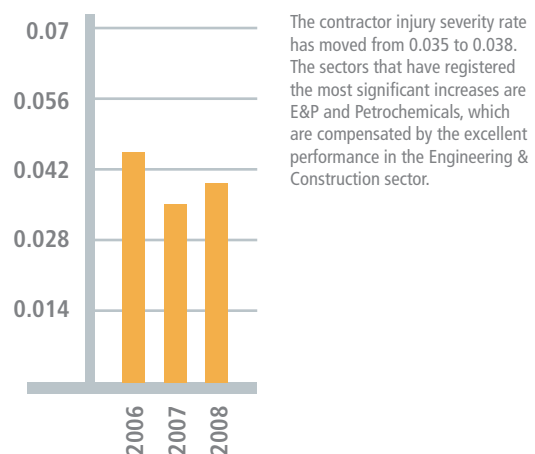
Plans were developed in 2008 to increase the stringency of the safety checks on contractors, particularly when operating abroad.

New processes have been implemented in Italy to monitor contractor performance in the gas sector. In the E&P and Engineering & Construction sectors work has started on monitoring accidents on foreign sites and raising awareness of the operational management. Finally technical measures have been carried out to improve the operational conditions of sites. The formulation of an operating model for contractor management and supervision has been completed in the refining sector. This will provide for the regular performance of HSE audits on critical suppliers to assess safety requirement compliance.

CONTRACTOR INJURY FREQUENCY RATE



CONTRACTOR INJURY SEVERITY RATE



>Plant safety

In order to improve the management of risks relating to plant operation, particularly process safety, in 2008 the E&P sector launched the Asset Integrity project to identify, prevent and mitigate risks, using computer software also, and introduce improvement initiatives. The year also saw a Safety Audit Process model being developed in the R&M sector, which to date has been applied in four refineries.

New systems will be implemented in gas transmission to achieve high navigation safety standards (Portovenere LNG and Lericci LNG units) and the replacement of the storage underground tanks is scheduled to take place by 2010.

>The OHSAS 18001 management systems

50 OHSAS 18001 certifications have been awarded under the Health and Safety Management System certification scheme. In particular, in 2008 the Exploration & Production sector achieved and surpassed the certification target of 30% of the companies (14 out of 35 companies represented by subsidiaries. JV and operating companies). In 2012, 70% of associates are expected to be certified. In 2009 all the petrochemical sites are expected to be OHSAS certified (as of 2008 11 out of 6 plants obtained certification). In 2008 a total of 283 safety audits and 53 health audits were conducted and a start was made on implementing the "Health and Safety Technical Guidelines for Extreme Working Conditions", which aim at assessing risk in extreme climatic working conditions. The following projects were completed during 2008:

- regulatory Database for searching and consulting national and international health, safety and environmental regulations;
- MedSTAR project, for managing emergencies relating to

the transport and processing of oil and chemical products in the Mediterranean.

Finally, the project to create a database of road accidents is still in progress.

Health

Eni has continued its commitment towards guaranteeing the health of its employees as well as of the communities which live near its facilities and all those who enter into contact with its operations. The complexity and variety of situations in which Eni operates makes it necessary to define and apply elements of reference in order to consolidate and increase performances in the healthcare and prevention sectors, including policies, adherence to international principles and agreements, management systems and internal auditing systems, Company regulations and tools for the sharing of knowledge. The periodical monitoring of professional diseases has also continued (83 reported in 2008).

The reporting criteria have improved and have been extended to include diseases that are not strictly occupational but are work-related based on the most recent legislation. The TROIF (Total Reportable Occupational Illnesses Frequency, which represents the number of illnesses reported per million hours worked) is 0.40 (0.54 in 2007). The overall rate of repatriation of employees for health reasons is 0.65.

>Prevention management tools

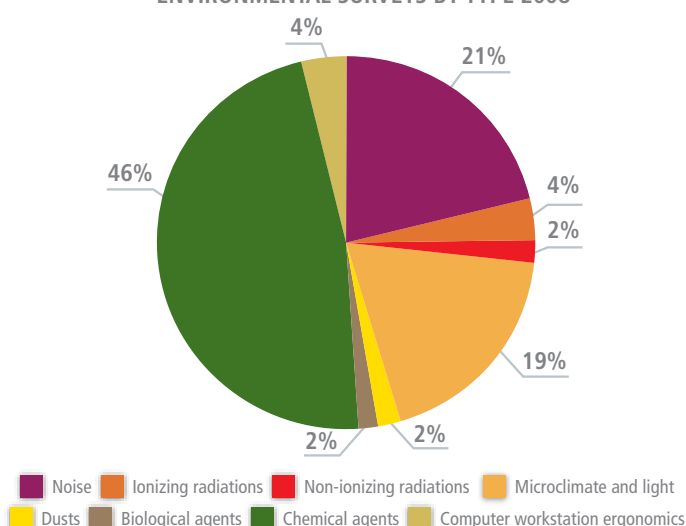
Work has continued on implementing the health management system by extending the prevention standards relating to workplace health protection both in relation to work-related risks and risks linked to the territorial context, in the latter case particularly for sites abroad. In 2008, the healthcare

FATALITY INDEX

The employee fatality index, that shows the mortal injuries based on the working hours, increases from 1 to 2.42 (5 mortal accidents in 2008, 2 in 2007); whereas the contractors fatality index improves and goes from 4.04 to 3.08 (12 mortal accidents, 15 in 2007). Overall there is a slight improvement in regards to the Eni population.



ENVIRONMENTAL SURVEYS BY TYPE 2008



management system was implemented in all foreign Countries where the E&P sector is operational, in line with the planned objectives. The most important initiatives include:

- the implementation of new "Occupational Medicine and Healthcare Checks" in 5 Countries (Angola, Tunisia, Algeria, Kazakhstan – KPO, Libya);
- studies on the evaluation and updating of care plans and emergency health schemes in Croatia, Qatar, USA (Alaska) and Saudi Arabia;
- implementation of emergency health plans (MERP – Medical Emergency Response Plan) in Mozambique, Congo (IPP and M'Boundi), Mali and Kazakhstan (KPO);
- new assessments and updating of health risk management programs in 6 Countries (Angola, Libya, Mali, Pakistan, Indonesia and Russia). The implementation also continued of the GIPSI program for the IT management of individual health services relating to occupational medicine through its application in Angola, Egypt, Russia, Congo, Kazakhstan (KCO) and Italy.

As part of the "monitoring project for cardiac risk factors in remote areas", an initial health protocol was proposed relating to the evaluation of the cardio-circulatory apparatus for people traveling abroad to work in extreme working conditions (heat, cold, humidity) and for people operating in highly stressful situations (e.g. emergencies).

>Research

In 2008 an important research project for the biological monitoring of butadiene was conducted in the Ravenna plant, in collaboration with the Maugeri Institute in the Pavia and Padua University; investigative activities have reported favourable results in all operational areas of Eni where they were conducted.

A project was started, in the Livorno Refinery, in order to define standard methodologies for detecting natural radioactivity and the ISPESL project "Workplace exposure to benzene: development of advanced bio-sensors for environmental monitoring" carried out at the Gela refinery was also concluded.

>Health promotion

Health is promoted by following two main lines of action:

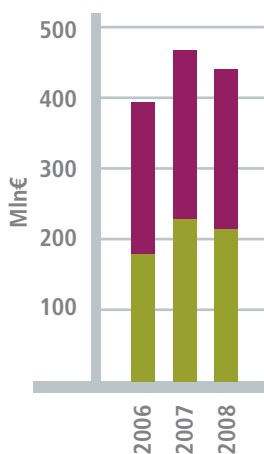
- free diagnostic campaigns for individuals;
- information campaigns on healthy lifestyles.

In Italy about 4,000 individuals signed up to the program for the early diagnosis of neoplasias in 2008, in collaboration with the Italian League for the Battle Against Cancer; this scheme will also continue in 2009 with further cancer prevention initiatives.

2,450 people also received vaccinations against influenza. The "Health promotion" Intranet site, within the MyEni Portal, has seen a high satisfaction rate, and, during the year, received an impressive total of over 71,000 page views, making it one of the most popular sites within the MyEni Portal. A number of questionnaires, designed in collaboration with the Milan University's Neurovegetative Therapy Center, have been included within the "Health Promotion" site, with the aim of collecting information on obesity and smoking in the Company. In the same site it was possible, in October, to start the "Eni in Good Shape" project with the aim of preventing the main chronic pathologies – cardiovascular, metabolic, cancerous – and changing behaviour or lifestyles representing the risk factors such as poor eating habits, sedentary lifestyle, smoking and alcohol abuse.

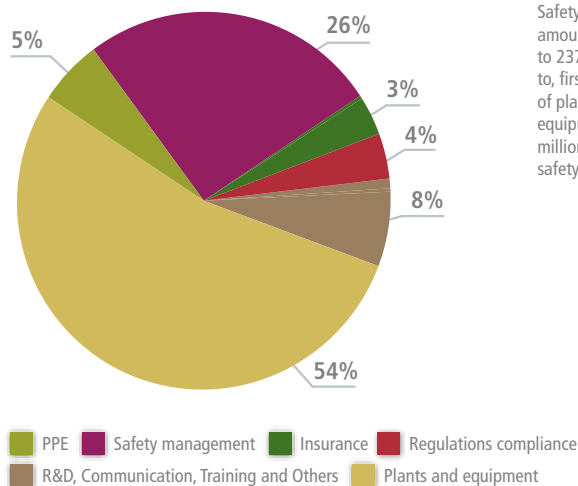
The first phase of the program ended with the on-line completion – on the part of 1,000 people – of an anonymous

SAFETY EXPENDITURE



In 2008, safety expenditures totalled 440.8 million Euros, a slight reduction (-5.7%) with respect to 2007. Current expenditure totalled 215.4 million Euros and investments were totalled 225.4 million Euros.

SAFETY EXPENDITURE BY TYPE 2008



Safety expenditure, amounting approximately to 237 million Euros, related to, first of all, the upgrading of plants with regard to equipment, whereas 113 million Euros were spent for safety management.

questionnaire on lifestyles, eating habits and simple clinical and biochemical parameters. The Milan University is currently analyzing the data collected, in an aggregate and anonymous format, to identify the prevailing risk factors.

Work will continue on designing and implementing collective health promotion schemes, offering each participant the opportunity to monitor the effects of the actions taken by completing the on-line questionnaire.

An initial evaluation of the responses given anonymously, has shown that the site is very close to achieving its objective of being used as a tool for giving correct information/training on health issues. Work on promoting healthy lifestyles is set to continue in 2009.

In addition, during 2008 numerous health promotion campaigns were also carried out in a good number of the foreign Countries in which the Exploration & Production sector operates.

Overall 118 initiatives were implemented in 20 Countries through health awareness and training campaigns, the issue of policies on the various health promotion schemes (anti-smoking and prevention of alcohol and drug abuse) and the performance of prevention campaigns (screening and vaccinations).

There was a continuation of the program to issue brochures, published on the site of Eni's Knowledge Management portal relating to prevention and health promotion topics .

The "Fleet On-Line Medical Assistance" tele-medicine system was started in the gas transmission sector to support the healthcare of employees working on-board the LNG Shipping fleet and improve their medical monitoring conditions.

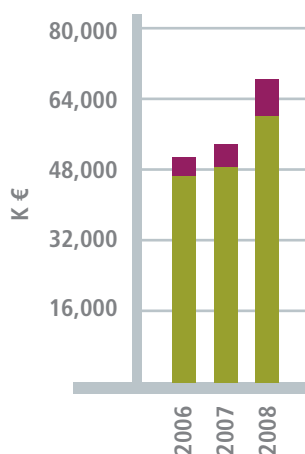
Corporate culture analysis: Eni Secondo Te (Your Eni)

>The results of the project

The first corporate culture analysis was carried out in the first few months of 2008. This involved about 38,000 Eni people throughout the world, and aimed at "taking a snapshot" of how the Company is perceived, right from the top management down to entry-level staff while assessing their level of involvement.

The questionnaire was distributed between January and February 2008 and people were invited to complete it anonymously, online or in paper form, in more than 250 Italian and foreign sites. The analysis was supported by a comprehensive internal communication campaign which was conducted by using classic tools, such as the Company Intranet, brochures, posters and videos, and the active participation of about 150 site contacts located throughout Italian and foreign offices. This helped to raise the participation rate and resulted in a 79% return rate for Eni Secondo Te; this result was equivalent to the response level of "High Performing Companies" – companies in which corporate culture surveys are a well-established practice – higher than the average response rate in multinationals carrying out their first Survey. Once the data had been processed, the results were analyzed and reported in special meetings with the top management in the various business sectors by means of the MyEni portal and the internal communication program, Cascade 2008. The "Eni profile" that emerged from the corporate culture analysis is one in which the Company's people have a good level of involvement, pride and loyalty, who feel protected and safeguarded in terms of tangible issues, particularly

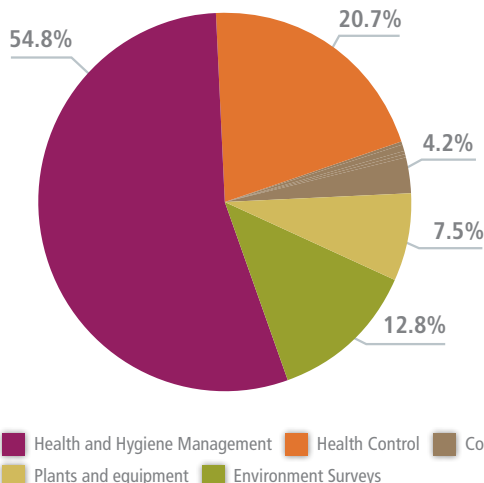
HEALTH EXPENDITURE



In 2008 health-related expenditures amounted to 68.5 million Euros, an increase of 28% compared to 2007. 60 million Euros of this total pertain to current expenditures while 8.5 million Euros consist of investments.

■ Current expenditures
■ Investments

HEALTH EXPENDITURE BY TYPE 2008



The main part of the health-related expenditure pertains to health and hygiene management. Within this scope, in 2008 expenditure amounted to 37.56 million Euros. Another important expenditure item refers to health-related controls for an amount of over 14 million Euros.

■ Health and Hygiene Management ■ Health Control ■ Environment Surveys
■ Plants and equipment ■ Communication, Training, R&D and Others

with regard to health, safety and training, and who share a system of strong values embodied in Eni's business culture, particularly regarding Company integrity and a commitment to safeguarding the environment.

Eni's people appear to be quite happy with the relationships established with their managers; the latter are appreciated above all for their professional expertise.

Areas for improvement include a request for more comprehensive communication of the Company objectives, a more motivational leadership style, a more stimulating work environment that is more open to innovative ideas and a greater appreciation of individual contributions.

A number of initiatives have been identified, in response to the areas for improvement which emerged, aimed at encouraging the adoption and implementation of a leadership model on the part of managers which is more focused on relationships with colleagues and co-workers.

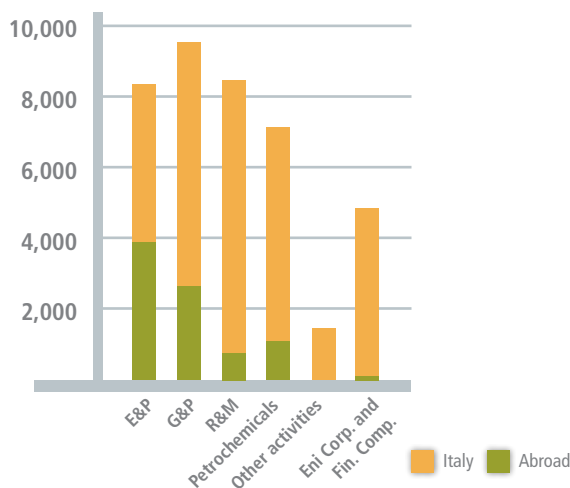
>Initiatives supporting Leadership

Following up on the corporate culture analysis findings, a detailed study of the Leadership topic, already introduced in 2007 through the Feedback 360° Project, has been considered advisable. Ad hoc programs have been designed not only for senior managers but also for middle-level managers with managerial responsibility in order to promote a relationship style within the organization that fosters an appreciation of individual enthusiasm and skills. Special workshops were organized between October and November 2008 that aim at generational debate. Just as in the pilot phase, the main objective of the Feedback 360° Project was to develop and promote a Leadership style based on development of emotional and relational factors, with particular reference to the quality of internal relationships and the motivation and involvement of co-workers. The process provided for a person to select colleagues and co-workers from whom to receive feedback based on everyday experience and individual perception. The whole process was handled through a dedicated website managed by the consultancy firm to ensure data confidentiality. The results were sent directly to the person involved, showing any differences in one's own personal perception compared to that of other people.

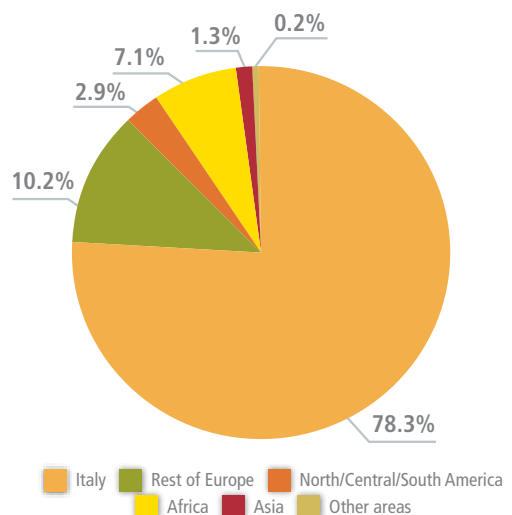
196 senior managers were involved in 2008 (against 109 in 2007). Just as happened in Spring 2008 for the previous edition, Feedback 360° will conclude with a number of workshops which will illustrate the leadership styles prevailing in Eni, the most common skills and behaviours and the collective areas for improvement. In addition, there will be a presentation of the tools proposed for personal improvement. The main tools developed by the Company include a special leadership development training scheme and a dedicated coaching service.

THE IMPROVEMENT ACTIONS TAKEN		
Area for improvement	Type of intervention	Action
More motivational leadership style	Initiatives supporting Leadership	<ul style="list-style-type: none"> ■ Extension of Feedback 360° ■ Training scheme for Leadership ■ Review of institutional training and coaching pathways
More comprehensive communication	Internal communication initiatives	<ul style="list-style-type: none"> ■ Extension of Cascade to all Eni people ■ Extension of MyEni ■ Paper version of MyEni news
Greater appreciation of the individual's contribution	Individual appreciation initiatives	<ul style="list-style-type: none"> ■ Young people's project ■ Knowledge Owner project
More stimulating work environment	Personal wellbeing initiatives	<ul style="list-style-type: none"> ■ Welfare project ■ Measures to support parents

PEOPLE INVOLVED IN ENI SECONDO TE



RESPONSE RATE BY GEOGRAPHICAL AREA 2008



The leadership training scheme includes, in particular, a program for developing emotional skills based on engagement. The main topics covered include:

- the courage to instigate processes for change, individual time management;
- encouraging discussion and cooperation as levers for individual and team management;
- the ability to lead by means of examples

The coaching service concentrates on the different dimensions of managerial skills, with a special focus on the relational, communication and emotional dimensions. In 2008, 19 people started coaching pathways, involving a total of 135 sessions. The content and teaching format of the institutional training programs aimed at different people were also revised and made consistent with the new directions in leadership development. New initiatives have been included in the new graduate training pathway designed to improve the relationship with managers and develop communication skills in inter-cultural contexts. Using the same logic, the Masters in General Management aimed at young senior managers has been enhanced by a series of meetings with external mentors designed to offer moments of reflection and discussion on leadership topics.

>Internal communication initiatives

A special impetus has been given to internal communication initiatives, which aim at promoting a common Company identity, helping to disseminate strategies and increasing people's involvement in achieving Company objectives. The Cascade communication program has been extended extended to all the Company's staff in 2008 with the aim of promoting an awareness of the strategies and explaining the links between the Company objectives and those of the

organizational structure. The project involved 31,700 people and 420 meetings organized in 95 locations throughout the world. All the internal communication programs have a single platform in the MyEni intranet portal for sharing information which can be accessed by about 29,300 Eni people. In 2008 the MyEni roll-out program was extended abroad, bringing the number of users outside Italy to about 4,000. Finally, 2008 saw a trial of an expansion to the communication channels, with a first pilot of a paper version of MyEni News. This project, which will be developed in 2009, aims at involving people to a greater extent, particularly those who do not use PCs in their work.

ACCESS TO MYENI

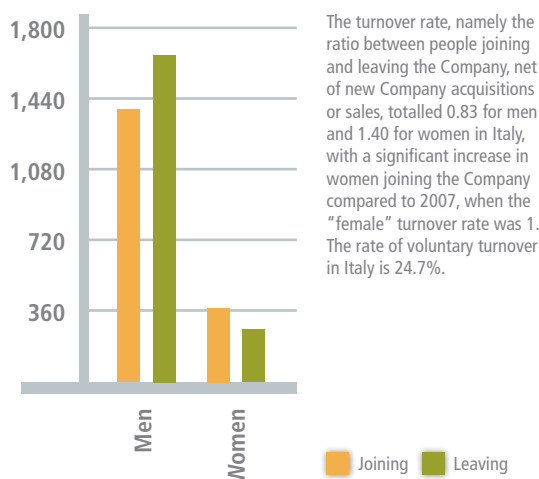
	2006	2007	2008
Employees with access to MyEni	18,602	26,027	29,260

>The wellbeing of Eni's people

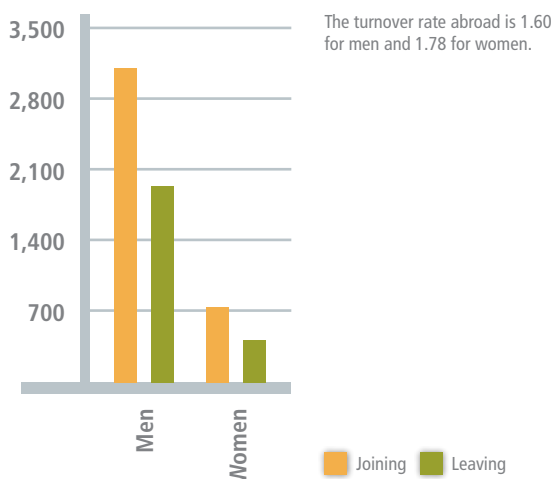
During 2008, focus groups were conducted, in parallel with Eni Secondo Te, on topics linked to the Welfare and the work-life balance.

A study was then completed, "Diversity: structure, practices and organizational culture", which analyzed three different aspects of diversity in the Company, cultural, personal and gender. Finally, the Company took part in research on career breaks with other large European companies, with particular reference to maternity within the WIST group, Women in Science and Technology, promoted by the European Commission to enhance the role of women in the technical-scientific areas of companies. Qualitative interviews were conducted on a sample of technical professional personnel having different roles, ages, experiences and levels, all of whom have taken maternity leave on one or more occasions in recent years, to

EMPLOYEES JOINING/LEAVING BY GENDER ITALY 2008



EMPLOYEES JOINING/LEAVING BY GENDER ABROAD 2008



analyze the possible difficulties encountered when returning to work. All the research revealed a picture consistent with the Survey results and allowed initiatives to be identified and designed that are focused on increasing wellbeing within the organization, balancing work and private life and supporting parenthood.


The "Eni Nursery – Infant School" project has been defined and provides for the creation of a "Nursery – Infant school" capable of accommodating about 140 children ranging from 0-6 years. The location involved is San Donato Milanese, which has the highest numerical concentration of Eni people, about 12,000, so that the service can support this large community. The primary objective is to create a center of excellence which is child-centered and provides continuity of learning across the educational services. Further activities under development include the activation of subscription arrangements with sports centers for wellness programs for individuals, a theme-based summer trip for adolescents to study English and city and town-based summer camps for younger and older children to help with child management when schools are closed. Finally, an action plan has been approved to support parents by establishing an information service (concerning legal aspects on the matter, benefits for new parents, mother and baby health) and organizational initiatives. In fact, measures are currently being designed to support women during their period of optional leave and on returning to work.

Valorizing Eni's People

Eni's primary objective is to value and appreciate all its people, in different ways depending on the characteristics of each segment of the population. Particular attention is paid:

- to recruiting and developing young people with an excellent training background;
- to developing professional experience and expertise.

>Attracting talent

Eni has woven and feeds a network with the Universities and Italian and international MBAs (see the paragraph "Relations with the Universities and research centers" in the section "Living in the World" for all the collaborations with the Universities and research centers). This has allowed, on the one hand, teaching relationships to be created and recruitment initiatives to be established which target relevant degrees (engineering and economic disciplines in particular), while, on the other hand, qualified scouting schemes have been conducted on the market to recruit people with masters for roles with medium and high levels of responsibility. An example is Eni's attendance at the Nova conference, an Italian association of MBAs based in the USA, during November 2008. This conference enabled the profiles of talented young people of potential interest to be analyzed, through interviews, for development in Eni and provided an opportunity to present our businesses in a competitive market and cultural context. In addition, a Survey was conducted with the aim of discovering Eni's main factors of attraction and how it is perceived amongst international resources. The Company is considered to be attractive primarily due its culture and reputation, stability and the possibility of international careers. Finally, Eni took part in the publication: "How the Energy Industry works: an insiders' guide", aimed at attracting young internationally qualified people. 

EMPLOYEES BY GENDER AND PROFESSIONAL CATEGORY 2008

	Men		Women	
	Italy	Abroad	Italy	Abroad
Senior managers	1,298	227	119	14
Managers	7,968	2,938	1,706	448
Employees	14,538	12,896	5,463	4,171
Workers	8,350	18,401	38	305
Total	32,154	34,462	7,326	4,938

Eni had 78,880 employees in service in 2008. Against a 4% total increase in population compared to 2007, men increased by 3%, whilst there are 11% more women. The number of female senior managers rose by 24% (from 107 in 2007 to 133 in 2008) against a rise in male senior managers of 3%. It should be noted that the population went up abroad, whilst in Italy it has remained more or less the same.

EMPLOYEES IN SERVICE BY AGE AND PROFESSIONAL CATEGORY ITALY

	Senior managers	Managers	Employees	Workers
Employees 18-24	-	-	502	577
Employees 25-39	135	2,059	6,810	3,100
Employees 40-54	991	5,640	10,481	3,766
Employees over 55	291	1,975	2,208	945

To date 10% of the key managers are under 40. 23.6% of senior managers in place have less than 3 years seniority (21.5% in 2007). The sectors recording most senior managers under 40 are Corporate and Financial Companies (27.4%) and Engineering and Construction (20%).

>The youth project

In 2008 initiatives were identified to develop and motivate young people, based on the following principles:

- personal knowledge (dialogue, appraisal, feedback);
- segmentation of the population and differentiated management approaches;
- meritocracy and self-development.

The project includes a review of appointment and development rules and instruments, redefinition of the mobility systems in which differences are properly valued and the use of focused and consistent training and development initiatives.

In addition, a "Young People's Monitoring Unit" will be activated to collect and analyze the qualitative results emerging from the appointment dialogues and institutional training courses, provided by the network of HR specialists.

The network consists of people specially trained to act as facilitators in relational dynamics inside the organization and development pathways (HR Community training scheme).

A start has been made to qualitative monitoring of the population and quantitative monitoring of the turnover rate.

Finally, at business and professional area level, meetings have been held with young people with the aim of discussing business topics and improving the level of engagement.

>Developing skills

Work has continued on integrating the different management and managerial development tools, which led to an expansion of the number of people covered by skills mapping aimed at individual and collective improvement and development actions. For graduates, the process of evaluating potential was changed in 2008 in order to achieve a clearer segmentation of the population involved, by identifying their

different development potential, and to provide everyone with focused feedback in terms of career direction and individual improvement possibilities.

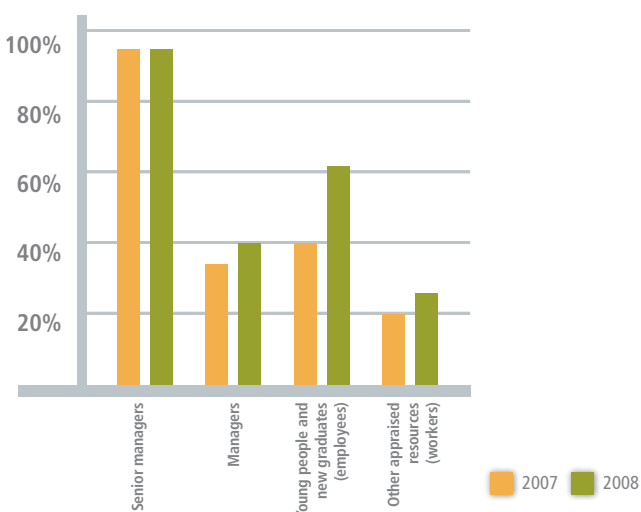
The Development Center methodology used to measure graduate's potential focuses on a comparison with other people's perception and the possibility of seeing one's own conduct and personal characteristics in an organizational context by measuring one's own relational effectiveness. Similarly the management appraisal and consequent training and development plans are fundamental for improving leadership skills and keeping the succession plans up to date. As part of the annual Management Review, total coverage (100%) of the managerial population was achieved by using a concise methodology that maps the skills and main actions designed to improve the managerial resource pool.

>Valuing expertise and knowledge

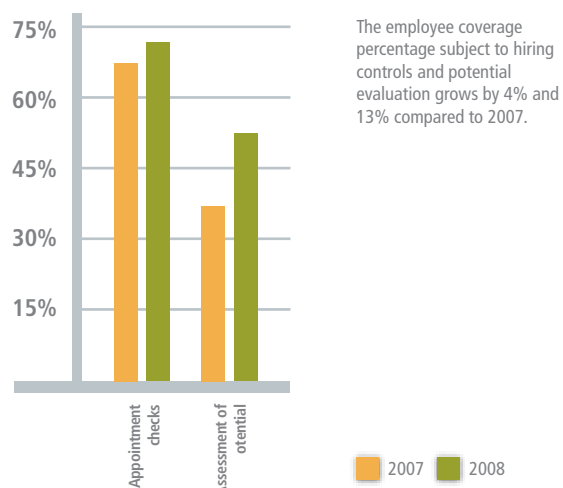
During 2008 the professional title of Knowledge Owner was officially introduced. This is assigned to senior managers who possess skills and knowledge acquired over a long period of time. Their professional expertise is not easily found on the external market and their professional authority is recognized both inside the Company and in external communities as well as at an international level. The Knowledge Owners have been selected following a well-defined appraisal process which allowed 192 to be identified in 2008.

The average age of the Knowledge Owners is about 51 (50.7) and most of them are between 50 and 55. More than two thirds belong to line functions, with a prevalence of professionals with a production background, and a particular concentration in the Engineering, Process Technology, Construction and Geology professional areas. These sectors

PERFORMANCE APPRAISAL: % COVERAGE OF EMPLOYEES



SKILL MAPPING TOOLS: % COVERAGE OF EMPLOYEES



are characterized by a very high level of specialist skills that can only be acquired after many years of experience and are hard to find on the external market. The Knowledge Owners are expected to tutor young people, draw up proposals for develop knowledge and professional expertise and be prepared to lecture at Eni Corporate University. Knowledge Management is another fundamental tool for maintaining and reinforcing the Company's expertise, and for Eni is a value that has also been incorporated into the new Code of Ethics. Amongst the initiatives designed to reinforce the sharing of experience, in addition to the training measures dedicated to Knowledge Management, a special event was held in 2008 for Eni's Project Managers, involving 330 people belonging to all the business areas. Work then started on 10 new practice communities within the different business sectors. At the end of 2008 Eni's Knowledge Management system consisted of 44 practice communities and active knowledge networks, involving 1,665 people.

>Training

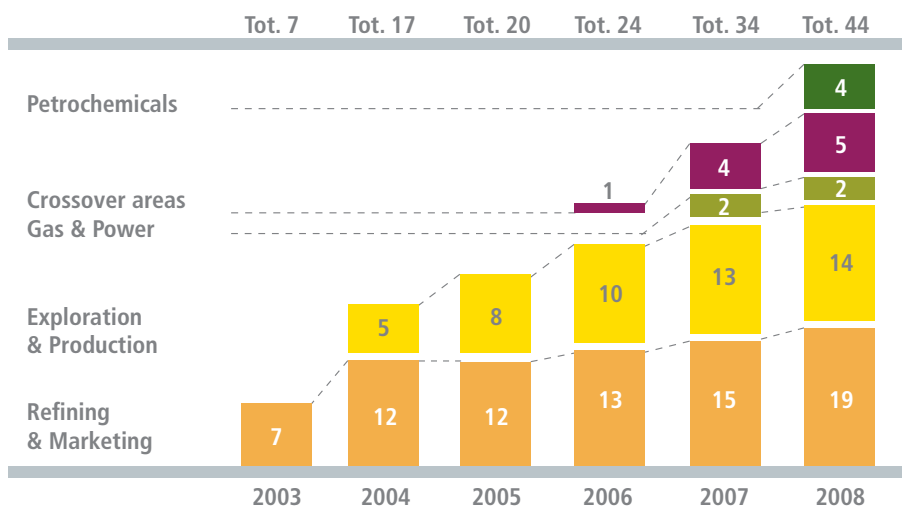
In 2008 there was an increase in training activities in Italy and the world against a very modest rise in expenditure. This proves the commitment of the organizations involved first of all, Eni Corporate University, to making the initiatives effective but also efficient. The results have been made possible by the increased integration of structures and the search in all areas for synergies of scale. Mention should be made in particular of the intensive activity carried out for new projects in the Oil Exploration/Well Area (training pathways for Geology & Geophysics, Reservoir Engineer, Senior drillers and Drilling supervisors, Subsea Engineer) and HSE areas, as well as the launch of the Special Project 3 for AGIP KCO in

the Production & Maintenance area, dedicated to 330 Kasak people subdivided into about 40 different technical and staff job positions. Numerous training initiatives designed and inaugurated in 2008, are described in this and other sections of the Sustainability Report (for example "Governance and Sustainability", "Environment", "Inhabiting the World"). Investing in these areas through Eni Corporate University means working to disseminate shared values, consolidate corporate identity and contribute to business integration processes.

>Compensation

The purpose of the compensation system is to ensure recognition of the results achieved and the development potential of people, making sure that remuneration is consistent with market practices and standards. In particular, Eni has developed a system for classifying managerial and professional positions, in Italy and abroad, to support remuneration positioning analyses as well as management and development processes. In 2008 the classification system (Global Grading System) was extended to a sample of positions operating abroad and it will be consolidated at global level in 2009 so as to allow remuneration to be positioned at geographical, functional and business area level, respecting the differences in the sector and local markets. As part of the initiatives to reinforce transparency and people's involvement, in 2008 a process was started to communicate the remuneration package (Total Reward Statement) to those occupying managerial positions. This form of communication, which is particularly innovative for large Italian groups, not only concerns the financial elements, such as remuneration and incentives, but also the valuation of the other non-pecuniary benefits (Company benefits and services). The personalized Total

KNOWLEDGE MANAGEMENT SYSTEMS: NUMBER OF PRACTICE COMMUNITIES



Reward Statement will be communicated at regular intervals and will help to provide a clear and comprehensive picture of the tools used to recognize and value the individual's professional contribution to Company growth.

The value of diversity

>The culture of diversity

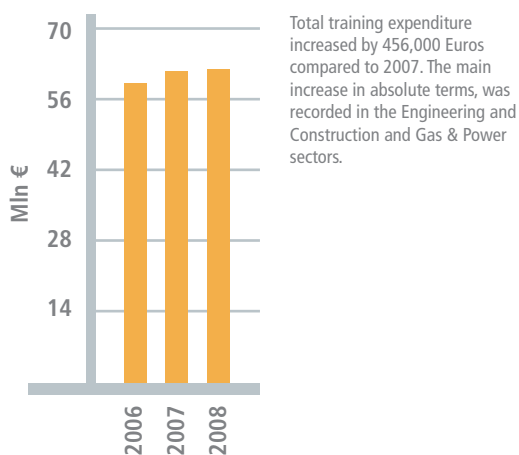
Eni's personnel "lives in the world" and represents the world. Moreover, half of those who work for the Company are not Italian and many are also "expatriates", i.e. Italians who work abroad. These are supplemented by individuals who, although not Italian, work in a Country other than their Country of origin. In addition, all Eni's people live alongside the local communities in which the Company operates. Cultural diversity, in its broadest sense, is a factor that is encountered constantly. The different cultures are not experienced on the basis of preconceived positive or negative concepts, but on the basis of day to day dealings with colleagues, in chats at the canteen table or in meetings, as described by Eni in the "Living in the World" section. This approach to diversity is a cultural element that both conditions and is conditioned by the Sustainability of the business.

Eni's Code of Ethics makes specific reference to the right of people to have the same job opportunities, in a climate of mutual respect for each person's dignity, honor and reputation, and the duty of all colleagues to respect diversity within the Company. Some of the questions contained in the Eni Secondo Te analysis and the results of the research project on diversity topics (see the paragraph on "The wellbeing of Eni's people") confirm that cultural diversity is perceived by Eni's people as an extremely positive element and support Eni in its commitment.

A commitment which Eni will continue to sustain in terms of valuing and developing people in the Countries where it operates as well as by ensuring internal communication between its diverse operational contexts and supporting and promoting international mobility. In fact, the Company has developed a program of initiatives to build a recruitment model abroad which will enhance its international dimension. An integrated information system has been created in this area to improve the effectiveness and efficiency of the planning and recruitment processes.

One of the initiatives with the greatest impact is the "HR Towards the future" project, started by the E&P sector, relating to local personnel who performs personnel functions for the associate companies. The program aims to raise the retention level of the people involved and the degree of internationalization of the head office function. To date, 8 people from Nigeria, Great Britain, Congo, Indonesia, Algeria and Egypt have joined the head office Personnel units at San Donato Milanese. During the planned twelve month stay, they will become part of the head office's working processes, work closely with their Italian colleagues and take part in classroom-based training schemes. As far as initiatives designed to foster intercultural relations and international mobility are concerned, 2008 saw 53 international people (EIRL) and 32 people from foreign associates join head office units. An ad hoc induction pathway was organized to help them integrate within the new Company context, given their very varied provenance, professional experience, culture and knowledge. For the recruitment and selection of international resources, it is worth mentioning the "International Recruiting & Training Project" in Libya, started in 2006, which aims to recruit and hire from the local market, over a 4-year period, 150 graduates for

TRAINING EXPENDITURE



TRAINING HOURS



employment in the main technical functions.

Two groups with a total of 39 people have completed the biennial training pathway provided in collaboration with Eni Corporate University, and are currently employed in Italy, Libya and other international contexts.

The "Special Project Agip KCO – Kazakhstan" is moving in the same direction. The third phase of this project, which has been up and running since January 2008, involves training young Kasak diploma holders who, in the future, will cover technical roles within Kashagan project operations.

Finally, a number of Recruiting HUBs (Poles) are operating and are dedicated to personnel recruitment and selection within the international market. These operate in several Countries, such as Venezuela, Pakistan, Egypt, India and the United States.

>Industrial relations

The annual meeting of Eni's Corporate Board (CAE) was held in Amsterdam on 10 December 2008. During the meeting, the Company delegation reported to the Board on business developments and projects with reference to the implementation of the guidelines of the 2008-2011 Strategic Plan; it provided an analysis of Eni's employment situation and composition with a focus on the European area. The new Code of Ethics was also presented.

As usual, the Health and Safety Monitoring Unit met the day before the meeting to report on the main activities during 2008 and the environmental initiatives undertaken by Eni.

To mark the 60th anniversary of the Universal Declaration on Human Rights, action was also taken to renew the agreement on Industrial Relations at the International level and Corporate Social Responsibility. Undersigned in 2002 with the International Federation of Chemical, Energy, Mine and

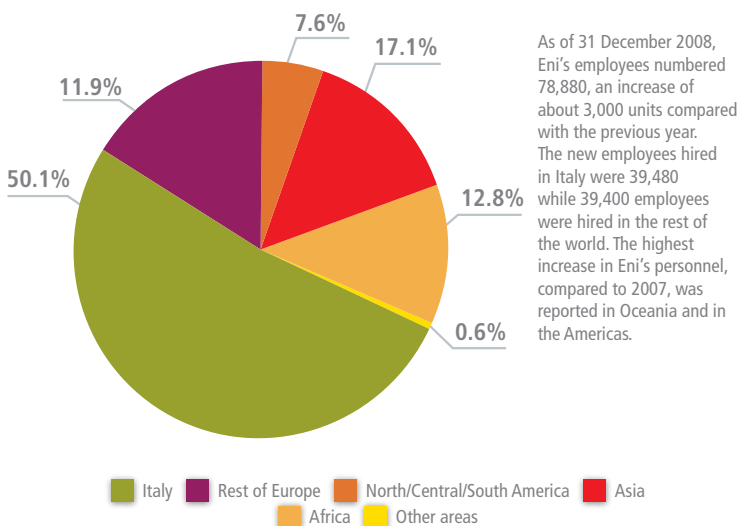
General Workers Union (ICEM) and the Italian trade unions, this agreement confirms Eni's commitment to respecting the guiding principles of the United Nations "Universal Declaration on Human Rights", the ILO's fundamental Conventions and the OECD Guidelines for multinational enterprises.

Finally, a research project is currently being studied on the matter of International Industrial Relations, involving an analysis of other large groups not only in the energy sector. This will allow any areas for improvement to be identified in the field of Industrial Relations and special initiatives and projects to be promoted to increase their effectiveness.

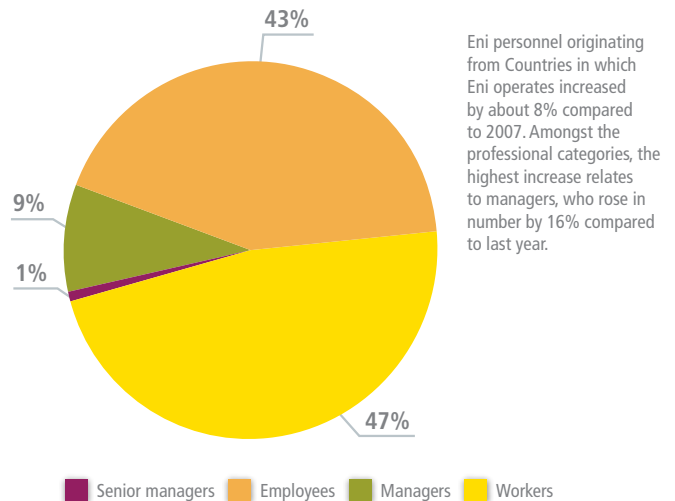
COLLECTIVE BARGAINING AND TRADE UNION MEMBERSHIP	
	Italy
Employees covered by collective bargaining	100%
Employees who are members of trade union organizations	16,714
No. of consultations and negotiations with the trade unions	316

In 2008 100% of employees in Italy were covered by collective bargaining. 42% of people working in Italy are members of a trade union.

EMPLOYEES BY GEOGRAPHICAL AREA 2008



FOREIGN LOCALS BY PROFESSIONAL CATEGORY 2008



Environment

Eni strives to adopt, in all contexts in which it operates, strict environmental protection standards that comply with the highest European and international standards. Eni's use of the best available technologies and environmental monitoring systems have allowed the Company to achieve optimal results, particularly as regard atmospheric emission indexes and water consumption, even in light of its operations in facilities whose activities are considered by European legislation to have a significant impact on the environment. This performance is the result of sizeable investments in low-impact technology and the adoption of a unified HSE Management System model in 2003. Currently, nearly all of the Company's key operating unit management systems have obtained ISO 14001 certification. Environmental ISO 14001 certifications in 2008 grew by 7%; ISO 14001 certifications totalled 123 and EMAS registrations totalled 11 (9 in 2007).

CERTIFICATION AND REGISTRATION OF MANAGEMENT SYSTEMS (KEY PLANTS) UNDER ISO 14001 - EMAS								
	Foreign E&P associated companies		Refineries		Electrical power plants		Petrochemical plants	
	ISO	EMAS	ISO	EMAS	ISO	EMAS	ISO	EMAS
2007	17/34	5/5	4/5	7/8	3/8	12/13	2/13	
2008	23/35	5/5	4/5	7/8	4/8	13/13	2/13	
2010	25/35	5/5	5/5	8/8	8/8	13/13	3/13	

Eni's main production units in Europe have begun pursuing EMAS registration (site- or sector-specific), while numerous foreign associated companies, petrochemical plants and gas

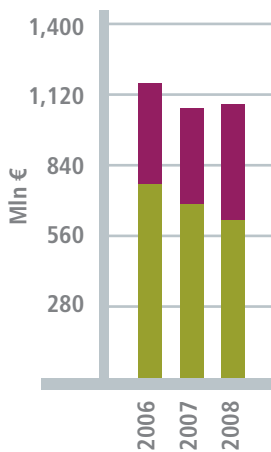
pipelines have obtained the certification integrated with safety management systems (OHSAS 18001), quality management systems (ISO 9000) or both (certificates of excellence). In the E&P sector, 23 out of 35 subsidiaries obtained ISO 14001 certification, in line with expectations. One of the strong points of the management system is the technical training available on environmental topics. This represents one of the main areas of focus in 2008 with 40,970 training hours offered and 5,495 participants. Specific activities designed to spread and maximize the skills gained within the Company and a dedicated Intranet site contribute to complete a system that is directed to the spread of a technical culture. In 2008, the testing phase began for a new centralized environmental computer system that will allow the collection of environmental data for significant sites as defined under the European Pollutant Release and Transfer Register (PRTR) regulation. A waste management database will also be created.

Water as a Primary Resource: Conservation and Protection

Growing needs for fresh water brought on by the global demographic explosion, the extension of areas susceptible to desertification and the reduction of surfaces covered by non-human ecosystems have decreased the availability of fresh water for the poorest populations and have increased global attention on protecting our water resources.

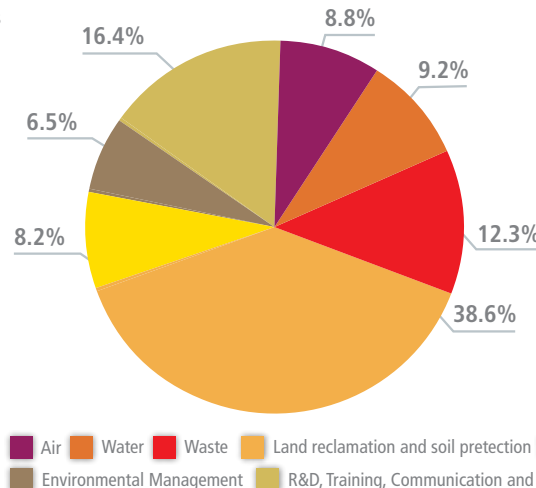
Despite an increase in activities involving the extraction

ENVIRONMENTAL EXPENDITURES




The environmental expenditures inclusive of current expenditures and investments are overall in line with those of last year (+1.7%). Compared with 2007, current expenses declined by 9% while investments rose by 22%.

ENVIRONMENTAL EXPENDITURES BY TYPE 2008



Environmental expenditures amount to 1,081 million Euros, 461 of which are for investments. The main area of intervention is soil protection with a total expenditure of 417 million Euros, followed by waste management of 133 million Euros.

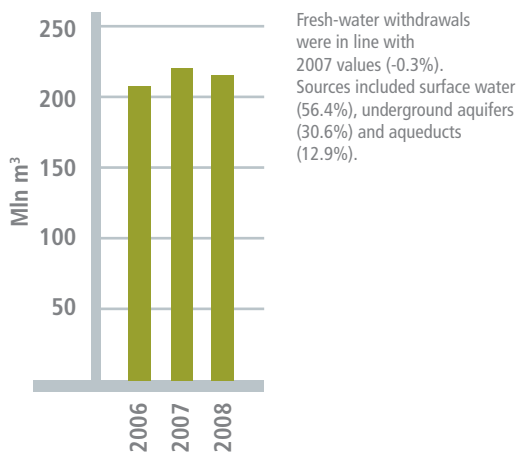
and transformation of oil products, Eni has maintained its fresh water consumption nearly constant in recent years by gradually reducing water usage per processed unit. The use of treatment technologies and steady increases in water recycling will allow a gradual decrease in the overall amount of fresh water used in coming years (estimated at 20% for the 2009-2012 period net of new acquisitions). At 3,260 million cubic meters in 2008, water withdrawals show a reduction trend compared to 2007. The withdrawal of fresh water was in line with 2007 consumption, while fresh-water recycling increased by 10% compared to the previous year as a result of significant investments, mainly in the petrochemical and refinement industry. In the E&P sector, the practice of water injection has a twofold advantage: it helps maintain pressure in the reservoir while reducing the impact on the environment by decreasing both waste from produced water and fresh-water withdrawals, which is of primary importance in environments such as deserts. In 2008, numerous water-injection projects were launched in Libya (Bouri, Bu Attifel, Wafa), Egypt (Belayim), Nigeria, Algeria, Indonesia and Congo. Research is also being conducted to evaluate the feasibility of this type of project in Kazakhstan (Kashagan) and Italy. The most significant projects include the ones in Belayim, where a potential re-injection of approximately 5.5 Mm³ of water is estimated for 2009, and in Bu Attifel which will allow for the development of a new water treatment production system capable of treating 4.8 Mm³/year, allowing at the same time to decrease fresh-

water withdrawals. Once operational, Eni's water injection projects will allow the Company to avoid discharging more than 14 million cubic meters of waste water. In the refining sector, water re-utilization projects, which use purified groundwater for industrial purposes, led to a 6% decrease in fresh water withdrawals and a 35% increase in recycled water. Water consumption in 2009 is expected to decrease by 14% compared to 2006 (approximately 3 million m³). In the petrochemical sector, a series of measures were planned with the aim of reducing fresh-water consumption by 20% through the re-utilization of cooling water and the introduction of groundwater treatment systems by 2010. In terms of electricity production, the index of water consumption, in m³/kWh_{eq}, has decreased by 75%, from 0.0594 in 2000 to 0.0148 in 2008. 

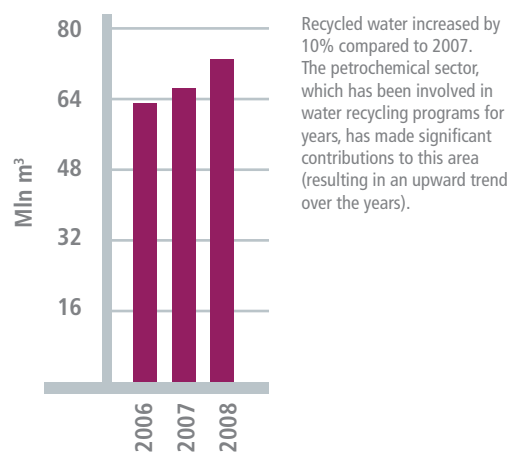
Climate change and energy efficiency

GHG emissions decreased by 7.6% compared to 2007, a significant achievement considering the increase in hydrocarbon production. In particular, the Exploration & Production sector, which accounts for approximately 50% of Eni's emissions, decreased emissions by 7% compared 2007 by reducing gas flaring, even considering the new acquisitions in the Gulf of Mexico, Congo and Turkmenistan and production increases in Angola, Congo, Egypt, Pakistan and Venezuela. The emissions decreases in the refining and thermoelectric

FRESH WATER WITHDRAWALS



RECYCLED WATER



sectors are in part due to lower levels of production in 2008. During the transportation of gas in Italy, line re-compression activities of natural gas reduced emissions by 3%. Emissions indexes in all key sectors indicate a flat or declining trend over the last five years as the result of measures which implemented the carbon management strategies outlined in the following sections (also refer to the section entitled "Eni and the future of energy").

Eni participates in the European Emissions Trading system with 60 plants, including 56 in Italy and 4 abroad. Emissions for the 60 plants totalled 25.3 million tons in 2008, resulting in a surplus of allowances assigned of 0.58 million tons. For the 2009-2012 period, Eni expects to record a deficit of 6.1 million tons. Eni will cover the deficit by acquiring allowances on the Emissions Trading market and, in the medium term, by implementing CDM projects.

>Gas flaring reduction projects

The objective of the currently underway gas flaring reduction projects is to decrease gas flaring emissions by 70% by 2012 compared to the 2007 emission values. Initiatives aimed at reducing gas flaring in Algeria, Congo, Libya and Tunisia will require investments of 1.26 billion Euros in the 2009-2012 period. This amount does not include investments of Eni's associated Company in Nigeria. Of particular importance in 2008, a flaring down project associated with the first phase of the Gaz du Sud project in Tunisia was completed, and progress continues to be made on all initiatives in Nigeria, Congo, Libya and Algeria.

In Nigeria, the Gas Master Plan, which outlines various projects relating to the completion of compressor stations and the expansion of the network of existing gas pipelines,

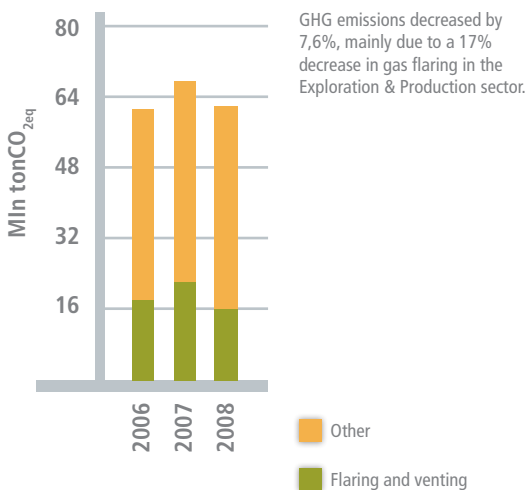
continued. The objective of the plan is to eliminate the practice of gas flaring in the Country. Also in Congo projects aimed at eliminating emissions from gas flaring by 2012 continued. Of particular importance in 2008 was the completion of the repowering of the thermoelectric plant in Djeno. The completion of the projects between 2010 and 2012 will allow for further reductions in gas flaring emissions (also refer to the section entitled "Living in the world"). With regards to the assets acquired in 2007 in Russia, Eni immediately implemented a program to gradually decrease the amount of gas burned in flares, resulting in the elimination of emissions from flaring as of 2008 and contributing significantly to the overall 2008 performance.



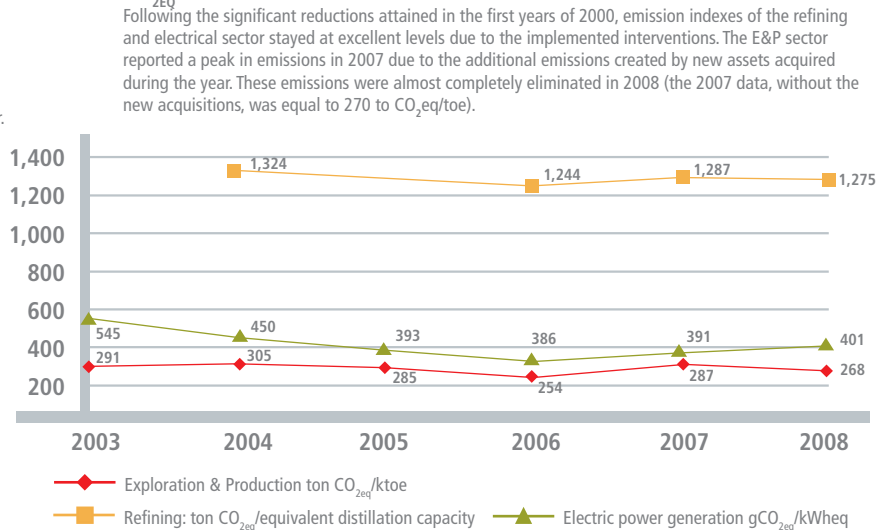
>Energy efficiency

Increasing energy efficiency is a priority for Eni, and all of the Company's operational sectors are involved in this effort. Its CO₂ emissions figure for the thermal plus electric kilowatt-hour produced by the thermoelectric sector is approximately one-third less than the average Italian figure. Eni's investment plan for maintaining the emissions factor to the level reached entails completing the Company's industrial plan with the construction of the last of the 13 planned combined-cycle plants. In 2008, two power units began operating at the Ferrara power plant. Energy savings programs continued in the refining and petrochemical sectors. In 2008, the refining sector saved approximately 90,000 tons of CO₂. The improvement in efficiency is structural, therefore an initiative implemented in one year generates savings in years to come. Savings amounting to approximately 127 ktoe/year will be achieved in the refining sector in 2012, with another 70 ktoe/

GHG EMISSIONS



CO_{2eq} EMISSIONS INDEXES



year being achieved in the petrochemical sector. Eni continued its efforts to improve the efficiency of its IT and communication systems at its head offices in 2008 and completed an energy efficiency plan for its offices.

Finally, the Exploration & Production sector initiated a research project called "Energy Management in Up – Midstream of Oil and Gas Industry" aimed at defining a methodology and applying innovative technologies to achieve greater energy efficiency and lower levels of greenhouse gas in Eni's plants. An expenditure of 1.6 million Euros is estimated for the project.

Atmospheric emissions

In addition to its commitment to reduce greenhouse gas emissions, Eni believes that it is necessary to continue to pursue its objective of reducing atmospheric emissions caused by combustion.

In recent years, the use of lower impact fuels such as natural gas and more efficient combustion technologies has allowed for a reduction in the production of substances that are harmful to the atmosphere, mainly for large combustion plants, refineries and thermoelectric plants.

In 2008, NOx emissions increased for the second year in a row (+7% compared to 2007).

In particular the E&C and the E&P sectors show an increase respectively of 10.3% and 10.7%. The increase in the E&P sector was due to the inclusion of the Okpai facility in Nigeria within the scope of consolidation in 2008.

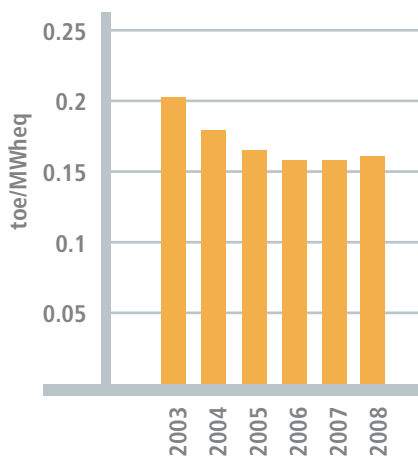
SO₂ emissions continued to decrease (-9%, on average, -11.5% in the refining sector) in all sectors as a result of the use of low-sulphur fuels. The use of low-emission combustion technologies is estimated to allow a 20% reduction in NOx emissions and a 30% reduction in SOx emissions net of

new acquisitions by 2012. The technologies adopted in the thermoelectric sector have allowed Eni to avoid approximately 80,000 tons/year in SO₂ emissions and 20,000 tons/year of NOx emissions. The installation of VeLowNox burners, by the year 2012, will allow a further reduction in NOx emissions from 5860 t in 2008 to 5700 t expected for the year 2012.

The installation of low-emissions turbines continued in the gas transmission sector as well (reduction of NOx emissions by 4.5%). In Italy, this practice will allow an additional decrease in emissions for compression plants. The refining sector recorded a decrease in NOx and SO₂ in 2008 emissions due to lower production levels. After reducing the sulphur content of fuels and avoiding its emission into the atmosphere in past years (in anticipation of the European directive on fuels), Eni's production of low-emission fuels has allowed the reduction of NOx emissions for the end customer by optimizing combustion through the use of specific additives.

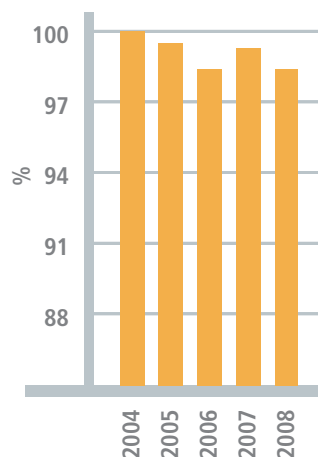
All business units engage in activities designed to monitor and control fugitive emissions. In this regard, monitoring plans have been initiated using innovative techniques, such as video-imaging. Furthermore, Leak Detection And Repair (LDAR) programs will be implemented and a Company-wide protocol for monitoring fugitive emissions will be put in place.

POWER PLANT ENERGY PERFORMANCE INDEXES



Since 2000, the power plant energy performance index has recorded a steady improvement, allowing a 23% reduction in energy consumed to produce one MWh. In addition, the combined cycles in Ferrara, ready to start, are expected to give a much better performance compared to the Italian

ENERGY INTENSITY INDEX - REFINING



Since 2004, the energy intensity index has recorded a 1.6% improvement. From 2000-2004, the index (calculated with a different methodology and data inputs) fell by 10%.

Oil spills

Eni has implemented a series of integrated measures aimed at reducing oil spills in the production, loading and transportation of oil products. Transportation technologies allow for the routine inspection, maintenance and evaluation of oil pipelines and transportation means and the use of airtight systems for loading and storage. In the E&P sector, 378 oil spills were recorded for a total of 7,024 barrels.

The total number of barrels spilled decreased for the second year in a row (-25%). A total of 28% of the volume spilled was due to sabotage, while the volume spilled due to accidents decreased by 30% compared to 2007.

In 2008, Eni participated and contributed to international initiatives such as:

- OSPRI Oil Spill Preparedness Regional Initiative: collaboration with Countries in the Caspian Sea area to increase the ability to respond to oil spills;
- COSPIP Coastal Oil Spill Improvement program: program aimed at developing strategies and build oil-spill-prevention equipment in the Barents Sea;
- GLWACAF Global Initiative West And Central Africa: project that involves area governments in developing reciprocal aid agreements;
- Oil in Ice JIP: project aimed at developing tools and technologies to increase the capacity to respond to oil spills in ice-covered waters;
- OSPREC Oil Spill Response Company: Company established with the purpose of minimizing the risk of oil spills along Algeria's coastline.

Also in 2008, Eni's oil spill response plans were revised within the framework of Exploration & Production activities in Angola,

Australia, Indonesia, Egypt, Libya and Pakistan.

E&P has continued to pursue its efforts to implement marine oil spill response systems by outlining a plan for identifying areas where improvements can be made. A preliminary gap analysis in the Gulf of Suez (Egypt), allowed the Company to monitor the operations of its associated companies in Egypt.

Eni completed its Long-Term Weathering of Oils in Marine Environment project, a project that allowed the Company to study, in collaboration with Italy's Institute for Coastal Marine Environment and others, the toxicity and biodegradability of oil spills and contribute to new response methods.

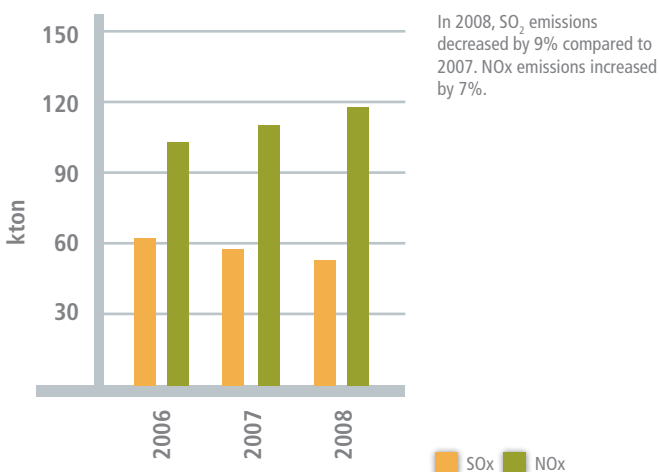
Waste management

In 2008, waste from production activities increased by about 97,600 tons compared to 2007 as a result of new drilling activities in Alaska and the disposal of drill cuttings in Nigeria and Algeria. Similar to the last four years, waste from reclamation activities accounted for more than 80% of the waste produced (see next section).

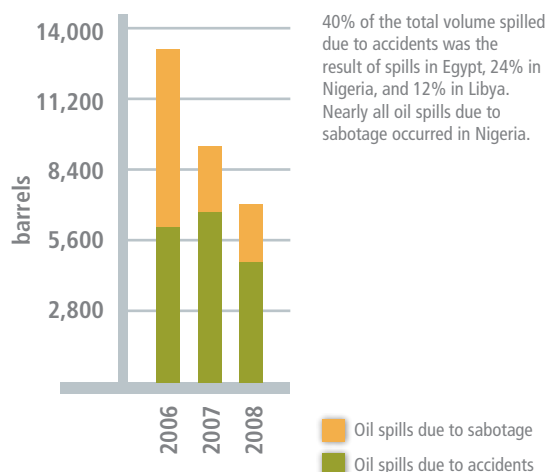
Eni continues to pursue its commitment to decreasing waste production by increasing recycled and recovered waste and therefore reducing dumping.

Since 2007, Eni has been working on a project aimed at monitoring and controlling the entire lifecycle of the waste produced by its business areas, with the objective of ensuring correct waste management and identifying opportunities for minimizing its production. Key activities in 2008 included the startup of the Exploration & Projection sector, a waste management assessment and the subsequent implementation of specific Waste Management Plans (WMP) in the Exploration

SO₂ AND NO_x EMISSIONS



OIL SPILL VOLUMES BY CAUSE



& Production sector. WMPs aimed at controlling and improving the quantity and quality of waste produced, with performance objectives defined annually.

The objective was reached by 11 associated companies in seven Countries (Algeria, Pakistan, Russia, Indonesia, Kazakhstan, Libya and Congo) and, in 2009, the program will be implemented in Nigeria, Egypt and Croatia.

KCO plans to use drill cuttings re-injection in its activities at the Kashagan field, allowing a drastic reduction in the amount of waste transported and dumped. Under the current WMP, a certain treatment (TCC) is used for oil-based cuttings that allows a disposable waste to be obtained while recovering the oily base for use in drilling mud.

Soil reclamation

Soil and groundwater protection is increasingly important in ensuring the correct functioning of ecosystems and the Sustainability of operations. Eni's efforts mainly focus on decommissioned or long-operating industrial sites often inherited from former managements. For this reason, Eni has chosen to consider all surfaces covered by industrial areas as potentially contaminated and therefore analyzes vast areas of land. In 2008, the overall economic commitment for environmental recoveries was equal to 417.5 million Euros. This allows Eni to identify each contaminated area in detail and use the appropriate tools to isolate those areas and implement reclamation and restoration projects in collaboration with local and national authorities. In Italy, this commitment has led to the initiation of intense efforts at 63 sites out of a total of over 900, implemented primarily through Syndial, a Company

specializing in the reclamation of contaminated sites and the management of residual industrial services. During the course of 2008, Syndial utilized circa 61% of the overall expense budget of Eni.

In 2008, Syndial continued reclamation activities in the Assemini site, where safety measures including a perimeter fence and groundwater treatment system were implemented on the 20-hectare area surrounding the facility, and Priolo, where a system was built for groundwater treatment that allows the reuse of treated water for industrial purposes. At Porto Marghera, electrokinetic and chemical oxidation technologies were used for the reclamation of contaminated areas.

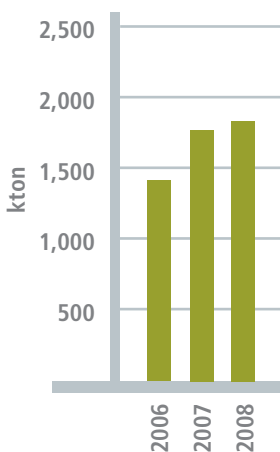
Furthermore, the local administration completed and certified the reclamation of the Cengio area (about 20 hectares) for industrial reuse.

The petrochemical sector completed the safety measures involving the groundwater of Montova, Ferrara, Brindisi, Priolo, Gela and Sarroch. Technologies that were used included hydraulic barriers and/or the localized pumping of contaminated water.

In the refining sector, efforts focusing on groundwater reclamation in Italian refineries through pumping to allow water reuse and the environmental restoration of the fuel network continued. In 2008 the E&P sector successfully completed the pilot project Bioremediation that started in 2007 in Egypt. In 2009 investigation activities will identify reclamation areas in a 30 Km² desertic area.

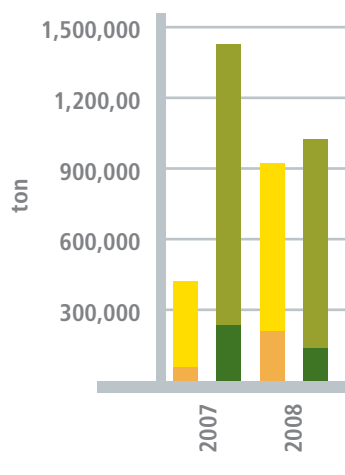


WASTE FROM PRODUCTION



Waste from production is on the increase, mainly in the E&P sector, which acquired new drilling businesses in Alaska and disposed of cuttings in Nigeria in 2008. In the G&P sector, waste from production decreased following the completion of construction on a phyto-treatment plant and a new combined cycle plant at the end of 2007.

DESTINATION OF HAZARDOUS AND NON - HAZARDOUS WASTE FROM PRODUCTION



Of the final destinations of waste from production, the amount of hazardous waste recovered increased significantly (4 times as much), mainly due to the E&P sector. Compared to 2007, waste products from productive activities increased by 5.5%. In particular, re-utilized dangerous waste, increased by 2.9%.

Hazardous waste
 ■ reused
 ■ disposed

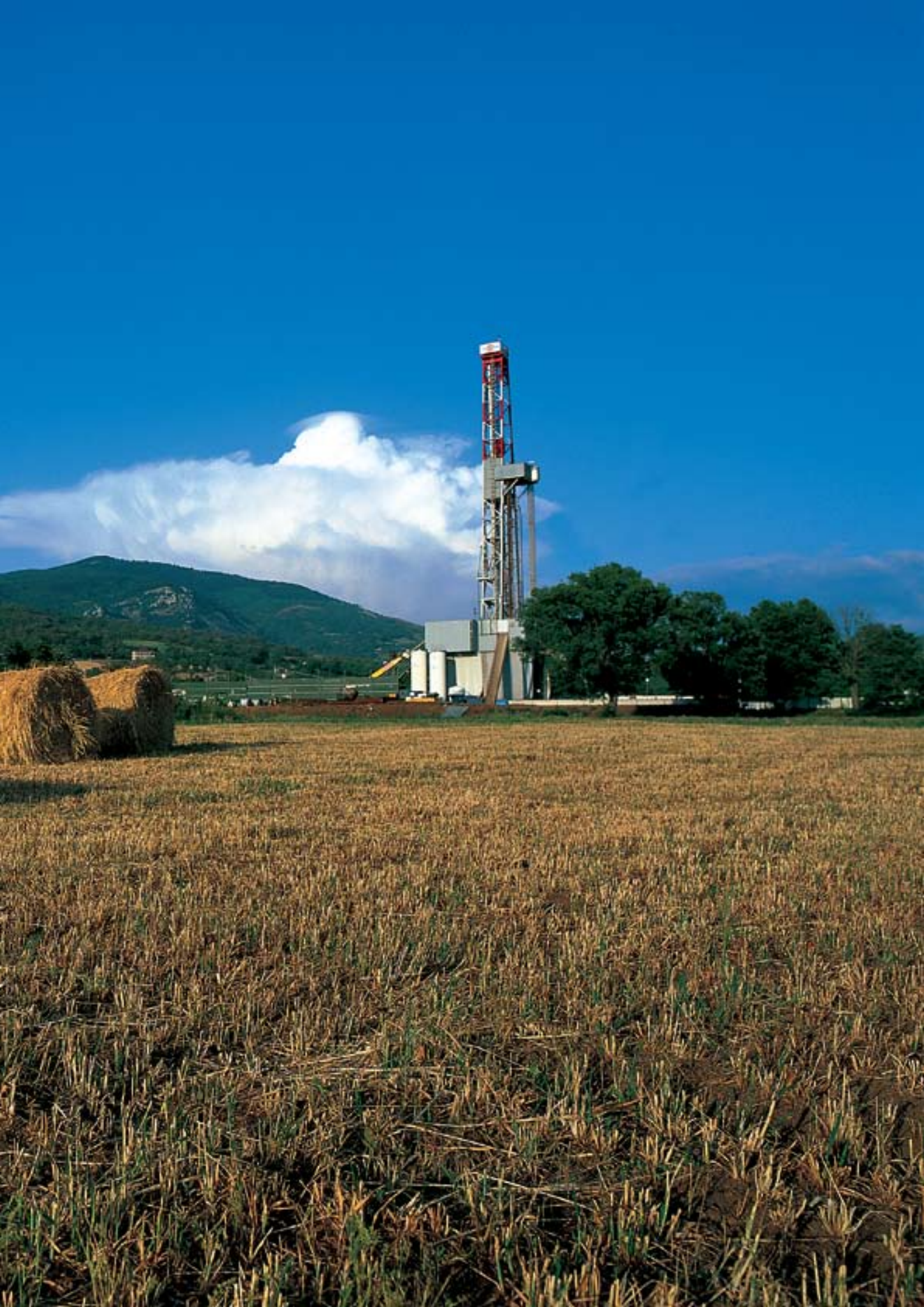
Non hazardous waste
 ■ reused
 ■ disposed

Living in the World

SUSTAINABILITY 08

“ In Eni, I was taught to remember that oil is not ours, it is theirs. This has always been the foundation of our strategy. If we work together, there will be enough wealth for everybody.”





The System of Relations

From the time of the “Mattei formula”, relationships with territories have been based on the recognition of the fact that the boundaries between the Company – as a group of people and not just capital – and the outer world, represented from time to time by suppliers or customers, host, Countries and the international community, are not fixed. Sustainability means creating constructive relationships with all these stakeholders.

In the Countries where it operates, Eni has applied an integrated model based on cooperation and development: it has signed agreements with local Governments and, after consulting the other players in the territories, has promoted initiatives in the support of independent development. An integral part of this process is the philanthropic activity of the Eni Foundation, created by Eni and dedicated to achieve the Company’s humanitarian and social solidarity goals. The Sustainability concept today, also implies the support of an innovative approach to global challenges. This is only achievable by promoting an on-going dialogue with the international bodies and the stakeholders. Eni has assumed an active role in the propagation of this culture and the principles for sustainable development by supporting relevant initiatives, by cooperating with top Universities and networks, by promoting research and innovation, also through the Fondazione Eni Enrico Mattei. Furthermore, Eni is consistently establishing relationships based on mutual trust and cooperation with suppliers and customers, two essential contributors in the creation of added value and with whom Eni shares sustainable principles and behaviour.

INTERNATIONAL INSTITUTIONAL RELATIONSHIPS

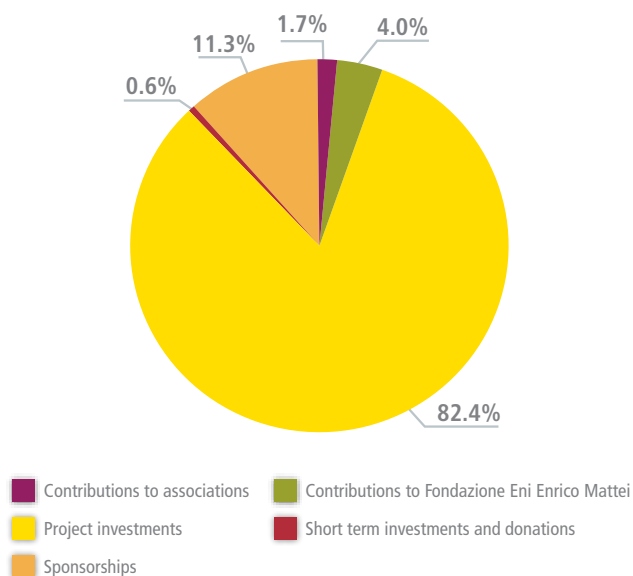
The development of international institutional relationships, an essential component of Eni’s activities, aims at building and strengthening relationships based on mutual consultations, with institutions of the Countries where the Company works, with Italian institutions and entities dealing with foreign Countries and with international entities and organizations.

This constant interaction promotes constructive analysis and debate with respect to different perspectives in approaching issues relative to development Sustainability as well as with respect to modes of cooperation that are more than simple contractual and business relationships.

THE DIALOGUE WITH

Eni supports and participates in several global initiatives and associations: the United Nations Global Compact; Extractive Industries Transparency Initiative (EITI, see the section, “The transparency of payments and EITI”); World Business Council on Sustainable Development (WBCSD); International Petroleum Industry Environmental Conservation Association (IPIECA). More specifically, in 2008 Eni was part of the IPIECA workteam for the update on the “Reporting” on Sustainability guidelines, and actively contributed to the definition of environmental, social, health and security indicators. In 2008, Eni has also further expanded

EXPENDITURE FOR THE TERRITORY BY TYPE - 2008



In 2008, the expenditure in activities for the territories amounted to 84.22 million Euros, a slight decrease compared to the previous year (-2%). More than 80% consists of project investments, an increase of 19.48% compared with 2007.

In this regard, Eni is committed to maintaining strong and constructive relations with foreign institutions, both directly and through the embassies in Italy. These relationships have led, for instance, to meetings with institutional delegations from different Countries and to productive discussions on gas supply security, global warming and renewable energy.

In 2008, a training program for 59 engineers of the Ministry of Iraqi Oil was created. The courses – with an overall duration of 16 weeks – covered various themes, including the development of managerial skills and operational tools in order to improve efficacy within the petroleum sector through analysis of economics, human resources management and cross-cultural relations.

Within this cooperative approach, the constant contact with the Italian Ministry of Foreign Affairs, the Italian embassies and Italian organizations engaged in internationalization, is enabling the Company to work in

observance of the so-called “Sistema Paese”^{*} and to develop synergic relationships with the relevant countries.

In May 2008, Eni organized a three day event involving meetings with the Italian ambassadors of the Countries where Eni operates. This was the first of a series of events aimed to promote the understanding of Eni’s philosophy, even through the direct testimonial of managers operating in the field.

The spirit of cooperation in the identification of a shared approach to extremely important international issues – such as gas supply security, protection of the environment and sustainable development – has characterized the dialogue, started in 2008, with the relevant Ministries involved in the organization of the next Summit on energy to be convened by the Italian Chairmanship of the G8.

Eni places great importance on a strong dialogue between producing and consuming countries, in the hope of achieving greater stability and transparency within energy markets.

This approach to an open dialogue on a wide range of subjects is reflected in the relationships established with several international organizations such as OECD, International Energy Agency (IEA), OPEC and International Energy Forum (IEF), and also through an active participation in conferences and seminars where Eni’s vision of Sustainability is presented and shared. In its capacity as a member of the Industry Advisory Committee, Eni has cooperated with the EFI’s Secretary in the organization of the XI IEF of April 2008, in Rome, in which over 70 Ministry delegations and more than 30 executives from the main international companies in the industry participated in order to identify energy strategies that would be globally shared and capable of meeting the challenges of gas supply security, global warming and growth in the current world’s oil demand.

^{*} “Sistema Paese” means to set aside individual interests for the interest of the Country.

BODIES AND ASSOCIATIONS ON SUSTAINABLE DEVELOPMENT SUBJECTS

its network of relationships with the main advocates of Sustainability in the Italian territory. In November 2008, Eni has opened with WWF a “transparency operation” to initiate dialogue on its activities in Val d’Agri. In the first meeting, Eni illustrated the activities carried out in the Basilicata region and the main results achieved within the AgriBioDiversity Project were discussed. Finally, Eni also initiated cooperation in 2008 with Legambiente on the project “The future of the planet: energy scenarios” for the purpose of sharing skills and values, promoting dialogue and knowledge on global energy topics with the members of the scientific community


and the academic world, as well as with institutions and students. The partnership took into consideration, as its first activity, the organization of an international conference on solar energy, intitled “Anche il sole fa la sua rivoluzione” (Even the sun has its own revolution) which was held at the Politechnical Institutes of Turin in April 2009.

RESPECTING THE PRINCIPLES OF THE GLOBAL COMPACT

Since joining the Global Compact in 2001, Eni has been committed to applying its principles to all its

operations; in order to follow new trends in this area, it is actively participating in workshops organized in Italy by the Technical Secretariat of GC, entrusted to FONDACA (Fondazione per la Cittadinanza Attiva) since 2006. In addition – within the “Communication on Progress” annual report – the Company identifies the elements of evolution in terms of actions taken



and actions planned in compliance with the 10 principles underlying the initiative. 

RELATIONSHIPS WITH STAKEHOLDERS

The respect and attention given to stakeholder expectations is one of the fundamental values of Eni's business. The Company, in compliance with the best international practises, has in fact adopted a stakeholder engagement methodology that is used to identify, analyze and consult with stakeholders who share an interest in Sustainability matters as they relate to business operations. Eni is aware that the creation of value and its Sustainability over time also depends on the quality of the relations established with the stakeholders, and is committed to maintaining an on-going proactive dialogue with the main parties involved. The strategic approach of involving the stakeholders is defined and shared at the Company level and is applied to all operating contexts while still respecting specific local characteristics and promoting transparency, dialogue and the sustainable development of the surrounding communities.

TESTIMONIALS FROM "LIVING WITH THE WORLD" CONFERENCE

The way Eni interacts with the local communities of the Countries in which it operates represents a model of success inspired by pragmatism and not driven by political ideology. Eni tackles any new problem by providing efficient, effective and innovative solutions, without being negatively influenced by politics. The integration model implemented by Eni should also be a source of inspiration in Italy.

Amara Lakhous – Algerian writer

One of the principles that drives Eni's operations, since Mattei's time, is the pursuit of concrete profit. Mattei chose to take Eni's operations into Countries south of the Mediterranean Sea because, with an extremely broad political vision, he understood that the southern world was a problem that needed to be addressed and that it could turn into opportunities that would give Eni a competitive edge on other oil companies, and mostly a new source of profit.

Sergio Escobar – Piccolo Teatro of Milan

Eni should be given credit for having offered, in cooperation with Research Centers and Universities, innovative solutions and projects aimed at improving its operations; these were later extended to the community, in particular to the local communities of the Countries where it operates. A good example is the Telemedicina project, developed with the Politecnico University of Milan, for the assistance of workers on oil platforms. Thanks to Eni, this project has developed into a service that can be used by local communities.

Giulio Ballio – Dean of the Polytechnical Institutes of Milan

RELATIONSHIPS WITH STAKEHOLDERS

Stakeholder

Consumers

Consumer associations

Institutions

International bodies

Governments and Ministries

EU organizations

Regulatory authorities

Financial Partners

Suppliers

Industrial Partners

People (see the section People)

Board of Directors

People

Trade unions

Agents and Franchisee

Financial Stakeholders

Investors and retail shareholders

Analysts and traditional portfolio managers

SRI (Socially Responsible Investments), analysts and investment managers

Rating agencies for Sustainability

Society

Associations and NGOs

Local communities

Academic Institutions and Research Institutes

Opinion leaders and Media

SUSTAINABILITY TOPICS, STAKEHOLDERS, DIALOGUE TOPICS AND ACTIONS TAKEN IN 2008

Expectations/topics of interest	2008 Actions and main results	Sharing the Code of Ethics
Dialogue with associations adhering to CNCU	Signing of the online "Protocollo di Conciliazione" ("Conciliation Protocol") and of the "Protocollo di Intesa" ("Agreement Protocol") on adjustments; Seminar on "Fuels: from the refinery to the consumer" (Rome); Meetings on distribution costs with Provincial authorities and consumers from Benevento, Caserta, Avellino	Presentation at the seminar on "Sustainable consumerism in the new energy scenarios" and follow-up collection of feedback from the CNCU associations
Transparency in the implementation of operating activities	Presentation to Consumer Associations on the plan for the technological update of the Venice refinery	
Sharing of contractual and promotional aspects of new commercial products	8 meetings with Consumer Associations and assessment of the satisfaction level of business initiatives	
Eni's brand analysis	Conducted with Ipsos: 6 focus groups in Italy, 3 in France and 3 in Germany on the evaluation of the Company's brand strengths and weaknesses	
Participation in and support of organisations and partnerships on Sustainability topics	Participation in UN Global Compact, IPIECA, WEF and WBCSD Dialogue with OECD, International Energy Agency (IEA), OPEC Cooperation with the organization of the XI International Energy Forum-IEF	Presentation to the Ministry of Economics - Treasury Department (scheduled for 2009)
Cooperation and dialogue with central Institutions	175 authorizations obtained	
Identification of a shared approach to matters of international relevance	Training program for the Iraqi Ministry of Oil Meetings with institutional delegations on Sustainability topics Project with the Ministry of Foreign Affairs	
Application of the Cooperation and Development Model	Signed four MoU with institutions in: Republic of Congo, Angola, Russian Federation and Gabon	
Transparency with parliamentary bodies	Hearing of Eni AD before the Productive Activities Commission of the Italian Parliament on "Price increases of oil and carburants" and on "Prospects of the Italian Chemical Industry"	
Investigation on foreign gas pipelines	Meetings with EU representatives for the identification of solutions towards the conclusion of the procedure	
Investigation on the GPL Sardinia market	Eni is following with great care the development of this procedure and, customarily, is adopting a constructive attitude towards the Antitrust Authority	
Inappropriate commercial practices	Definition of an Internal Awareness Programme Launch of a project for the definition of "Code of Good Conduct" to share with AGCM	
Translation prohibition to the final users of Robin Hood Tax	Workshop with Electric Power and Gas Authorities, Ministries of the Finance and Economic Development, "Cassa Conguaglio per il Settore Elettrico" for the identification of internal control mechanisms	
Activities to promote awareness	Meetings with the representatives of the Spanish Anti-Trust Authorities	
Creation of stable supplies	Partnership for an agreed-upon definition of contractual terms	Awareness activities Structured collection of feedback from 10 large supplying companies, 8 medium-small supplying companies
Sharing of values and behaviours	Partnership tied with the Campagna Eni30PerCentro Promotion synergies in the area of local development of the territories where Eni operates	
Training and involvement	Board Induction	<ul style="list-style-type: none"> ■ Training of corporate bodies within the Board Induction program ■ Training of key officers (executives and corporate communication upper management) through Webinars and virtual forums ■ Consultations through 2 focus groups in Rome and Milan and 3 online forums in Italy, Europe and extra-European Countries with GFK-Eurisko
Involvement and assessment of expectations	Completion of the analysis on climate by "Eni Secondo te"	
Italian, European and global industrial relationships	Annual meeting of the Comitato Aziendale Europeo Preparatory meetings for the renewal of the ICEM Agreement (March 2009) 96 meetings with trade unions abroad; 316 meetings with trade unions in Italy	Structured collection of feedback in the G&P and R&M sectors
Conscientious observance of the rights of all shareholders	Project for the involvement of retail shareholders	Structured collection of feedback from: <ul style="list-style-type: none"> ■ Major shareholders ■ SRI Funds ■ Buy Side analysts ■ Sell Side analysts ■ Rating agencies
Periodic results and four-year strategic plan	Definition of industrial and economic objectives for the main areas of business	
Coefficiency performance and safety Relations with local communities Human rights Assessments of the impact on operational activities	Description of projects and investments for the management of CO ₂ emissions; definition of the quantitative objective for flaring reduction; analysis on eco-efficiency performance, certification and management systems HSE (relevant KPI analyses); description of the management system for risk management and impact assessment; in-depth analysis of the project for the assessment of Human Rights; Recognition as Best performer in the field of DJSI World and confirmation of the Eni title in the FTSE4Good and in the Carbon Disclosure Leadership Index Recognition as Best performer in the field of the DJSI World Index and Confirmation in FTSE4Good and in the Carbon Disclosure Leadership Index	
Transparency of operational activities	Launch of the "Operation Transparency" in the Basilicata region with WWF	
Improvement of corporate strategies and programs on Sustainability topics (Human Rights, Biodiversity, Climate Changes, Payments Transparency)	2 meetings with IUCN for sharing strategies for the protection of Biodiversity Cooperation with the Danish Institute for Human Rights for carrying out 2 assessments in Nigeria and Kazakhstan First meeting of the signing parties towards the COP15 (Copenhagen 2009) Consultations with Transparency International on the transparency of payments Participation in the Mediterranean Roundtable of EITI (see the Table: "Involvement of local communities") (see the Table "Cooperation with Universities and research centers")	Structured collection of feedback from: <ul style="list-style-type: none"> ■ Environmental Associations ■ Advocacy Associations on civil rights and human rights ■ Research Institutes on the Company's ethics and Sustainability
Reputation Risk Management	RepTrack Industry and Italy; City <i>Giornalisti</i> Survey	

Territorial Cooperation and development model


Within Eni's territorialization culture and strategy, introduced by its founder Enrico Mattei, "Living in the world" means to create the conditions that favour dialogue with the other party as well as creating – in the territories where it operates and through the protection and further development of local identity and ecosystem values – new opportunities for an independent and sustainable development of the community.

The tools used by the Company to reach these Sustainability objectives are:

- the agreements (Memorandum of Understanding – MoU) that Eni signs with the institutional bodies of the Countries or regions where it operates;
- the processes for an independent and sustainable local development carried out through an involvement of the stakeholders and of the local communities where Eni assumes the role of a "promoter" and a "supporter" of the territory.

Eni avails itself of the philanthropic activities of the Eni Foundation committed to support the Business Units in all programs favouring the local communities.

■ AGREEMENTS WITH PRODUCER COUNTRIES

Eni acknowledges that dialogue and cooperation with the producer Countries and with their national oil companies are a prerequisite for understanding their strategic objectives and supporting their vision for territorial development. In most cases, the agreements between Eni and the producer Countries use the Production Sharing Agreement (PSA) as a model as it is based on a relationship between the National Oil Company (NOC) and Eni. Eni is entrusted with the task of providing, through its operations, innovative technologies and financial resources in addition to managing the operations which are typically implemented in the territory by means of joint ventures with other oil companies. In 2006, the Memorandum of Understanding (MoU) signed between Eni, the National Oil Company and the Gaddafi Development Foundation in Libya, launched a new strategy of cooperation with oil producers, on the basis of a shared development of projects oriented to achieve energy objectives and the economic development of the Country. Under these principles, several MoUs were signed in 2008 with the national authorities of the Republic of Congo, Angola, the Russian Federation and Gabon. 

■ THE TRANSPARENCY OF PAYMENTS AND EITI

The commitment given by Eni to the fight against corruption finds its expression in the concept of transparency applied to its management system and to its promotion activities in the Countries where it operates. To this purpose, Eni has joined, in 2005, the Extractive Industries Transparency Initiative (EITI) and has promoted the publication of financial reports with the revenue generated by the activities carried out in the Countries whose governments have joined the initiative and it has supported this process, together with MAE, in the Countries not yet formally aligned. Eni's commitment towards transparency is reinforced also by its interest in the Partnering Against Corruption Initiative (PACI), promoted by the World Economic Forum, for the application of "Business Principles for Countering Bribery" by Transparency International.

THE AGREEMENTS FOR COOPERATION AND DEVELOPMENT IN CONGO AND IN LIBYA

THE "MEMORANDUM OF UNDERSTANDING" IN CONGO

On May 19, 2008, the Company signed a cooperation plan with the national authorities for the addition of new initiatives integrating the core business within the non-conventional oil area in the bituminous sands of the Tchikatanga and Tchikatanga-Makola exploration areas, and in renewable energy, thereby entrusting Eni with a technical cooperative role for the sustainable development of the Country. The MoU pertains to the research and exploitation of non-conventional oil, the development of agricultural activities for food purposes and for the production of bio diesel, and the construction of a power plant for the purpose of eliminating the practice of gas flaring by the year 2012. The agreement enables Eni to develop the Eni Slurry Technology (EST), a proprietary technology for the improvement of the quality of heavy oils. The Centrale Electrique du Congo project entails the construction

THE PROMOTION OF EITI

In Kazakhstan, Eni participated in the advisory process promoted by the government and implemented at a national level by EITI. The process was concluded by the signing of a Memorandum of Understanding (MoU) between some sector companies and the government. In 2007, through KPO and KCO consortiums, Eni has started publishing the data pertaining to the year 2006. In February 2008, the Republic of Congo approved the Plan of Action (2008-2010) for the development of EITI thus establishing an executive committee in which Eni is participating. The Plan provides for the

of a high performance power plant in the proximity of the Djeno oil terminal. The new plant, owned by a Company of which Eni Congo holds 20% interest and the Congo Government 80%, will cover over 80% of the Country's demand. On 15 December 2008, the works for doubling the capacity of the existing Djeno gas plant were completed thus providing electricity to the entire Pointe Noire town.

The MoU includes the "Food Plus Bio Diesel" project which provides for the extraction of vegetable oils from palms grown on approximately 70,000 hectares of currently non-cultivated land in the Niari region, in the north-west of the Country. 340 thousand tons/year of raw oil is expected to be extracted and used to meet the food requirements of the Country as well as to produce 250,000 tons/year of biodiesel, thanks to the Eni Ultra Bio Diesel proprietary technology. The consortium managing the project will cooperate with the best international organizations for the optimization of agricultural production and the development of local communities. An employment impact of approximately 10,000 local workers is currently forecasted. In 2008, at the M'boundi and Tchikatanga site, a total of 120 locals have been employed while another 325 have worked on contract. Other infrastructure, education and health related service projects directed to the local community are underway and

supported by the Eni Foundation (see "Eni Foundation activities"). Three classrooms have been rebuilt in the N'Boukou Village (M'boundi site) and school material has been provided (along with 800 books to the Hinda School District and 150 desks to the local schools). Near the M'boundi site, eight potable water wells have been built and 22 km of new roads have been completed.

RESULTS OBTAINED IN 2008 THROUGH THE MOU IN LIBYA

In 2008, the activities foreseen by in the Memorandum of Understanding signed in 2006 by Eni, the Gaddafi Development Foundation and the national oil Company (NOC), have continued. The MoU provides for an eight-year intervention program (started in 2006) totaling \$ 150 million which includes operations in the healthcare, educational/training and cultural heritage preservation sectors.

In the health sector, an integrated network of cardiology, cardiosurgery and ER services as well as a Hospital project have been completed in cooperation with the Libya Ministry of Health and Environment and with the Libyan Board of Medical Specialties. In September, a protocol was signed with the Belgian Red Cross for the support of the Program on Blood Safety.

The Health Impact Assessment, which began in 2008, continues to provide its services in the Kufra and Murzuq areas. In the Nuqat Al Khams region a study on the management of urban, medical and industrial waste is underway and will be completed by April 2009. It involves an exchange of knowledge and good practises among the regions involved and the Italian territories. These activities include the enhancement of the labs of the University faculties for local environmental analyses as well as training programs. In 2008 a procurement procedure was implemented for the creation of new opportunities for local suppliers and an increase of their competitiveness. The "International Recruiting & Training" project, which started in 2006, continues to pursue its objective to hire – within four years – 150 local graduates.

As of today, 39 people have completed the training (refer to the Section "People"). Within the educational and cultural areas, five schools have been remodelled, an IT classroom for e-learning has been setup and the activities for the conservation and further development of the Sabratah and Leptis Magna sites are continuing through the requalification of local museums, the recovery of mosaics and the creation of new tourist itineraries.

IN THE COUNTRIES WHERE ENI OPERATES

publication of the payments made to the Government, for audits and certifications of state budgets and budgets of companies operating in the Country, for external audits by a *Conciliateur Indépendant* on the payments and involvement of the civil society. In Timor Leste, Eni Australia has joined the Multistakeholder Working Group which includes institutions, oil companies, representatives of the community and which, since 2007, has drawn up a Work Plan for the implementation of the initiative. In Gabon, Eni has obtained the inclusion of a reference to EITI in the management of the payments to be made in compliance with the terms of the agreement.

PAYMENTS MADE BY THE NIGERIAN GOVERNMENT RELATING TO OIL ACTIVITIES

(millions of dollars)	2006	2007	2008	Tot. '99-'08
Royalties	290	223	301	1,984
Profit Taxes	774	382	666	4,282
Gas flaring fees	2	1	1	21.72
Total	1,066	606	969	6,287

PAYMENTS MADE IN 2008 TO THE KAZAKH GOVERNMENT RELATING TO THE KARACHAGANAK PROJECT

	Millions of tenge	Millions of dollars
Total taxes	2,291.48	252.20
Profit oil (portion of profit for the Kazakan Government)	-	92.01
Total fees	1,485.97	-
Customs payments	514.50	-
Total	4,291.95	344.21

PAYMENTS MADE IN 2008 TO THE KAZAKAN GOVERNMENT RELATING TO THE KASHAGAN PROJECT

	Millions of tenge	Millions of dollars
Total taxes	395.90	-
Total fees	33.47	-
Customs payments	26.52	-
Total	455.89	-

ENI FOR THE DEVELOPMENT OF TERRITORIES

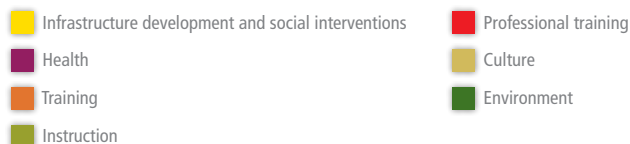
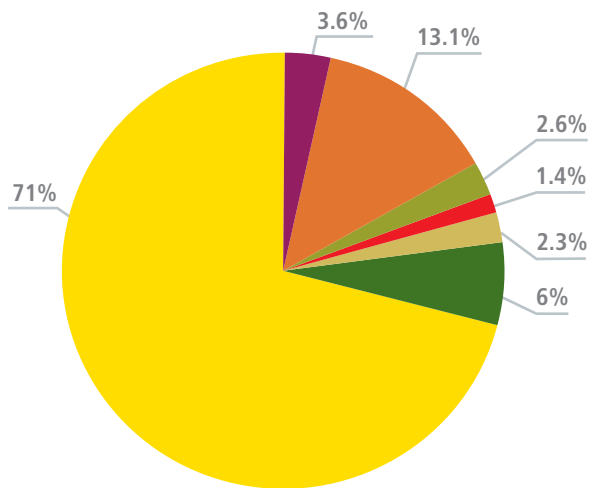
Eni's objective is to integrate the obligations agreed upon with local authorities through cooperation agreements with open dialogue and support for the development of the territories where it operates in order to implement independent and sustainable development processes; for this process, it will not only make available its own financial resources but also the relationship capital and the know-how of a large international corporation.

The priority areas of intervention in favour of the communities are identified through a dialogue with the stakeholders and an impact assessment. In 2008 the implemented initiatives mostly pertained to:

- the development of the local socio-economic system through the promotion of entrepreneurship and the strengthening of territorial infrastructures;
- the community's right to healthcare;
- the education and training of the next generations;
- the protection and promotion of culture, local ecosystem and identity values.

In 2008, community investments amounted to 69.88 million Euros.

INVESTMENTS IN COMMUNITIES 2008



Community investments include project-related investments and donations. In 2008, these investments amounted to 69.88 million Euros, up 15% compared with 2007.

71% of the community investments was used for infrastructural and social development projects.

MANAGEMENT OF RELATIONSHIPS WITH THE LOCAL COMMUNITIES

In cooperation with local authorities, Eni is undertaking proactive and on-going activities that intend to involve the community through open dialogue and direct consultations with primary stakeholders in order to promote and share responsible behaviours while supporting independent development. The main tools used by Eni for forecasting and reliably managing the effects of its activities on

INVOLVEMENT OF THE LOCAL COMMUNITIES

Country

Algeria

Australia

Republic of Congo

Ecuador

India

Indonesia

Italy

Kazakhstan

Mali

Nigeria

Norway

Timor Leste

the social and territorial context are the tools for impact assessment, such as Social Impact Assessment (SIA), Environmental and Social Impact Assessment (ESIA) and Health Impact Assessment (HIA). In 2008, ESIA's were conducted in Congo and Kazakhstan; ESIA's were conducted in Australia, Kazakhstan and Indonesia (the last one evolved into ESIA) and there were initiated Social Baseline Assessments in India. Health Impact Assessment (HIA) activities were developed in Saudi Arabia, Congo, Libya and Mali, while HIA-related activities, that started in 2007 in Kazakhstan and Pakistan, continued.



Scope/Activity/Project	2008 Activities and main results
MoU with the Ministry of Culture	Training of local personnel for the restoration of mosaics in partnership with Università di Roma
Impact Assessment; Blacktip Community Investment Plan	Revision of Social Impact Assessment (SIA); interviews, meetings and workshops to evaluate the perception of the Blacktip project Consultations with the stakeholders within the Social Impact Management Plan
Multistakeholder Social Impact Advisory Committee e Community Liaison Officers	Consultations with the native communities
Stakeholder engagement Impact assessment	Creation of a team for a dialogue with the communities, daily listening activities 1 meeting with local authorities and NGOs on local agriculture production topics Consultations within the Health Impact Assessment (HIA) and the Biodiversity and Ecosystem Assessment
Good Neighbourhood Forum	Consultations within the Comitati Territoriali di Sviluppo (Territorial Development Committees)
Stakeholder Engagement activities	Consultations with local authorities in Rajasthan and in the Andaman and Nicobar islands Meetings with the local communities through the mediation of local NGOs
Community Development/Relationships program Impact assessment	Consultations with local authorities, agencies and communities Consultations within the Environmental and Social Impact Assessment (ESIA)
Cooperation and open dialogue with local institutions Missione di Comunità (Community Mission) in Basilicata	Interviews with and public listening to institutions, socio-economic and relevant stakeholders; creation of workgroups for the implementation of development initiatives in Basilicata; "Giornate Nazionali dell'Energia Elettrica" (Ravenna, Ferrara Erbognone, Ferrara, Mantova, Brindisi) to increase the knowledge of power plant activities Agreement with Municipality and Provincial authorities of Ferrara and Emilia Romagna Region for interventions on emission reductions in the Thermoelectric Plant SEF in Ferrara
Community Investment Impact assessment (KPO)	Consultations with the Village Councils: approximately 16 meetings, 4 of which public hearings Update of the Social Baseline Assessment (SBA) Consultations within the Biodiversity and Ecosystem Assessment
Community Investment Impact assessment (KCO)	Five communication campaigns on Sustainability topics Consultations with the stakeholders within the SIA Meetings with local authorities and NGOs representatives; public hearings to present the FPD - Declaration of Intent (DoI)
MoU with the authorities of the Timbuktu Region	Creation of committees, within the villages, for management of initiatives in favour of communities
Environmental Resources Management (ERM); Impact assessment	Mapping and evaluation of community conflicts; preparation of a Stakeholder Management Plan; baseline to value the feasibility of a project intended to improve the mother-child health conditions (Health Stream Project)
Goliat Impact Assessment	Consultations with stakeholders and communication of the results to the Norwegian Ministry of Energy and Oil
Stakeholder Engagement Transparency (EITI)	Preparation of Stakeholder Management Plan; consultations with NGOs and local institutions and communication of the results to government representatives; consultations with the local government on operational plans Participation in the EITI Multistakeholder Working Group

THE DEVELOPMENT OF THE LOCAL SOCIO-ECONOMIC SYSTEM

Eni encourages and promotes the development of the local socio-economic system through its support of entrepreneurship and the strengthening of territorial infrastructure in addition to generating an indirect economic impact on the local socio-economic standing through its own activities. The support of entrepreneurship is a fundamental requirement for guaranteeing the social and economic development of the communities where the Company operates. Key components are micro-credit, in particular for those who cannot access traditional credit instruments, and the creation of empowerments through the training of companies operating in the territory and of people who want to develop a business or enter a profession. In 2008 projects were started in Pakistan, Norway, Australia, Kazakhstan and Nigeria.

Interventions for the development of infrastructures in the energy field have adopted the best technologies available in the sources of renewable energy. In 2008, actions were undertaken in Nigeria, Egypt and Mali.

The strengthening of the infrastructure and of the urban structures (roads, water system, buildings) is another key element in the development of the territories. In Karachaganak, Kazakhstan, housing construction projects were carried in the Uralsk district upon providing buildable land.

In Nigeria, in cooperation with the hosting communities, 17 infrastructure plans were completed for a total investment over 5 million Euros.

These interventions cover also the provision of transportation means, as in Ecuador, where the "Air Transport and Communication Program 2008" project has provided 613 flights for the transport of specialized personnel in support of the native population.

TESTIMONIALS FROM THE "SVILUPPO E COMUNI POLVERE" FORUM

Eni's arrival has brought a change in the self-perception of the local authorities: the signing of a development agreement between the oil Company and the local administration has required the change of national regulations and favoured a change in public intervention strategies.

Vito de Filippo – President of the Basilicata region

A major corporation such as Eni is an extraordinary source of skills and knowledge that we must try to integrate with the territory through a high level exchange.

Attilio Martorano – President of Confindustria of Basilicata

My judgment on the development that Eni is promoting in Calvello is unequivocally positive. Furthermore, I find it praiseworthy that a big player at this level is ensuring that royalties are returned to the territory, in terms of development, therefore helping the community to build a sustainable future.

Gianfranco Imperatori – President of Fondazione Civita 

ENI IN THE BASILICATA REGION

In 1998, ten years after the discovery of the oil field of Monte Alpi in Val d'Agri, Eni signed the first agreement with content on Sustainability, that was ever signed between an oil Company and an Italian region. This agreement provides for initiatives related to the safeguard of the environment, to training and development through innovation and research.

Today Eni is a major player in the territory. In 2008, royalties amounting to 82 million Euros were paid to the territory for the oil extraction carried out in the area.

The presence of Eni has also generated a positive economic impact reflected in new employment and the use of local suppliers. In 2008, the people employed in this area totalled 190 while approximately 1500, of whom about half from the Basilicata region, are benefiting with a direct revenue generated in the course of operations.


THE "MISSIONE DI COMUNITÀ" PROJECT FOR LOCAL DEVELOPMENT

The "Missione di Comunità" ("Community Mission") project, realized in cooperation with FEEM and Consorzio AASTER, is the tool through which Eni actively participates in the creation of independent and sustainable development paths for the Basilicata region. The Missione di Comunità went through an initial pilot phase in 2007 which was implemented in the Val Camastra territory and was followed by a new series of activities in 2008 in the Val d'Agri territory. Major territorial players, such as administrators, entrepreneurs, tourist operators, associations, etc., were consulted through approximately 40 questionnaires and 8 public meetings. A set of projects and activities were shared in view of the possibility of being realized

in a short time and concurrently to set the foundation for long-term development. As for tourism, four pilot initiatives have been planned and are expected to be completed in 2009. In Val d'Agri, the first phase was completed through a survey conducted with the mayors of the 8 towns involved in the project. In the transition to the actual project implementation, it was of high importance the activation of "long networks" established with development promoters, such as the Associazione Civita which has participated in the definition of an integrated tourism development.

THE "SVILUPPO E COMUNI POLVERE" FORUM

On 11 and 12 July 2008, the "Sviluppo e Comuni Polvere" national forum, organized by the local municipalities, FEEM, the Consorzio AASTER and Editoriale Vita, in cooperation with Eni, was held in Calvello and in Abriola. Institutions, enterprises, representative of the community met in order to discuss sustainable development in terms of reviving the local economies and promoting social cohesion, particularly in Southern Italy. The presentations included activity-based experiences, such as "Patto dei saperi",

the path for the further development of local sectors under the "Patto per lo Sviluppo", the Progetto Scuola and FEEM activities, including the publication of the Social Reports of Calvello and Abriola. The participants were invited to discuss topics concerning the future of their territory. Contextually with this event, a special issue of the review *Comunitas* and a supplement of the weekly *Vita* were published and entirely dedicated to Camastra and to the *Missione di Comunità*. 

FEEM ACTIVITIES IN THE BASILICATA REGION

The establishment of a site of Fondazione Eni Enrico Mattei intends to create opportunities for the territory and to spread knowledge through research activities, specialised training, information and technological progress, in cooperation with local players, first of all, the University and through contacts with networks of excellence, among which FEEM is an active contributor. In 2008, FEEM planned and organized initiatives for disseminating scientific knowledge and offering specialized training classes, including a Bioinformation class in cooperation with the University of Milan-

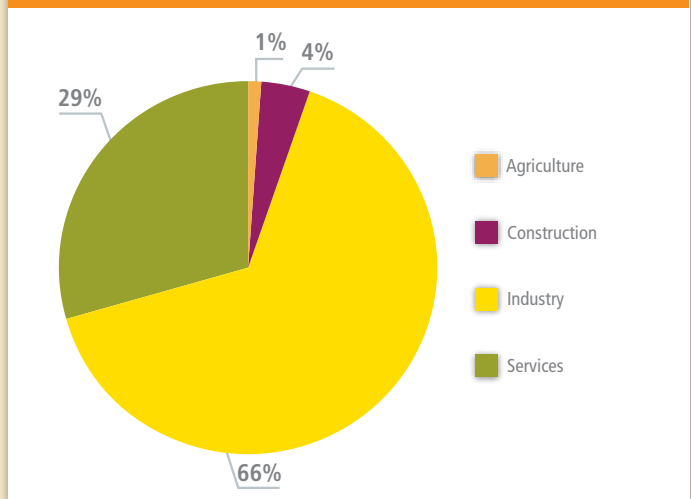
Bicocca and the University of Studies of Basilicata. Among the activities in support of territory development, FEEM organized a summer school for the training of scientific promoters as well as an Autumn School dedicated to the topic of "Development of the Val d'Agri territory" and participated in the organization of tourist guides training in Val Camastra. FEEM also promoted activities to overcome the digital divide, including the creation of a technological center in the town of Viggiano and a computer training class for disabled youth in the Tramutola and Villa d'Agri care homes. In 2008, several research projects were launched in the field of local territorial development. Worthy of mention is the planning for a local energy development program and scientific support for the implementation of an energy district in Val d'Agri. With the cooperation established with UNIBAS, FEEM finances PHD scholarships and promotes the cooperation of the PHD candidates on FEEM projects. Furthermore, it cooperates with the Azienda di Promozione del Territorio, with ENEA and the Basilicata Region (in the creation of the "Scuola Mediterranea sulle Energie"), and with the "Società Energetica Lucana".

ROYALTIES PAID BY ENI TO THE BASILICATA REGION AND TO THE MUNICIPALITIES IN VAL D'AGRI (IN MILLIONS OF EUROS)

	2006	2007	2008*	Total '00 - '08
Basilicata region	62.05	62.99	69.99	325.26
Municipalities	10.95	11.12	12.35	57.39
Total	73.00	74.11	82.34	382.65

*Temporary data

DIRECT ECONOMIC IMPACTS BY ACTIVITY SECTORS IN THE BASILICATA REGION IN 2008



THE PROTECTION OF THE RIGHT TO HEALTH

To promote public health means to guarantee the essential conditions for development. Eni supports interventions aiming to strengthen the public health of the Country in which it operates and promotes initiatives for the elimination of health risks, particularly for endemic diseases in non-OECD countries. In 2008, Eni has invested in health-related structures in Ecuador, Kazakhstan, Mali, Nigeria, Egypt, Pakistan and Tunisia; additionally, it has supported important campaigns to promote health in the world, such as a screening program for the prevention of breast cancer in Australia, a national program for breastfeeding in Timor Leste and polio immunization campaigns in Pakistan. Lastly, part of the mission of the Eni Foundation is to promote activities in support of the right to health in disadvantaged communities.

SUPPORT OF EDUCATION

The support of schooling and education, focusing on future generations, is an essential prerequisite for Sustainability. In 2008, didactic material has been provided to 992 students in Ecuador. In Nigeria, Pakistan, Kazakhstan, Norway and Australia, schooling facilities (schools, nurseries), and science education centers have been built. Eni has supported education programs in India, Egypt, Kazakhstan and Timor Leste in cooperation with local stakeholders. In conclusion, Eni has supported universities with the assignment of study loans in Countries of operation (see "Eni for a sustainable development culture").

TESTIMONIALS FROM THE TERRITORIES - NIGERIA

We have been introduced to the Green River Project and benefited from the multi-functional kit (MFK) provided by the Green Card Scheme which has enabled us to be the recipients of a training program designed for the management of local micro-entrepreneurships (coops). The credit repayment rate, set by this project, has ensured a more targeted training program for our children.
Women's Coop of the Obie Community – Stato del River

I have been participating in the Green River Project since 1987 and I have received training which has given me specific skills related to technologies applied to the agricultural development of our territory. I was also able to improve my education and earn a diploma at the "Technology and Enterprise Development Institute Owerri". Today I am running a private school for the promotion and guarantee of higher levels of education in my community.
Christopher Onyije, Obrikom community – Stato del River

I have participated in the Green River Project since 2001. This project has enabled me to acquire skills in harvesting, farming and fishing related activities. Thanks to these diversified activities and the access to credit provided by the Microcredit Scheme, we can now contribute to further development of these activities. By enriching our technical knowledge, we are contributing more to the development and the daily well-being of our community.
Ms. Joy Alabo – Stato del River

DEVELOPMENT PROJECTS

SUPPORT OF ENTREPRENEURSHIP IN NIGERIA

In 2008 in Nigeria, Eni launched, in partnership with the local communities and the Consultants Community Development Foundation and within the scope of the Green River Project, a micro-credit scheme which provides for training on the effective use of loans. By means of this project thirty coop companies have received loans ranging from \$ 4,000 to 6,000. Other initiatives in support of entrepreneurship have been implemented within the project, with a focus on local agriculture strengthening.

The Cottage Industry initiative set as its objective the improvement of bread production in the Mgbede area, in cooperation with the Mgbede Farmers Cooperative Society, the Mgbede Community and D-Emmason Engineering Ltd. The project, now completed, employs six people and has shown a 300% revenue increase. Through the Cassava Processing Mill project, implemented in cooperation with the Cooperative Society Omuko and Integrated Systems Ltd, significant progress was made in the milling of flour in order to obtain "gari", a basic local food. The project was completed with the hiring of four women, whose income was increased by 125%. Finally, the Plantain Flour House Project implemented in cooperation with the Mgbede Young Farmers Cooperative Society and Demmason Engineering Ltd, has improved the business of a coop producing and selling plantain flour and palm oil. The coop has expanded its business reaching other regions of south-east Nigeria and has hired 10 people from the local community, whose income has increased by 300%. The coop was awarded the "Farmer of the Year Award" from the Central Bank of Nigeria. Palm oil business has also improved resulting in the hiring of four local people

whose income has increased by 200%. Professional training activities enabled over 400 young people to enter a variety of professions (carpenter, hair stylist, bricklayer, information technology expert).

PROMOTION OF RENEWABLE ENERGY IN EGYPT

In 2008 important projects were launched in Egypt for the promotion of renewable energy for a total investment of 520 thousand Euros. The goal of Wind Farm, a two-year pilot project, was to generate eolic energy in Aby Rudesi. In 2008, a Wind Farm was created and connected to the existing power plant. Another project, Solar Project, in the western desert, has provided for the connection of solar panels to the existing electric system thus guaranteeing the continuity of energy supply to the production plants.

THE "PROGRAMMA SALUTE" IN ECUADOR

In Ecuador, the Programma Salute (Health Program) continues benefitting local

communities, by improving services and medical infrastructures and by helping to reduce sanitary risk. The medical centers operating in Moretococho, Villano and Liquiñe, accounted for 8,404 medical and dental visits, in Paparawa the building of a new medical center has begun. In the mobile units 4,019 consults were conducted by 18 health operators. The air ambulance service responded to 98 emergency cases. Finally, the anti-malaria campaign continues through the elimination of breeding grounds.

THE "GEOSCIENCES" PROGRAM IN INDIA

In India, the program "Geoscience" was designed for the application of high quality geosciences through the involvement of local and national governments. In partnership with the University of Jammu and the University College of London it was initially launched in the Jammu and Kashmir regions and will also be implemented in Rajasthan. The activities include the five editions of the "Eni Children Education Programme"

(the first was held at the international conference of Jammu) and the "Campaign for Energy Efficiency", an educational program which involved about 200 teenagers between 14 and 16 years of age from the Jammu and Kashmir regions. In march 2009, the initiative was awarded with the "Getenergy Award" (www.getenergyawards.com).

TIMOR LESTE: IMPROVEMENT OF THE WATER SUPPLY

In Timor Leste, Eni is implementing interventions targeted to supply clean water to local communities. In 2008, six schools of the Aileu district were connected and a feasibility study for the installation of some wells in the Los Palos district is currently underway. Two water tanks have also been installed in a remote area, also thanks to the construction of a road system. Another project has been designed to supply potable water through a water tank system which includes the installation of 13 manual pumps, 11 wells, 2 water tanks and 1 water pipeline.

ENI FOUNDATION ACTIVITIES

In 2008 Eni Foundation has continued and strengthened its activities aimed at the protection of the fundamental rights of individuals, in particular children and the elderly. In Congo, the Salissa Mwana vaccination and epidemiology monitoring program, aimed at childhood illnesses, that was launched in 2007, had a major expansion in the three regions of Kouiloi, Niari and Cuvette. Through the completion of the first 11 health centers, the use of mobile medical units and the scientific support of the Pediatric Department of the University "La Sapienza" of Rome, in the region of Kouilou, the children vaccination rate increased from 45% to almost 80%. In Congo, Eni Foundation also signed an

agreement with the Ministry of Health for the development of the Kento Mwana project for the prevention of mother to child HIV transmission, with the scientific coordination of Università of Genoa. In Luanda, Angola, Eni Foundation launched a health and nutrition program for children. The first phase of the two-year project covers the Kilamba Kiayi municipality with the goal of reducing the incidence of preventable or malnutrition-related diseases. In Indonesia, a three year project, Smile Train Italia, targeting the treatment of children with lip and palate deformities, was implemented. In addition to surgical missions, the project provides for the spread of knowledge

and the establishment of a center of excellence in the Country. In Italy, the Eni Foundation is cooperating with the "Associazione Pionieri e Veterani" in order to promote the digital education for the elderly through the project Internet Corner in Rome, in cooperation with Fondazione Mondo Digitale, and through three other microprojects on computer education, one in Venice and two in San Donato Milanese. The Eni Foundation has also granted 100 million Euros to the "Fondo carta acquisti" initiative, promoted by the Italian Government for the most disadvantaged segments of the population.

PROTECTION AND FURTHER DEVELOPMENT OF LOCAL ECOSYSTEM AND IDENTITY

The protection of territory identity, ecosystem and landscapes as well as cultural heritage, is not only a responsibility for the companies operating in those regions but should also involve the creation of economic and social development opportunities for local communities.

Eni promotes and supports the value of ecosystems and the biodiversity of the territories where it operates by developing projects designed to integrate protection and further use of ecological resources with the development of local socio-economic systems (see Eni as a player in sustainable development).

In 2008 Eni implemented a process for the definition of a policy on biodiversity and ecosystems through a comparison of different business areas. It made several contacts at the national and international levels in order to share and improve current strategies and projects. Eni's commitment, in its capacity as Vice Chairman of the Biodiversity Working Group of IPIECA has continued.

In the second half of 2008, Eni participated in the "Proteus 2012" initiative – a partnership between the World Conservation Monitoring Centre of UNEP (United Nations Environment Programme) and the private sector – which has led to a complete reconstruction of the global database on protected marine and terrestrial areas (World Database on Protected Areas, WDPA), thereby making available – on an integrated IT platform – information on biodiversity rich sites, including marine and coastal ecosystems. The benefits expected from this participation are related to the availability of updated and complete information in order to map and preventively mark sensitive sites with a high degree of biodiversity, thereby reducing the risks deriving from operating in these areas.

Eni protects and supports the cultural heritage of the territories by participating in the conservation and further development of material assets and by promoting measures aimed at protecting intangible heritage assets represented by the cultural traditions of places and people, with particular focus on the possible impact generated by its own activities on the native populations.

In Algeria, restoration work on the "Trionfo indiano di Dionisio" at the national museum of Sétif, as well as training classes for local restorers, have begun.

In Australia, as part of the BlackTip project, the program for the protection of aboriginal holy sites and of the cultural heritage of the Northern Territory, has begun. Eni supports the development of Wadeye aboriginal art movements and the organization of a yearly exhibit in Darwin, in cooperation with the Darwin Aboriginal Art Gallery.

In Kazakhstan Eni conducted a survey, together with the West Kazakhstan Oblast Archaeological and Historical Centre, in order to identify the areas surrounding Karachaganak which must be preserved from drilling operations, the final goal is to define a management program in line with international standards.

In Timor Leste, in cooperation with the local Arte Moris, NGOs, a project for the further development of the local artistic movement was launched in for the creation of a national academy.

THE MAIN PROJECTS FOR THE STUDY OF BIODIVERSITY AND ECOSYSTEMS

The total amount of expenditures in 2008 for the implementation of projects targeting the protection of biodiversity, amounted to approximately 11.34 million Euros. The developed projects mainly involved the assessment, monitoring and mitigation of any impact on biodiversity resulting from operations conducted in particularly sensitive areas. The goal was also to provide tools and programs for all corporate entities, in compliance with the guidelines set forth by the EBI (Energy and Biodiversity Initiative).

PROTECTION OF THE ARCTIC REGION

Eni has launched some projects aimed at evaluating the ecological sensitivity of the Arctic Region, with regard to oil activities, and to the connection of such activities with the local socio-economic system. Through the Arctic Sea Biodiversity project, stakeholder consultations are

MAIN PROJECTS FOR THE PROTECTION

Project name

Biodiversity Project in Val d'Agri (Phase 2 - ABD Project)

Biodiversity Risk Assessment in the Nikaitchuq Block

Villano BioDiversity (VBd)

BioSea II JIP

Arctic Sea BioDiversity (ASBD)

Joint Industry Programme "Sound and Marine Life"

Environment and natural reserve monitoring, "Biviere e Macconi"

Monitoring of endemic species in the Caspian Sea

underway for the definition of a protocol for the study and preservation of offshore biodiversity. In 2008 a study of the context of reference was concluded and the first bio samples were collected. In Alaska, the goal of the Biodiversity Risk Assessment of the Nikaitchuq Block project is to evaluate biodiversity risks related to the operational, ecological and social context of the Nikaitchung area as well as the development of a Biodiversity Action Plan with regard to risk management, impact mitigation and identification of conservation options.

JOINT INDUSTRY PROGRAMME “E&P SOUND AND MARINE LIFE”

The objective of the program – which involves a partnership of 13 oil companies – is to study the potential effects of the sound generated by E&P offshore activities, particularly seismic activities, on the marine environment. Since its the beginning, the program has initiated 50 agreements with Universities and research centers at the international level. In 2008, phase II of the project was concluded. The results pertain to the characteristics

of the activities' sound sources, to the audiometric measurements on marine mammals and to the development of tools for passive acoustic monitoring (PAM) to be used both during seismic operations and for the identification and localization of the animals (www. soundandmarinelife.org).

PROTECTION OF BIODIVERSITY IN VAL D’AGRI - START UP OF PHASE 2

In 2008, a new initiative was launched in Val d’Agri to apply the results of the AgriBioDiversity (ABD) – completed at the end of 2007 – by developing mitigation and restoration activities in priority sites. The results obtained from the first study show that the mountain areas, including those associated with oil activities, are still rich in biodiversity while the major changes have occurred on the valley bottom associated with different uses of the territory. The oil activities-related impact has shown to be limited, highly localized and restorable. These results were shared with the stakeholders involved. The activities, started in 2008, entail the reclamation of key natural sites

through the restoration of autochthonous vegetation, as well as experimental activities in local grasslands and along the flowline, with monitored processes for autochthonous flora recolonization.

VILLANO BIODIVERSITY - ECUADOR

The project intends to evaluate the potential impact of operations in the Villano area and to identify mitigation/restoration measures. In 2008, the Pontificia Universidad Catolica of Ecuador began assessment activities that included: an analysis of the changes occurred in the forest ecosystem and an evaluation of the pressures arising from anthropic activities through the use of the GIS technology and through the newly developed, integrated geo-database; an evaluation of the impact of anthropic activities on biodiversity; and finally the definition of mitigating actions. Lastly, activities for forest reclamation have been carried out by using native plants subjected to different transplant and treatment methods.

OF ECOSYSTEMS AND BIODIVERSITY

Geographic Area	Total Investment (thousands of Euros)	Progress	Partners/Stakeholders involved
Val d’Agri (Italy)	455		ABD Monitoring (Università della Basilicata)
Alaska (USA)	200		FFI (Fauna & Flora International)
Ecuador	2,070		Pontificia Universidad Catolica del Ecuador, FFI
Norway	1,470		Total, IRIS (International Research Institute of Stavanger)
Norway	2,520		Akvaplan-Niva, FFI, Arctos Group
All off-shore sites	2,100		Anadarko, BG Group, BHP Billiton, BP, Chevron, ConocoPhillips, ExxonMobil, International Association of Geophysical Contractors, Santos, Shell, Statoli-Hydro, Total, Woodside, OGP
Italy	150		
Kazakhstan	1,525		Kazakhstan Research & Production Center of the Fish Industry, U.S. Pew Institute for Ocean Science, CaspiEcology, Nedra, KazEcoProject, Caspian International Seal Survey, University of Leeds/Kazakh Agency of Applied Ecology (KAPE/KAEE)

MAIN INITIATIVES FOR TERRITORY DEVELOPMENT IN THE WORLD

These pages show Eni's main initiatives for communities carried out in 2008. Countries have been identified based on relevant criteria for Eni, such as their strategical and commercial value, the history of their relations with Eni and Eni's commitment for sustainable development. Eni Foundation's activities are not included.

ECUADOR

Beginning of relations: 1988

Investments in communities: € 2,867,385

Actions: school and hospital construction, scholarships, air transportation for medical emergencies, communication services, renewable energy powered plants, water supply.

ALGERIA

Beginning of relations: 1950's

Investments in communities: € 241,439

Actions: cultural heritage protection in cooperation with the Algerian Ministry of Culture, solar energy water wells in cooperation with Fondazione Sonatrach Tassili.

REPUBLIC OF CONGO

Beginning of relations: 1968

Investments in communities: € 746,950

Local procurement: 51%

Integrated cooperation and development tools: Protocol d'Accord (2008).

Actions: energy and water infrastructures, school and hospital construction, project for fighting HIV/AIDS implemented by Eni Foundation.

EGYPT

Beginning of relations: 1954

Investments in communities: € 147,618

Local procurement: 86%

Actions: hospital construction and supplies provision, computers to schools, urban improvement, support of Caritas Centro lebbrosi, Wind Farm and Solar Project for the promotion of renewable energy.

NIGERIA

Beginning of relations: 1962

Investments in communities: € 9,496,041

Actions: microcredit, rural health facilities construction, school and public services buildings, scholarships, water supply and road system electricity plants.

ANGOLA

Beginning of relations: 1980

Investments in communities: € 4,697,279

Local procurement: 66%

Integrated cooperation and development tools: MoU with Sonagol (2008).

Actions: local communities support actions, health and nutrition projects for the protection of children implemented by Eni Foundation.

VENEZUELA

Beginning of relations: 1998

Investments in communities: € 797,000

Actions: Participation in initiatives for the support of the local economy (support of fishing, ecotourism, sales of local products and micro-credit activities), products for water treatment.

NORWAY

Beginning of relations: 1964

Investments in communities: € 127,082

Actions: Promotion of identity heritage center for spreading scientific knowledge; protection of the native population.

MALI

Beginning of relations: 2006

Investments in communities: € 297,383

Integrated cooperation and development tools: MoU with the Ministry of Energy of Mali (2008), the Governor of the Tombouctou region and the mayors of the Tichift and Bires Salam villages.

Actions: wells powered with renewable energy, hospital supplies, prophylaxis and education on health-related issues.

TUNISIA

Beginning of relations: 1961

Investments in communities: € 321,226

Local procurement: 25%

Actions: hospital construction, post-undergraduate training in the oil industry.

KAZAKHSTAN

Beginning of relations: 1992

Investments in communities: € 28,434,383

Local procurement: 45%

Actions: hospital supplies, promotion of public health, school construction, micro-credit in cooperation with "Damu" WKD Association of Entrepreneurs; support to agriculture, road systems, training and instruction.

RUSSIAN FEDERATION

Beginning of relations: 2007

Investments in communities: € 378,406

Integrated cooperation and development tools: MoU with the Yamalo-Nenets authorities (2008).

Actions: medical and school supplies to schools, paramedics training, cultural heritage support.

PAKISTAN

Beginning of relations: 2000

Investments in communities: € 538,201

Actions: health education, school and hospital construction, support of women entrepreneurship, water and electricity supply, renewable energy plants, instruction and training programmes within the Bhit Rural Support Program.

TIMOR LESTE

Beginning of relations: 2006

Investments in communities: € 800,061

Cooperation and development model: Timor-Leste Expenditure Commitment within the operational agreement.

Actions: protection of mother and child health, medical initiatives and actions for integrated agricultural development, training and instruction, water supply.

INDIA

Beginning of relations: 2005

Investments in communities: € 22,108

Local procurement: 97%

Actions: educational program for students in cooperation with the University of Jammu and MPRG – University (College London), social initiatives.

AUSTRALIA

Beginning of relations: 2000

Investments in communities: € 312,129

Local procurement: 90%

Actions: infrastructure and hospital and school supplies, campaigns for the protection of mother and child health, school support, protection of the native cultural heritage, support of entrepreneurship, professional training and instruction.

LIBYA

Beginning of relations: 1959

Investments in communities: € 11,821,535

Local procurement 77%

Integrated cooperation and development tools: MoU with Gaddafi Development Foundation and National Oil Corporation (2006).

Actions: infrastructure and school and hospital supplies, cardiology and surgery facilities, professional training, promotion of cultural heritage.

ITALY

Beginning of relations: 1953 (the foundation date)

Investments in communities: € 5,097,000

Integrated cooperation and development tools: Eni-Basilicata Region Protocol (1998).

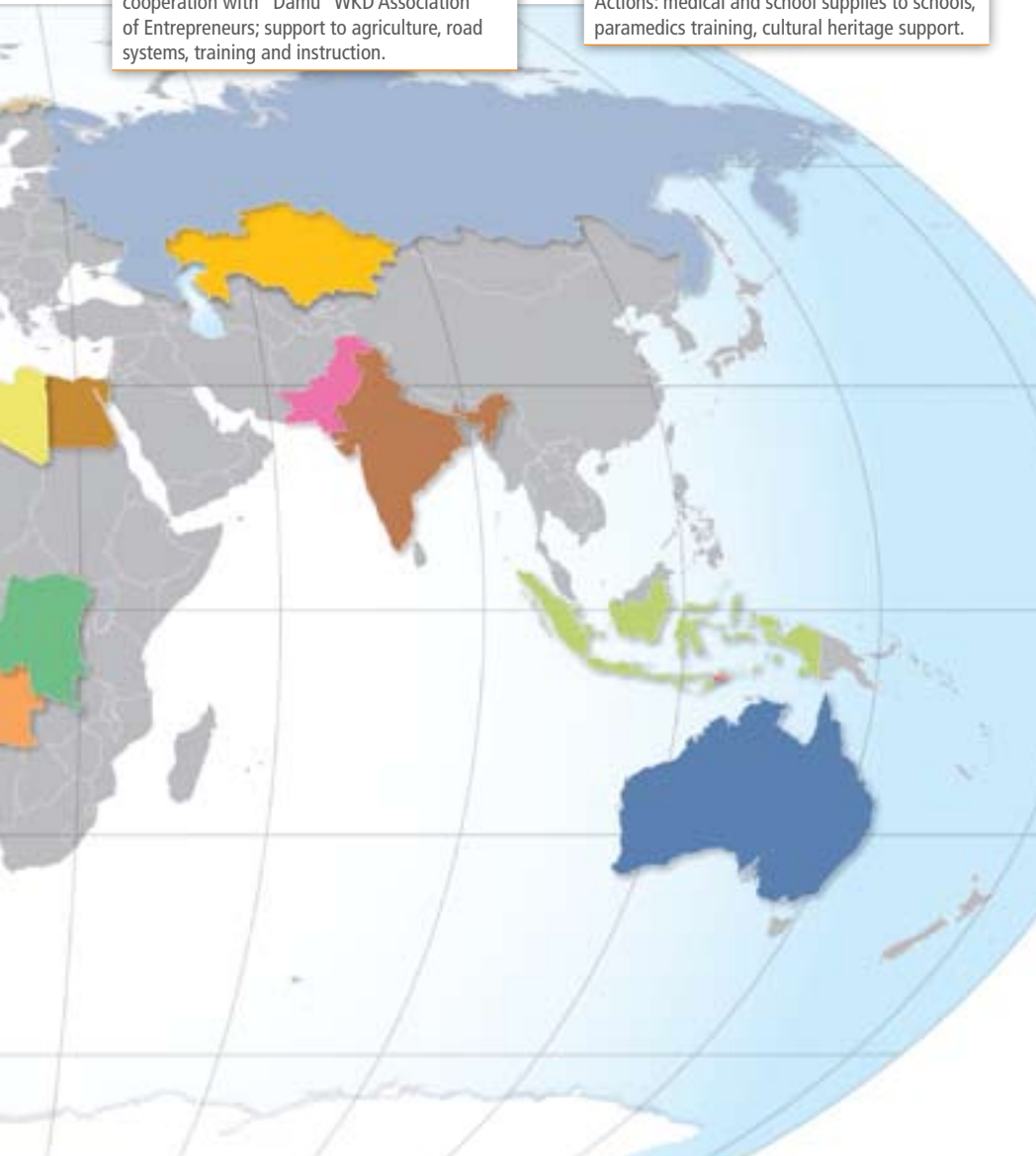
Actions: support of culture and scientific knowledge, promotion of small and medium enterprises. Projects targeted at environmental and socio-economic Sustainability; donations to "Fondo carta acquisti" and support for the elderly through Eni Foundation.

INDONESIA

Beginning of relations: 1968

Investments in communities: € 266,376

Actions: training of teachers and students, schools and public services construction, agricultural training activities, professional training, health assistance, three-year project supporting specialised surgeries on children, through Eni Foundation, cultural projects.



Eni for a sustainable development culture

RELATIONS WITH UNIVERSITIES AND RESEARCH CENTERS

In 2008, Eni established and consolidated agreements and partnerships with both Italian and overseas research and University centers, broadening and strengthening its international network.

The work done with Research Centers and Universities is primarily intended to promote specialized training paths and to create professional skills for the business. Activities involve providing support for Master's, Postgraduate and Specialization Degree Courses, as well as scholarships at prestigious Italian and overseas Universities. A further important objective is to establish privileged channels for attracting and recruiting talents.

Cooperation between Research Centers and Universities is also aimed at promoting and supporting scientific research, with particular attention to the energy sector technological development and to environmental research (see the chapter Eni and the Future of Energy).

Some other partnerships are instead directed at making available to the scientific community and students the knowledge and skills built up by the Company throughout its long history. Over the past five years, Eni has in fact catalogued and made available from its historical archives, historic and documentary material of unquestionable scientific value. Most of these sources are unpublished and Eni has offered them to Universities as a laboratory for students to test their theories.

SUPPORT FOR UNIVERSITY EDUCATION AND RESEARCH

Since 2008, Eni has been supporting three professorships in innovative specializations: International Economics at John Hopkins University, Strategic Management in Energy Industry at Bocconi University and Global Business Strategies and Competitive Dynamics at Luiss. Eni has also contributed to creating the Centre for Corporate Reputation at the Oxford Said Business School and made an investment of 5 million dollars over 5 years to promote the creation of the Enrico Mattei professorship in "Middle Eastern and African Studies" at the Council on Foreign Relations (CFR), to conduct research on African and Middle Eastern Countries that are strategic for the oil sector. Since 2008, through the Double Degree Project set up in association with the Bocconi University and the Mgimo University of Moscow, Eni has been providing 5 scholarships a year to Italian

FEEM ACTIVITIES

The Eni Enrico Mattei Foundation (FEEM) is an international non-profit-research institution established to carry out research in the field of sustainable development and global governance. FEEM has a staff of around 120 researchers working at its offices in Milan, Venice, Viggiano (see chapter "FEEM Activities in Basilicata") and Brussels.

The mission of FEEM is to contribute with research to the consistency, credibility and quality of decisions made in public and private life. This purpose is pursued by mobilizing an international and



COOPERATION WITH UNIVERSITIES AND RESEARCH CENTRES

Objective	Type	Projects/initiatives carried out in 2008
Creation of skills that are useful for the business	Master's Degrees and Specialization Courses	Organization of 7 Master's Degree courses on subjects relating to Oil & Gas technologies and management with: Polytechnic of Turin, Polytechnic of Milan, Bocconi University and the Universities of Bologna, Pavia, L'Aquila, Camerino and Pisa.
	Specialization Degrees	Establishment of the Oil Engineering course in English at the Polytechnic of Turin. Launch of 2 specialization courses on Oil & Gas related subjects with the Polytechnic of Milan and the Catholic University, and specialization courses with the Universities of Milan, Trieste, Padua and Pisa (Geology Project).
	Professorships	Launch of three specializations in "Strategic Management in Energy Industry" with the Bocconi University, in "International Economics" with John Hopkins University and in Global Business Strategies and Competitive Dynamics with Luiss. Involvement in the creation of the Centre for Corporate Reputation at the Oxford Said Business School. Creation of a permanent professorship in Middle Eastern and African Studies at the Council on Foreign Relations (CFR).
	Scholarships	Double Degree Project for 5 students at the Mgimo University in Moscow. International scholarships with Luiss and SDA – Bocconi University 6 scholarships for Master's Degrees launched at the University of Pisa and Bocconi University. Scholarships for advanced education courses in Italy for foreign students: 55 students from all over the world (Medea Master's Degree; 56 graduates including 25 Kazhaks (Polytechnic of Turin).
Target attraction	Career days	Network with national and international Universities and MBAs.
Dissemination of corporate culture	Internship	Internships as part of the Master's Degree and Specialization Courses (see above).
	Internship	Historical Archive Project: agreement with La Sapienza University of Rome (Contemporary History Degree Course) and agreement with Tor Vergata University of Rome (Multimedia Communication Degree Course).
Promotion of scientific research	Involvement in scientific research projects	Research in the field of solar energy: CNR ISOF, CNR ISMAC, MIT, Polytechnic of Lausanne, Polytechnic of Milan, Technion-Israel Institute, University of Catania, University of Delft, University of Ferrara, University of Milan, University of Oporto, University of Warsaw. Research in the field of biofuels: CHRISGAS, CNR-ITAE Messina, LEAP Consortium, MIT, Polytechnic of Milan, University of Bari, University of Bologna, University of Milan.
	Work with economic research centers	Disbursement of contributions to IEFÉ, CAFRA and CERGAS (Bocconi University).
	Doctorate scholarships	Disbursement of scholarships for doctorates at the University of Catania and the University of Basilicata (the latest ones based on the Agreement signed with the Basilicata Region).

students intending to spend a period of study overseas. Finally, Eni's historical archive has established an internship program. Contemporary history students at University "La Sapienza" of Rome have been able to

research the past activities of Eni around the world through the various documents in the archives. Multimedia communication students at University "Tor Vergata" of Rome have worked with the archive staff

to catalogue the cinematographic sources, beginning with media investigation and the study of the procedures for long-term storage.

interdisciplinary network of researchers working on cutting edge research projects, by promoting specialized training activities, by disseminating the results of research projects through various channels of communication and by providing support to national and international institutions. FEEM is currently involved in around 60 international projects partly funded by third parties, particularly by the European Commission. In 2008, FEEM organized 90 events, (seminars, conferences and workshops), involving a wide range of partners, including ministries, public

authorities, international organizations, private companies, Research Centers and Universities. In 2008, FEEM reorganized its research activities into three programs entitled "Sustainable Development", "Institutions and Markets" and "Global Challenges", and established cooperation agreements with prestigious national and international institutions, such as the Giorgio Cini Foundation of Venice, for the creation of the International Centre for Climate Governance, the London-based think tank Chatham House, and the European

Economic Association for the granting of the FEEM Award for young economists.

ORGANIZATIONAL STRUCTURE OF FEEM

Board of Directors

Paolo Scaroni (President), Raffaella Leone, Stefano Lucchini, Leonardo Maugeri, Alberto Meomartini, Roberto Poli, Salvatore Sardo, Daniela Viglione, Joaquin Navarro-Valls, Giulio Sapelli

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Director

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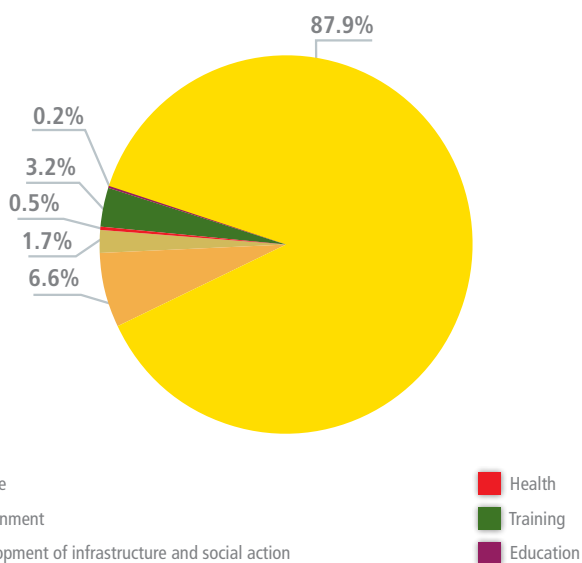
SUPPORTING CULTURE

In supporting culture, Eni makes the most of the relations built over time with all the relevant actors in its operational areas. Knowledge of the territory at the local level is in fact essential for implementing cultural projects. Local operators are selected on the basis of a well-established network of relations; project content is identified on the basis of consultations and projects identification is based on detailed knowledge of the community and of its interests. Culture supporting actions can be divided into two major categories: projects financially supported and projects identified, implemented and promoted by the Company itself.

Eni financially supports projects of institutes, organizations and foundations, as well as high cultural events and initiatives in which the Company's presence is justified by the resulting benefits for its image and communication opportunities. The contribution, disbursed on the basis of a structured assessment process, is essentially financial and does not include project content identification. Projects pertaining to the second category are directly identified and implemented by Eni.

Both categories of initiatives represent the attention Eni gives to schooling with two objectives: on the one hand to allow young people to get a detailed knowledge of the energy issues, supporting and incentivizing the study of scientific subjects, and on the other hand to make students more aware and able to interact with the various aspects of culture. One example is the Schoolnet Project, through which Eni promotes cultural exchange and knowledge among students from the different Countries where it operates.

SPONSORSHIPS BY AREA OF INTERVENTION 2008



In 2008, sponsorships for local areas and communities amounted to 9.5 million Euros. Cultural projects are the main area of interest.

MAIN CULTURAL PROJECTS IN 2008

FINANCIALLY SUPPORTED PROJECTS

Activities that are supported financially by Eni are selected through an assessment process mainly focused on the communities and local areas the project targets. The main purpose of projects implemented in production areas is to strengthen the reputation of the Eni brand by associating it with events that are attractive to the local area and recognized as high quality events.

In Ravenna, which is a historical home for Eni, the Company supports the Ravenna Festival, the city's most important cultural event, widely reported in the international media. The main purpose of projects implemented in areas of commercial interest is to make a fairly unknown brand recognizable and familiar. In this case disseminating the brand and associating it with an idea of excellence and prestige has a fundamental importance. In 2008, for example, the Company's sponsorship of the Mantegna exhibition at the Louvre, allowed the Company's entry into the French gas market associating the brand with a highly authoritative institution.

PROJECTS CONCEIVED BY ENI

The activities that Eni chooses and independently identifies are also focused on geographical areas of interest. Production areas, areas of commercial interest, "historical" areas where the Company has a long-established presence are ideal places for producing culture. The Caravaggio's "Conversion of Saul" exhibition in Milan was the result of a proposal made by the women who restored the painting.

Eni understood the exceptional nature of the initiative – the painter, the recent restoration, the rare opportunity to view the work, which is in a private collection – and launched a project based on three strengths: a prestigious venue that had never been used for this purpose – the Sala Alessi of Palazzo Marini, allowing free access to the exhibition and the provision of extra information on the painting itself and its painter. The constant presence and availability to the public of experts was particularly valued. The exhibition was extraordinarily successful and attracted 163,000 visitors.

Mantua, a city that hosts Eni production plants at its petrochemical industry, has for many years hosted to the Festival della Letteratura [Literature Festival] a highly prestigious cultural event which attracts an increasing number of visitors. Every year Eni sponsors this festival and in 2008 it decided to participate with an initiative of its own narrating literature from the Company's point of view.

While researching through its historical archive, Eni discovered, among the pages of its corporate journal *Il Gatto Selvatico*, ten stories written in the 50s by as many notable Italian authors. The stories having never been re-published, were unknown to the wider public. They include stories by Natalia Ginzburg, Leonardo Sciascia, Giuseppe Dessi, Giuseppe Berto and Goffredo Parise. Assembled in a presentation box, together with a previously unpublished interview to Attilio Bertolucci, the journal's director, the stories were the centrepiece of the initiative.

Neri Marcorè, an Italian actor, read a selection of the stories, commented by the journalists Corrado Augias and Mario Pirani, to the delight of the public.

THE SCHOOLNET PROJECT

Eni has been working with the Basilicata Region and the Regional Schools Office for many years on the Schoolnet Project for schools in the Val d'Agri, Val Camastra and Val Basento areas.

The project aims to promote knowledge of the local area and to strengthen dialogue between institutions. During the 2007-2008 academic year, the initiative was extended internationally by involving schools in Hammerfest (Norway), Darwin and Wadeye (Australia) and North Slope (Alaska), areas where Eni currently operates and which are united by a rich cultural context and the presence of energy resources to be exploited. As part of the initiative, around 800 students were invited to write projects describing their local area (which can be viewed at www.schoolnet.eni.it). On June 6, 2008, in Viggiano (Basilicata, Italy), in Hammerfest (Norway), in Darwin and in Wadeye (Australia), panels of people from Eni and from internationally renowned experts presented prizes for the projects produced in each Country and awarded the 1st International Prize to an Australian school for their "Wadeye" project.

The class won a one-week trip to Italy. During the trip it met the boys and girls from the Val d'Agri schools and the regional authorities. The total cost of the project in 2008 was 274,500 Euros.




"UNA CASA PER TUTTI" - "LA VITA NUDA" PROJECT

In 2008, Eni took part in the project entitled *Una Casa per Tutti – La Vita Nuda* [A Home for Everyone – Life Laid Bare] devised by the Milan Triennale.

The basic principle of the project is that modern cities are - or can become - testing grounds for integration between different cultures. The experience gathered by Eni, a Company that over the years has developed its own way of experiencing the world by sharing work, rules and daily life in seventy different countries, can suggest models for the future of multicultural societies. Through the images taken by colleagues from every corner of the world, Eni talked about the diversity that exists in the contexts in which it operates and where its personnel have lived since the 1950s.

The exhibition entitled *La Vita Nuda* was visited by 11,000 people between May and September 2008. A book "Abitare il mondo" was subsequently published. The book brings together not only all the material gathered for the exhibition but also stories and witness accounts from colleagues who took part in the project.

Finally, Eni promoted a dialogue with institutions, the world of culture and non-profit organizations by organizing the *Abitare il Mondo* conference at the Milan Triennale on September 12, 2008. Some of the statements made at the conference can be found at the beginning of this chapter. 

Relations with customers, consumers and suppliers

CUSTOMER AND CONSUMER CARE

Customer care is today provided according to strategic procedures that have two fundamental aims: to reduce the asymmetries which have always characterized relations between companies and their customers and to promote responsible behaviour among consumers.

In order to reduce the "distance" that may exist between the Company and consumers, Eni has established a specific department to manage relations with Consumer Associations. The department promotes dialogue between the Company and this category of stakeholders, increasing and strengthening relations, listening to consumer requirements and integrating them into its decision-making processes.

In order to promote a sustainable use of energy amongst consumers and final users, Eni has been applying a series of strategies: information and training campaigns in order create public awareness on the themes of energy savings and environmental protection, the creation of new tools in order to provide all possible information relative to the world of energy, the offer of low environmental impact products on the market, collaborations with regional and municipal authorities in order to develop initiatives for reducing atmospheric emissions and support for industrial for the definition of energy savings plans.

DIALOGUE WITH CONSUMERS

Dialogue with consumers takes place through structured means that include taking note of issues expressed by their representative bodies and other parties involved (e.g. public administration bodies), organizing meetings and discussions on specific subjects and taking measures to meet consumers' expectations. In 2008, Eni organized various meetings and seminars with Consumer Associations. The meetings were organized for various different purposes: some of them were aimed at resolving problems that had arisen in the delivery of services. For example, Eni held meetings with the municipal authorities, Consumer Associations and provinces of Benevento, Caserta and Avellino to resolve issues associated with the distribution costs added to the bills of some of the area municipalities. The outcome of these meetings was the granting of a postponement of the deadline for payment and the division of the bills into installments. Other meetings were intended to hold discussions with associations on general matters or issues connected with a specific business area or local context. An example of the former was the seminar organized in Rome under the heading "Fuels: from refining to the end consumer". The comments made during the meeting related to the need to increase the number of LPG and methane gas filling stations, particularly in city centers. Also in Rome, a seminar was held under the title "Sustainable consumerism in the new energy scenarios", during which Eni's new Code of Ethics was presented and illustrated (see

CONCILIATION FOR MANAGING DISPUTES

THE ONLINE CONCILIATION PROTOCOL

One of the most effective ways of strengthening relations with customers and consumers is to transparently manage any disputes that may arise in the most efficient and transparent way possible, even by using the opportunities offered by new technologies.

In 2008, the experimental phase of the online conciliation service was launched following the signing of the Online Conciliation Protocol by the Company's CEO and the representatives of Consumer Associations belonging to the Consiglio Nazionale Consumatori Utenti (CNCU) [National Council of Consumers and Users]. The Protocol demonstrates the Company's willingness to adopt a tool aimed at resolving disputes with consumers in the gas sector in a quick, simple and innovative way. With the support of the Associations that have signed up to the Protocol, customers are able to activate the online conciliation procedure via the website, www.eni.it. The conciliation procedure allows the Company to deal with issues related to consumption or billing due to the total or partial breakdown of meters or illegible meters. The Protocol also allows customers to request that bills higher than the average bills of the previous two years, (due to recoveries resulting from tariff adjustments over and above the levels already set by AEEG resolutions) can be split into installments.

Finally, the system also allows the Company to deal with various problems relating to suspensions of supply due to customers defaulting on their bills.

The experimental phase initially covered residential gas customers in the Veneto region, where training courses were also provided for consumer association advisors and a national conciliation office was set up; this office was staffed by Eni personell and national conciliators from Consumer Associations.



THE PROTOCOL OF UNDERSTANDING ON ADJUSTMENTS FOR RESIDENTIAL GAS METERS

Also in 2008, as a conclusion to a number of meetings held between Italgas and Consumer Associations to provide clarifications and information on news concerning gas meters operation, a Protocol of Understanding was signed regarding adjustments for domestic gas meters.

Italgas therefore undertook to speed up the voluntary replacement plan, which it had already adopted aiming at the replacement by 2011 of all meters that are over 20 years old, which account for around 20% of all meters installed.

In the meantime, customers whose meters have not yet been replaced, will be granted a discount up to the date of replacement and an adjustment for consumption over the past two years. Furthermore, the agreement provides for customers whose meter was replaced during the past year to be granted an adjustment based on consumption during the previous year.

THE PRICE OF FUELS

The increase in international crude oil prices and the rapid price slide that ensued focused the attention of the mass media on the speed with which prices at the pump adjust to the price of crude. Heavy criticisms have been leveled at oil companies, which are often accused of profiting from extra margins on pump prices. In reality, pump prices are affected by various factors and a high crude price does not necessarily lead to an equal extra profit.

The refining sector is in fact a mature sector "squeezed" between two extremely liquid markets: on the one hand the crude oil market, which provides the raw material, and on the other the international markets for oil products, which establish the value of production.

A substantially stable demand and a rigid production system requiring large amounts of investment and fixed costs mean that profitability in this sector is only slightly higher than capital costs.

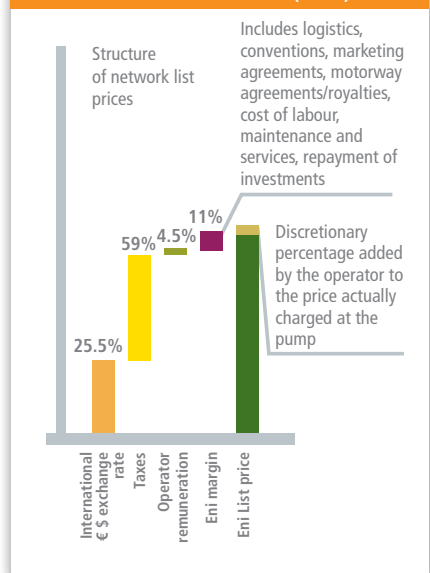
The performance of crude oil prices is often compared to the price of fuels, showing how falls in the price of crude are not reflected in equivalent falls in the price of fuels. Contrary to public opinion, there is no fixed correlation in the short-term, between the price of gasoline and the performance of crude prices, and high pump prices do not translate into equivalent profits for oil companies.


The discontinuity between the performance of crude prices and fuels is caused by numerous factors: crude oil is listed on international markets in dollars, while fuels is priced in Euros, which means that exchange rate fluctuations have a considerable influence on pump prices. Secondly, over 50% of the pump price of gasoline consist of taxes (59% between January 2008 and December 2008) with the industrial component making up only the remaining portion.

The "fixed" tax component significantly reduces price variations at the pump compared to crude price variations (if the price of crude falls by half, the price of gasoline will only fall by a quarter). Finally, it is important to bear in mind that

the average price of fuel in Italy is higher than the European average for various reasons, the main one being a lack of impetus towards developing self-service in this sector (over 90% of the European network uses self-service compared to an average of 30% in Italy). Other factors are the low development rate of sales of products other than fuel in service stations, which is four to five times more widespread in European Countries than in Italy and the inefficiency of the Italian network resulting from the high number of small service stations, which is not conducive to a fall in pump prices.

COMPONENTS OF THE FUEL PRICE CHARGED IN THE ENI NETWORK IN ITALY (2008)



the chapter on Governance and Sustainability). In 2008, Eni met with the Consumer Associations of the Veneto Region to present the technological adaptation project for the Venice refinery. Eni also organized meetings with experts from Consumer Associations in order to illustrate the contractual and promotional aspects of the Company's new commercial offers. In some cases, the associations highlighted problems which allowed the Company to intervene promptly to correct anomalies and prevent any sanctions being applied by the relevant bodies. Finally, eight territorial seminars with the title of "Choose Eni's gas and electricity" have been held in 2008, addressed to regional/provincial and territorial managers of Consumer Associations in order to illustrate the regulatory and legal framework of reference for gas and electricity as well as the dual offer for families. Questionnaires for the assessment of satisfaction with this initiative were distributed; satisfaction levels were high. The following emerged from the study: a lack of Company interlocutors on the territory, the need for more clarifications on the various electrical commercial offers and the difficulty of contacts through the call centers. In order to meet these needs, in 2008 the Franchising project for the Gas & Power sector was initiated on the territory (see chapter, "The quality of the gas and electricity sales service"). Communications were also implemented through a dedicated Internet area which contains information and documents on implemented activities as well as on meetings and agreements reached between Eni and Consumer Associations. In addition, comments on the regulations issued by the sector authorities are published along with a weekly press review focusing on consumerism; a Customers Services area is also made available in order to resolve disputes with consumers. 

CUSTOMER AND CONSUMER SATISFACTION

Customer satisfaction is surveyed by Eni on an annual basis with regards to gas distribution, electrical generation and fuel distribution. In 2008, the overall value of the customer satisfaction index for the fuel distribution was equal to 8.14, a slight worsening compared to the previous year (-1%). In-depth telephone surveys were then conducted on the most recent refueling, not only within Eni service stations but also within other stations operating in Italy. The satisfaction rate of Eni customers is greater than that of its competitors: (7.6 compared to 7.5). With regards to residential gas customers, the satisfaction rate was equal to 7.3 and in this case was also superior to all the peer groups taken into account (in Italy). In addition to customer satisfaction surveys, Eni contracted an external firm with a survey of the perceived image of Eni within Consumer Associations in 2008. This survey – based on interviews with presidents, secretaries and managers of national and regional Associations for the energy sector – concerned the level of information and communication supplied to the Associations as well as a comparison with the primary competitors and the quality of the offered service. The attained results will allow to take effective and constructive action within the highlighted critical areas in addition to reinforcing existing strong points.

CUSTOMER CARE IN ITALY

QUALITY OF SERVICE AND THE FUEL DISTRIBUTION NETWORK

In order to satisfy customer requirements at service stations, the number of non-oil services has been widened to include car washing and catering, as well as the sale of products other than fuel, such as food. Furthermore, the number of Agip Bar and Agip Shop establishments have increased and partnerships have been set up with distribution companies like GS. In 2008 – in order to promote excellent standards of service among operators – the Company continued to distribute its "Professional operator guides" and to run the Training Van project to help operators and employees apply the standards of quality and courtesy described in the guides. The support provided by 44 itinerant trainers has contributed to increasing the number of points of sale achieving the excellence target.

As a complement to the training and to the monitoring of results achieved by the various operators, three "Mystery Motorist" campaigns were carried out during 2008 to verify compliance with the quality standards. Improvements in the Contact Center service allowed 91% of reports to be closed on first contact and to inform customers by SMS and email. The You&Agip Loyalty Program for car drivers and motorcycle riders continued in 2008. The Program provides new rewards, such as the conversion of points into fuel discounts for all score thresholds, as an alternative to the prizes, the option of donating points to charity, choosing from a list of non-profit-making organizations who are Eni partners, and co-marketing agreements that grant a maximum number of You&Agip points for the purchase


of products and services from other Companies. 

PROMOTING SUSTAINABLE BEHAVIOUR

During 2008, the Company started selling AgipBluDieselTech, which allows emissions and consumption to be reduced, thus saving on car maintenance costs. The *Topolino* [Mickey Mouse] operation led to the publication of a booklet in association with Disney Custom Publishing; this booklet was handed out to families free of charge, in service stations, in order to build awareness among young people on the importance of energy efficiency, safe driving and respect for the environment. 2008 saw an increase in the supply of automotive methane, which allowed Eni to strengthen its European leadership (sixth place in the world) in terms of automotive methane sales. In Italy in particular, which has the greatest number of methane powered vehicles in Europe, with over 500,000 vehicles on the road, Eni increased its sales from 440 million m³ in 2007 to 452 million m³ in 2008. Of the 702 automotive methane filling stations, 492, equivalent to around 70% of the total, are supplied by Eni. Eni's strategy for consolidating its leadership in this sector includes education campaigns aimed at promoting the use of automotive methane by explaining the environmental and financial benefits of using a cleaner and cheaper fuel; educational activities with leading car manufacturers, like Fiat and Mercedes, which resulted in 2900 car sellers being trained in 2008 to increase knowledge and awareness of the potential of methane gas as a fuel and of its environmental qualities; cooperation and support for local authorities in developing a network of automotive methane filling stations and taking action to promote an increase in automotive methane vehicles on the road.

Eni also worked with the *Radio 2*

Caterpillar program to inform listeners about the features and benefits of methane gas as a fuel.


In order to promote energy efficiency, Eni has established a program that provides for photovoltaic panels to be installed in service stations. By the end of 2008, 76 systems had been installed with an average power of 15.7 kW. Further 120 installations will allow the emission of 1,319 tonnes of CO₂ to be avoided. 

QUALITY OF SERVICE IN GAS AND ELECTRICITY SALES

In the sale of gas and electricity, 2008 saw a full-scale implementation of the project aimed at relaunching the franchising network, which aims to achieve over 1.2 million customers by 2011 by re-branding stores and opening new points of sale known as Eni Energy Stores. A wide range of services is available to households through the network of over 200 Eni

Energy Stores, including installation and maintenance of heating, cooking and air conditioning systems, expert support for signing up to the new commercial offers for gas and electricity, as well as personalised advice on saving energy at home through efficient use. Furthermore, Eni offers consultancy services aimed at promoting energy efficiency among industrial clients.

Many different initiatives run in 2008 allowed companies that used the service to achieve energy savings of between 200 and 4,000 Toe/year.

Educational activities have also been carried out with industrial customers, providing courses to update them on aspects of safety and regulatory compliance. 

CUSTOMER CARE IN THE HISTORY OF ENI

Customer care has always been an integral part of Eni's history and culture. As early as the 1950s, when Italy was in the full throes of reconstruction and hungry for modernization, Enrico Mattei introduced this concept to Italy, launching a completely new idea in the world of fuel distribution. Convinced that the relationship with customers was about more than a simple financial transaction, Mattei offered a diversified range of services targeting car drivers. The six-legged dog – which appeared on the Italian road network in 1952 – became not only the symbol of high-quality gasoline, the result of research and innovation, but also the emblem of dedicated services. Filling stations were rapidly replaced by service areas with a modern and innovative architecture designed by Mario Bacciocchi. Bar, restaurants, mini-markets, motels and car repair establishments were set up alongside the fuel pumps, providing a varied range of services which allowed travellers to take a truly relaxing break. Enrico Mattei greatly valued the human touch and, in addition to the service station architecture, he arranged for a range of materials to be produced to train his operators. Politeness, efficiency, skill, cleanliness and the ability to establish a relationship with customers became imperative for staff members, a first step towards the customer care ethos which is now a distinctive feature of service stations distinguished by the six-legged dog.

SUPPLIER SELECTION AND MANAGEMENT

Eni performs an important social role on the territories where it operates. Through its demand for goods and services, the Company's activities alone mobilize around 30 billion Euros a year, involving a total of 29,416 suppliers. In addition to this there is the indirect effect which the interdependence generated by this level of expenditure creates in associated industries. Eni is aiming to optimize and improve its supplier management system by gradually extending it to all its sites, particularly abroad, creating new forms of partnership to minimize supply risks, improving the tools needed to facilitate the drafting and signing of contracts. Eni seeks the same values among its suppliers as those that characterize its own operations, selecting and constantly monitoring compliance with its requirements, such as respect for human rights and anti-corruption policies, as well as promoting responsible behaviour throughout the supply chain.

	World		Italy		Overseas	
	2007	2008	2007	2008	2007	2008
	Procurement per year (€ million)	23,208	30,026	12,526	11,091	10,682
Suppliers used	26,270	29,416	13,928	14,027	13,810	17,232
Concentration of suppliers (top 20) – world 2008 24%						
The number of suppliers used globally does not match the sum of Italy plus Overseas because the same supplier may be used in more than one area. The calculation of the procurement per year does not include procurement of raw materials and procurement performed by the individual functions.						

	2006	2007	2008
	Suppliers subject to qualification procedures, including screening on human rights	4,703	5,784
Percentage procured from suppliers subject to qualification procedures including screening on human rights	75%	83%	89%
Qualification cycles carried out during the year	12,866	19,058	15,936
Percentage of negative outcomes	14%	18%	13%
The number of suppliers subject to qualification procedures, including screening on human rights, increased by 7% between 2007 and 2008. The procurement share towards suppliers subject to qualification procedures is only related to Eni and its foreign subsidiaries with structured qualification systems.			

SUPPLIER RELATIONS

PROCUREMENT MANAGEMENT

Over the years, Eni has noted the need to reinforce its relationship with suppliers; the implementation of the e-Procurement portal represents a response to this need. This portal is a tool which allows for the automation of purchasing processes in a rapid and efficient manner while allowing suppliers to benefit from a preferential channel of communication with Eni. The portal allows contract negotiation, electronic purchasing, service allocation and final cost calculation, as well as sharing of technical and commercial information to be managed entirely via the Web. In 2008, over 5,000 suppliers were registered to use the portal on behalf of around 80 business areas around the world.

During 2008, the Company established new projects aimed at developing a cross-Company management of activities and the creation of partnerships. This has allowed for the combination of purchases with a view to saving purposes and to guaranteeing both security of supply and compliance with delivery deadlines thanks to the timely planning of procurement requests. Procurement quality was guaranteed through the sharing of standards and requirements with suppliers. In 2008, the negotiation phase for the "Terms and Conditions" with the primary suppliers of valves and pipes was completed. At local level, Eni continues to be committed to supporting overseas subsidiaries in setting up processes for market intelligence, qualification, feedback return, inspection & expediting development and control of local suppliers and sub-suppliers. Vendor Management systems were implemented in Angola,

Libya and Australia in 2008.

These activities contribute to the development of new professional skills by establishing structured training paths aimed at the management of the implemented vendor system.

In Angola, the implementation of educational and training projects for local professionals is required within the Memorandum of Understanding undersigned by Eni and the Angolan petroleum Company, Sonagol, in accordance with local law. In Australia, in response to demands made by local stakeholders, Eni has adopted an Australian Industry Participation Plan (AIPP), a tool aimed at maximizing the use of local suppliers and workers. Since July 2006, when the Blacktip production activities began, 48% of total procurement has been ordered from Australian suppliers, amounting to a total of around AUD 274 million.

19% of this, amounting to around AUD 52 million, has come from suppliers in the Northern Territory, where the Blacktip project is based and where there is a significant presence of indigenous people. Employment opportunities have been created for around 50 people from the Aboriginal minorities. In 2008, 522 people were employed in the Blacktip Onshore Gas Point by contractors and sub-contractors. Furthermore, it is estimated that in 2008 the Company's activities offered employment opportunities to 23 people from ethnic minorities, some of whom work for a sub-contractor Company created by members of the Aboriginal communities.

In Wadeye, in fact, through its Indigenous Business Development plan, Eni is supporting a program, in partnership with the Northern Territory government, which provides support and guidance in setting up small local businesses.

In 2008, an occupational training plan was

implemented to allow indigenous people to be hired in the Blacktip project. The course has so far been completed by 25 people.

In the area of the educational/information project on Sustainability, the first two Eni's SA 8000 Auditors have been certified in 2008. In addition, the awareness project for resources involved in procurement and in the management of contracts, particularly within foreign subsidiaries (in India, Pakistan, Indonesia, Kazakhstan, Iran, Nigeria, etc.) has been developed.

PROMOTING SUSTAINABLE BEHAVIOUR

Operating in a great variety of contexts around the world requires Eni to make significant investments to ensure that local suppliers comply with the principles that form the basis of its code of conduct, particularly as regards the protection and promotion of human rights.

A selection of potential local suppliers was carried out in China in 2008 in relation to strategic activities such as drilling, geophysical investigations, pipe laying, engineering and construction activities. A significant audit of the "extended" supply chain has been initiated by means of structured qualification processes with respect to companies in China as well as sub-suppliers. In 2008, 16 qualification procedures were completed in China alone – for the purposes of verifying respect for human rights and the issue of child labor – and the first assessment of compliance with the SA8000 standard was carried out for a local supplier (a producer of umbilical cables). In Congo, as part of the M'Boundi, IPP and Immeuble Bureaux et CMSO projects, risk analyses were carried out involving selection activities and checks on potential local or international suppliers with branch offices in the Country. Nine suppliers were assessed, paying

specific attention to issues regarding the fight against corruption and illegal conduct. In addition to supplier qualification activities, the monitoring of suppliers through feedback activities is fundamental. During 2008, feedback activities involved a detailed and systematic analysis of the content of reports regarding the conduct of suppliers. Monitoring activities – following reports of serious non-compliance and illegal behaviours – has led to a supervisory status for 35 suppliers, seven suspensions, five revocations and one letter of concern. General principles were established that form the basis of Eni's new system for assessing the contractual performance of suppliers. Procedures were also established for linking the results of feedback data processing with the assessment of bids during contract tendering procedures. The new system – which will be implemented during 2009 – provides for the use of a feedback form that includes aspects relating to Sustainability, such as safety at work, environmental protection, staff pay levels, as well as compliance with the Eni Code of Ethics.

In 2008, the monitoring program relative to the compliance of supply processes with local regulations, partner agreements and Eni regulations continued.

Foreign subsidiaries in Congo, Tunisia, the Czech Republic as well as companies within the petrochemical sector in France were assessed. These compliance audits included a specific compliance assessment with respect to Sustainability issues, including the presence of human rights clauses within contractual standards. As regards energy saving during 2008, a scouting exercise was carried out to identify suppliers with whom a framework agreement could be drawn up to build turnkey cogeneration plants for industrial clients.

Methodology note

The Sustainability Report, published on a yearly basis, is in its third edition and has been drawn up in compliance with the Global Reporting Initiative guidelines version 3.0. The Report summarizes Sustainability performance with the aim of illustrating to internal and external stakeholders Eni's commitment to sustainable development. Reporting is part of the Sustainability system processes (see the figure on page 28).

Content of the Sustainability Report

This Report is the result of a reasoned analysis of stakeholder expectations that has enabled Eni to identify topics for Sustainability and determine their corporate relevance. The planning and drafting of the Report has involved Eni at all corporate levels, with the Fondazione Eni Enrico Mattei contributing researchers to plan and develop the structure of the Sustainability Report.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Analysis of the relevance of the topics that make up this Sustainability Report firstly considered the context in which Eni operates in order to identify the Sustainability issues specific to the Energy sector. To this end, the analysis was based on sector guidelines of key international organizations (such as, GRI-Global Reporting Initiative and IPIECA-International Petroleum Industry Environmental Conservation Association), the requirements for entry into Sustainability indexes (DJSI-SAM, FTSE4Good and CDPII) and more in general instructions provided by financial analysts.

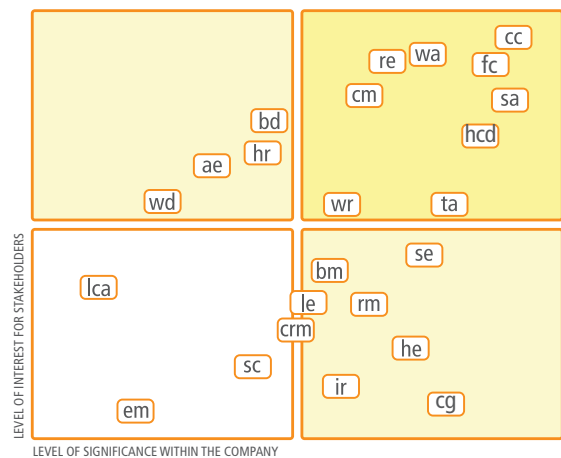
A second analysis framework concerned the common practices and best practices adopted by the main competitors in the sector and by the super-sector leader companies in the DJSI Sustainability indexes.

The relevance assessment therefore included the relationship between Sustainability topics, the overall corporate strategy and stakeholders' expectations. The materiality table, which identifies the central issues of this Sustainability Report, is the result of the aforementioned analyses.

In the table, the level of significance within the Sustainability issues is determined by analysis of the corporate strategy, by an assessment of Sustainability performance and by sector competitiveness. The issues of interest to stakeholders and/or those that could significantly impact the assessment of the organizational stakeholders on the Company, have been identified through two subsequent surveys commissioned to

GfK- Eurisko in 2007 and in 2008 on previous Sustainability Reports.

The 2008 survey involved opinion leaders, consumers and Eni people, and highlighted key issues included in this Report. The climate analysis conducted in 2008 as well made it possible to identify the needs and expectations of Eni people.



ae	Atmosphere emissions	em	Environmental management	rm	Risk management
bd	Biodiversity	hcd	Human capital development	sa	Safety
bm	Brand management	he	Health	sc	Suppliers
cc	Climate change	hr	Human rights	se	Stakeholder engagement
cg	Corporate governance and ethics	ir	Industrial relations	ta	Talent attraction
cm	Cooperation and Development model	lca	Life cycle assessment	wa	Water
crm	Customer relationship management	le	Community investments	wd	Water drainage
fc	Fuel costs	re	Renewable sources	wr	Waste and reclamation

THE REPORT AREA AND SUSTAINABILITY CONTEXT

The 2008 Sustainability Report contains information and data on Eni SpA and its consolidated subsidiaries during the 2006 - 2008 period (the period is extended for indicators whose analysis is better evidenced over an extensive comparison period).

The consolidation area is the one considered in the 2008 Annual Report, unless otherwise specified in the text. The reference dominion for health, safety and environment is based on operational control (operational criterion). According to this approach, the accounted emissions are 100% of all emissions produced by a plant operated by Eni. Likewise, the equity share criterion provides that the emissions associated with a plant represent Eni's share of economic interest in the specific plant.

The Report illustrates three Sustainability contexts that are significant in terms of dimension and sector of Eni's activity:

- the world energy scenario and context (examined even in light of the 2008 financial crisis) and Eni's strategies for tackling global Sustainability challenges;
- the dimension of Sustainability performance in the areas of governance, people and environment including the description of key issues, indication of strategies, management methods and overall performance indicators;
- the relationship with stakeholders and their engagement, with particular reference to the local contexts and the relation with local communities.

Quality guarantee principles of the Sustainability Report

This Sustainability Report refers not only to Eni's achievements, but also to its weak points and improvement prospects. The data reported were collected to draft a clear and balanced analysis of corporate actions and features. The information and quantitative data collection process was organized to guarantee data comparison over an extensive period. The Report is accompanied by an attachment containing indicators and data of the business sector in which Eni operates so that a comparative analysis can be made with other organizations. The data reported in the Sustainability Report have been collected by measurement processes and analyses defined in the reporting procedures: inferior or different levels of accuracy have been indicated at the margin of the data reported. The reporting process makes use of Eni's existing databanks and is directly filled in by data owners. In each annual reporting cycle the last two years are also verified. Lastly, the data are collected by way of a special information system that guarantees the reliability of the information flows and the proper monitoring of the Sustainability performance. To enhance the Company's reliability and commitment in the Report contents, the document was submitted for approval to Eni's Steering Committee and Board of Directors. The report was also audited by an independent Company, which acted as sole certifier of both the Annual Report and the Sustainability Report. The Report publication times were aligned with those of the Annual Report to ensure a quick grasp of Eni's performance in the economic and financial frameworks.

CALCULATION METHODS

The details of calculation methods and trend explanations are reported along with the corresponding graphs. Described below are those related to the added value, injury frequency and severity rates, the energy intensity index in the refining sector and emission indexes. The Added Value is the wealth generated by the Company in performing its business.

This Report's layout is based on the Global Value Added net of depreciation. The Net Global Value Added is then divided among the various beneficiaries as follows: employees (direct payment, i.e., salaries, wages and leaving indemnity allowance, and indirect payment, i.e., social security contributions); public administration (income tax); financing institutions (interest paid on borrowed capital); shareholders (distributed dividends); Company (reinvested profits). The frequency rate is calculated as the ratio between the number of injuries causing absence of over one day (including fatalities) and millions of hours worked; the severity rate is instead the ratio between days of injury – related absence (excluding fatalities) and thousands of hours worked.

The energy intensity index in the refining sector is the overall value of the energy actually used in a given year in the various refineries' processing plants, compared to the corresponding value calculated on the basis of each processing plant's previously established standard consumption. The data collected in 2005 were considered as a landmark (100%) in the comparison of the energy intensity index data over the years. The emission indexes represent the sectors of hydrocarbon production, refining and electricity generation and take into account the different production conditions over the years so that performance can be compared. The refining indexes are calculated starting from the equivalent distillation capacity provided by a third-party entity.

The hydrocarbon production indexes consider the net production, while electricity sector indexes include the electricity and thermal energy produced and expressed in equivalent Mwh. Methane is converted into CO_{2eq} using a Global Warming Potential (GWP) equal to 21.

GfK Eurisko Survey on Sustainability Report 2008



In March 2009 GfK Eurisko submitted the Eni 2008 Sustainability Report to a select sample of stakeholders for them to consider and assess. In all, 24 interviews were conducted with members of the business community (managing directors of Italian companies and multinationals), investors, journalists and communication experts.

Before gathering interviewees' opinions about the report itself, their views on three general topics were examined. These topics were: the significance attributed to sustainability in today's world, the energy scenario in the future and the role of Eni. Therefore specific evaluations about the report keep implicitly into account opinions previously expressed on general topics.

A consistent picture of sustainability emerged from the research:

- ♣ the ongoing economic crisis seems to have brought about a major change in the majority's shared perception of the notion of sustainability: it is no longer regarded as an alternative to the current development model but rather as a "major solution" for solving the crisis; it can play a determining role both in opening up a new period of growth and in establishing new foundations on which to build relations between the business world and society, based on trust;
- ♣ the philanthropic approach, focused on occasional, isolated initiatives, as well as the tactical strategy geared to companies reporting "good works" in order to enhance their reputation and create goodwill seem to have disappeared for good;
- ♣ emerging opinions point to sustainability as a fundamental part of corporate governance, destined to influence every area of business life; it therefore reflects a perspective that is both more strategic than short-term, more to do with pragmatism than with values and focused on delivering returns on investments as well as benefits at image level;
- ♣ our interviewees all feel that a more pragmatic approach to sustainability is now commonplace in public opinion too; people are gradually moving away from an utopian vision of ecology and adopting positions focused on more practical and realistic attitudes, with more significant repercussions for consumer behaviour;
- ♣ now emerging is a broader idea of sustainability, which also includes economic aspects (sound corporate foundations) and social aspects (concern for health and safety, emphasis on people and their worth).

All the interviewees name energy as one of the key global issues particularly in relationship to dwindling oil supplies and the need to find alternative sources. In the prevailing outlook – where no disquieting concerns are voiced – a decisive role is attributed to technological innovation: both for improving use of existing resources and for making new sources of energy more economically accessible.

Eni is seen as having a strategic role to play in setting down guidelines for Italy's energy policies, in the many related areas: commitment to the field of research, improved use of existing resources (oil and natural gas), developing renewable sources, establishing more equitable dealings with the producing countries, informing and educating the public so that responsible use is made of resources, and energy is saved. It is felt that the company has fulfilled this role effectively – and continues to do so – while demonstrating a keen sense of responsibility. A role

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not adequately expressed through communication: unlike institutional stakeholders – who have noticed the communication effort carried out by Company's top management - the general public is currently not fully aware of the positive strategic role Eni has performed.

The report met with very positive opinions: it was described as clear and easy to follow, well organized (its division into three parts was particularly appreciated), packed with information, thorough and comprehensive.

As far as its contents are concerned, no criticisms were made: the image conveyed by the report suggests a responsible company, hard at work on many different fronts. For Eni sustainability is not a recently improvised buzzword but a concept embedded in its origins and as such a fundamental part of its identity and legacy.

Particularly positively commented upon were:

- ♣ the opening discussion between Paolo Scaroni and Ernest Moniz, considered an effective way of presenting the company's vision and the commitment of its top management (more than the traditional letter);
- ♣ the section on "Abitare il Mondo" [Inhabiting the World] which cleverly depicts what is currently the least known part of Eni's work – as well as what is destined to become the most important in the long term – by illustrating cooperation projects in the producing countries.

The "critical" assessments refer almost exclusively to the need to make the report more accessible to a broader section of the public, rather than target a limited number of "people in the know", directly involved with the energy sector.

In its present form the report would appear to be intended solely for institutional stakeholders, since its contents are considered too complex for the average citizen/consumer. Two possible courses of action are considered appropriate:

- ♣ to offer some "reading keys" by inserting summary pages at the start of each different section, and to use graphic devices (bold type, notes in the margin) that let the reader single out the parts of interest and make reading faster (also adding links to the website where more detailed information can be found);
- ♣ to produce a shorter and lighter version of the document that can appeal to and engage broader sections of the public; in this way the Sustainability Report would become an extremely valid tool for raising citizens' and consumers' awareness about sustainability issues and about Eni's strategic vision and role.

Milan, 8th April 2009

Paolo Anselmi
Senior Vice President
GfK Eurisko

Certificate of Compliance



Advisory

ASSURANCE STATEMENT

To the Shareholders of
Eni SpA

- 1 We have carried out some testing and analysis of compliance of the Sustainability Report 2008 (hereinafter "Report") of Eni Group (hereinafter "Eni") as of 31 December 2008 following the procedures summarized in paragraph 3 of the present document.
- 2 Our work has been conducted in accordance with the principles and guidelines established by the "International Standard on Assurance Engagements 3000" (ISAE3000) as presented by the International Auditing and Assurance Standards Board (IAASB), applicable to this engagement.
Our work has been performed with the aim of verifying, in accordance with limited assurance engagement principles, the Board of Directors' statement included in the paragraph "Methodology note" in accordance to which the Report has been drawn up referring to "Sustainability Reporting Guidelines" version 3.0 issued by GRI (Global Reporting Initiative). The Board of Directors of Eni is fully responsible for the contents of the Report completed in accordance with the above mentioned guidelines, our responsibility is attesting compliance to these guidelines.
- 3 In order to evaluate the Board of Directors' statement mentioned in paragraph 2, we performed the following verification procedures:
 - adherence and correspondence of economic and financial information to those reported in the consolidated Financial Statements as of 31 December 2008;
 - analysis of design and implementation of governance and management framework of sustainability topics related to strategy and operation of Eni;
 - analysis of the methodology of obtaining data and management of quantitative and qualitative data, through:
 - meetings with management representatives from the department responsible of drawing up the Report, in order to achieve a general understanding of the process developed and of the information system used for information and data collection and analysis;
 - meetings with management representatives from Eni Corporate, operating Divisions, Polimeri Europa SpA and Italgas-Società Italiana per il Gas p.A., in order to achieve a general understanding of procedures supporting the collection, the consolidation and the subsequent management of data transmitted to the department responsible for drawing up the Report;

PricewaterhouseCoopers Advisory Srl

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- on site verification of the Venice refinery (Refining & Marketing Sector) and of the Mantova plant of Polimeri Europa (Petrochemical Sector);
 - on site verification of the Algeria's activities managed by the controlled company Eni Algeria Production BV (Exploration & Production Sector) and no profit operative company Groupement Sonatrach-Agip - GSA (Exploration & Production Sector);
 - analysis, on a sample basis, of the documentation supporting the Report in order to confirm the reliability of data and information collected through meetings, interviews and on-site verifications and to confirm they were properly managed;
 - verification of how data and information are managed in the audited sites and are subsequently aggregated and consolidated at Corporate level;
 - analysis on the completeness and internal consistency of the qualitative information included in the Report;
 - verification of the dialogue activities with Stakeholders, with reference to the methodology used and to the analysis and correspondence of internal minutes with the information included in the Report;
 - obtaining a representation letter signed by the legal representative of Eni SpA relating to the completeness and reliability of the Report and of the information and data included in it, as well as to the compliance with the guidelines adopted.
- 4 Regarding the comparative data relating to the 2007 Sustainability Report reference should be made to our assurance statement dated 14 April 2008.
- 5 Based on the procedures carried out, nothing has come to our attention that causes us to believe that the Sustainability Report 2008 as of 31 December 2008 is not in compliance to the guidelines stated in the paragraph "Methodology note". We can confirm the following as well:
- the economic and financial data included in the Report correspond to those reported in the Eni Group consolidated Financial Statements as of 31 December 2008 and the other data and information are coherent with the internal documentation provided;
 - the Report has been drawn up in accordance with the "B+" application level of the Sustainability Reporting Guidelines, version 3.0, issued by GRI (Global Reporting Initiative).

Milan, 9 April 2009

PricewaterhouseCoopers Advisory Srl

Signed by
Paolo Bersani
(Partner)

This report has been translated from the original, which was issued in Italian.
We have not performed any control on the Sustainability Report 2008 translation.


Comparison Table between GRI – IPIECA

GRI content Index standard disclosures	GRI	IPIECA	SUSTAINABILITY BUDGET
1. STRATEGY AND ANALYSIS	1.1, 1.2		4-5, 10-19
2. COMPANY PROFILE	2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10		Front cover, Inside front cover, 6-7, 82-83, Outside back cover, *
3. REPORT PARAMETERS			
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Objective and scope of the Report	3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11		6-7, 28-29, 82-83
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Management Methodology – people			20-21, 34-45
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*See Financial Report for the year 2008 **See Sustainability Indicators – Sustainability Budget 2008

Report Application Level	C	C+	B	B+	A	A+
G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental		Report a minimum of 20 Performance Indicators, at least one from each of: Economic, Environmental, Human rights, Labor, Society, Product Responsibility		Report on each core G3 and Sector Supplement* indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission	

		2002 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared			Report Externally Assured		√		Report Externally Assured
	Third Party Checked			Report Externally Assured				Report Externally Assured
	GRI Checked			Report Externally Assured		Report Externally Assured		Report Externally Assured

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ACRONYMS

CEO	Chief Executive Officer	FEEM	Fondazione Eni Enrico Mattei	MIT	Massachusetts Institute of Technology
IEA	International Energy Agency	FFI	Fauna & Flora International	Mou	Memorandum of understanding
Awp	Along with petroleum	FTSE	Financial Times Stock Exchange	NOC	National Oil Company
CAE	Comitato Aziendale Europeo	G&P	Gas & Power	OECD	Organisation for Economic Co.operation and Development
CAFRA	Centro di ricerche sull'Amministrazione, Finanza e Regolamentazione delle Aziende	GHG	Green House Gases	OPEC	Organization of the Petroleum Exporting Countries
CCGT	Combined Cycle Gasturbine	GRI	Global Reporting Initiative	PACI	Partnering Against Corruption Initiative
CCS	Carbon Capture & Storage	GTL	Gas To Liquids	PRTR	Pollutant Release and Transfer Register
CDM	Clean Development Mechanism	HIA	Health Impact Assessment	PSA	Production Sharing Agreement
Cdpli	Carbon disclosure project leadership index	HRBP	Business Human Rights Project	R&D	Research & Development
CER-GAS	Centro di Ricerche sulla Gestione dell'Assistenza Sanitaria e sociale	HR	Human Resources	R&S	Ricerca & Sviluppo
CFO	Chief Financial Officer	HRCA	Human Rights Compliance Assessment	SBA	Social Baseline Assessment
CFR	Council on Foreign Relations	ICEM	International federation of Chemical, Energy, Mine and general workers union	SEL	Società Energetica Lucana
CNCU	Consiglio Nazionale dei Consumatori e degli Utenti	IEF	International Energy Forum	SIA	Social Impact Assessment
CNG	Compressed Natural Gas	IEFE	Istituto di Economia delle Fonti di Energia e dell'ambiente	TAG	Trans Austria Gasleitung
CNR	Consiglio Nazionale delle Ricerche	IOC	International Oil Company	TAP	High pressure transport
COP	Conference Of Parties	IPIECA	International Petroleum Industry Environmental Conservation Association	TOE	Tonnes of oil equivalent
CSP	Concentrated Solar Power	IRIS	International Research Institute of Stavanger	TROIF	Total Reportable Occupational Illnesses Frequency
DJSI	Dow Jones Sustainability Indexes	ISMAC	Istituto per lo Studio delle Macromolecole	TTP	Trans Tunisian Pipeline Company
E&C	Engineering & Construction	ILO	International Labour Organization	ULDPE	Ultra Low Density Polyethylene
E&P	Exploration & Production	ISOF	Istituto per la Sintesi Organica e la Fotoreattività	UN	United Nations
EBI	Energy and Biodiversity Initiative	ITAE	Istituto di Tecnologie Avanzate per l'Energia	UNEP	United Nations Environment Programme
EIRL	Eni International Resources Ltd	LDAR	Leak Detection And Repair	UNI-BAS	Università degli Studi della Basilicata
EITI	Extractive Industries Transparency Initiative	KCO	Kazakhstan north Caspian Operating	WBCSD	World Business Council for Sustainable Development
ENEA	Ente per le Nuove tecnologie, l'Energia e l'Ambiente	KPO	Karachaganak Petroleum Operating	WCMC	World Conservation Monitoring Centre
EOR	Enhanced Oil Recovery	LEAP	Laboratorio Energia & Ambiente Piacenza	WEF	World Economic Forum
ESIA	Environmental and Social Impact Assessment	LNG	Liquefied Natural Gas	WIST	Women In Science and Technology
EST	Eni Slurry Technology	MBA	Master of Business Administration	WMP	Waste Management Plan
EU	European Union	MAE	Ministero degli Affari Esteri	WWF	World Wide Fund for nature

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for the Securities and Exchange Commission

Sustainability Report (in Italian and English)

Fact Book (in Italian and English)

Eni in 2008 (in English)

Interim Consolidated Report as of June 30 pursuant

to rule 154-ter paragraph 2 of Legislative Decree No. 58/1998

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Sustainability Indicators
Sustainability Report 2008



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■ Engineering & Construction



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■ Petrochemicals



Key Sustainability indicators

The table below shows a breakdown of the key Sustainability indicators by area.

A check mark in either of the two columns on the right indicates whether Eni's performance charts are available in the Sustainability Report and whether specific sector charts are present in this annex.

	2006	2007	2008	MEASUREMENT UNIT		
OPERATING DATA						
Proved oil and condensate reserves	3,481	3,219	3,335	Mln boe		
Proved natural gas reserves	2,955	3,151	3,265	Mln boe		
Hydrocarbon production	1.77	1.74	1.80	Mln boe/day		√
Natural gas production	112	116	125	Mln m ³ /day		
Oil and condensate production	1.08	1.02	1.03	Mln barrels/day		
CORPORATE GOVERNANCE AND BUSINESS ETHICS						
Added value	24,713	24,763	24,534	Mln €	29	
Board Induction sessions	na	na	6	n		
Independent Board members	6	6	7	n		
Non-executive Board members	8	8	8	n		
Whistleblowing files opened by Internal Audit Dept.	na	148	149	n	31	
Whistleblowing files closed by Internal Audit Dept.	na	116	153	n	31	
CLIMATE CHANGE AND ENERGY EFFICIENCY						
Direct GHG emissions	61.35	67.55	62.43	Mln ton CO _{2eq}	48	√
Direct GHG emissions from flaring	15.61	19.92	16.53	Mln ton CO _{2eq}		√
Indirect GHG emissions	311.86	307.14	318.35	Mln ton CO _{2eq}		
CO _{2eq} emission indexes - E&P	259	287*	268	CO _{2eq} /ktoe	48	
CO _{2eq} emission indexes - R&M	1,244	1,287*	1,275	CO _{2eq} /(Kbbl/SD)	48	
CO _{2eq} emission indexes - G&P	386	391	401	gCO _{2eq} /KWheq	48	√
Net consumption of natural gas	9,031	9,099	9,139	Ktoe		√
Net consumption of oil products	5,394	5,399	5,369	Ktoe		√
Net consumption of other fuels	165	236*	230	Ktoe		√
Power plant energy efficiency indicator	0.159	0.159	0.162	toe/MWheq	49	
Refinery energy efficiency indicator (2004 = 100%)	98.4	99.3	98.4	%	49	
TECHNOLOGY INNOVATION						
First patent application filings	42	67	96	n	22	
Existing patents	6,054	6,012	8,049	n		
Research and development expenditure		208	217	Mln €		
PEOPLE						
Employee injury frequency rate	2.45	1.94	1.45		34	√
Contractor injury frequency rate	1.54	1.45	1.47		35	√

	2006	2007	2008	MEASUREMENT UNIT	 
Employee injury severity rate	0.07	0.07	0.051		34 ✓
Contractor injury severity rate	0.05	0.04	0.038		35 ✓
<i>Employee fatality index</i>	1.09	0.99	2.42		36
<i>Contractor fatality index</i>	2.97	4.10	3.08		36
<i>Employee and contractor fatality index</i>	2.31	2.97	2.84		
Safety expenditure	394	468	441	Mln €	37
<i>Safety audits</i>	341	241	283	n	
<i>Health audits</i>	62	116	53	n	
HIAs conducted	26	32	39	n	
Environmental surveys	4,870	5,845	4,934	n	36
Diagnostic tests	184,027	249,539	283,629	n	
Total health expenditure	47.95	53.76	68.56	Mln €	
Health expenditure per person	652	709	869	€	
Employees	73,572	75,862	78,880	n	
Local employees abroad		36,435	39,400	n	45
Employees in non-OECD countries	24,775	26,091	29,442	n	
Employees with permanent employment contract	51,550	50,725	51,517	n	
Training hours	2,299,163	2,796,717	2,960,416	n	44
Training expenditure	57.15	59.34	59.80	Mln €	44
Employees on international mobility assignments	2,697	2,940	3,381	n	
Women employees	10,784	11,030	12,264	n	
Women senior managers	95	107	133	n	
Women managers	1,620	1,795	2,154	n	
Total senior managers	1,604	1,585	1,658	n	
Total managers	11,498	12,134	13,060	n	
Employees covered by performance evaluation		14,230	19,081	n	42
ENVIRONMENT					
Environmental expenditure and investments	1,160	1,063	1,081	Mln €	46
<i>Environmental audits</i>	304	310	282	n	
ISO 14001 certifications	93	115	123	n	
EMAS certifications	6	9	11	n	
Water consumption - seawater	2,960	3,155	3,040	Mln m ³	

	2006	2007	2008	MEASUREMENT UNIT		
Water consumption - freshwater	208	220	220	Mln m ³	47	√
Recycled water	62.78	66.19	72.76	Mln m ³	47	√
Purified water	224.65	224.09	194.29	Mln m ³		
COD water drains	7.69	7.65*	5.64	K ton		
SO ₂ emissions	62.00	58.19*	52.95	K ton	50	√
NOx emissions	99.71	109.37*	117.00	K ton	50	√
NM VOC emissions	78.32	87.66*	81.06	K ton		
PST emissions	4.02	4.63*	4.38	K ton		
Hazardous waste	2,310,490	2,829,654	3,957,148	ton		
Non-hazardous waste	4,736,572	5,799,670*	6,796,708	ton		
Hazardous waste from production processes	476,750	410,227*	889,283	ton		
Non-hazardous waste from production processes	938,564	1,360,072*	978,617	ton		
Waste from reclamation	5,631,748	6,859,024	8,885,978	ton		
Recovered waste from production processes	264,256	293,016	390,242	ton	51	
Waste from production processes sent for disposal	1,151,055	1,477,284	1,477,658	ton	51	
Total volume of oil spills	13,165	9,339	7,035	barrels	50	
Volume of oil spills from sabotage	7,014	2,608	2,286	barrels	50	
TERRITORIES AND LOCAL COMMUNITIES						
Total expenditure for the territory	74.7	85.9	84.2	Mln €	54	
Contributions to associations	0.7	0.9	1.5	Mln €	54	
Contributions to Fondazione Eni Enrico Mattei	3.3	3.3	3.3	Mln €	54	
Contributions to Eni Foundation	2.1	8	-	Mln €		
Investments in favour of the communities	59.9	60.8	69.9	Mln €	60	
Sponsorships for the territory	9.1	12.9	9.5	Mln €	72	
CUSTOMERS						
Volume sold through Eni Europe networks	12.48	12.65	12.67	Mln ton		
Sales of oil products	51.13	50.15	50.68	Mln ton		√
Filling stations	6,293	6,440	5,956	n		
Filling stations that sell Blu Diesel	4,242	4,357	4,445	n		
Filling stations that sell Blu Super	2,325	2,589	2,662	n		
Filling stations that sell LPG/methane	490	538	537	n		
MultiEnergy stations	3	4	4	n		
Self service filling stations (Italy)	3,528	3,561	3,582			
Mixed biofuel volumes sold	220.78	269.58	660.20	K m ³		



	2006	2007	2008	MEASUREMENT UNIT	 
Mixed biofuel volumes sold - gasoline	39	69.58*	310.75	K m ³	
Customer satisfaction index (R&M)	8.42	8.22	8.14	likert scale	
Customers involved in satisfaction surveys (R&M)	20,954	33,692	22,609	n	
Customer satisfaction index G&P	7.40	7.20	7.30	scale likert	
Number of written complaints G&P	3,881	5,952	8,077	n	
Percentage of replies to complaints within the maximum time according to AEEG	72.86	77.63	90.07	%	
Natural gas sales	98.10	98.96	104.23	Mld m ³	√
Electricity sales	31.03	33.19	29.93	TWh	
SUPPLIERS					
Procurement	19,693	23,208	30,026	Mln €	
Suppliers used	25,788	26,270	29,416	n	
Supplier concentration (top 20)	21	18	24	%	
Suppliers subject to qualification procedures including Human Rights screening	4,703	5,784	6,174	n	
Percentage procured from suppliers subject to qualification procedures including Human Rights screening	75	83	89	%	
Number of qualification cycles	12,866	19,058	15,936	n	



Chart in Report



Sector chart

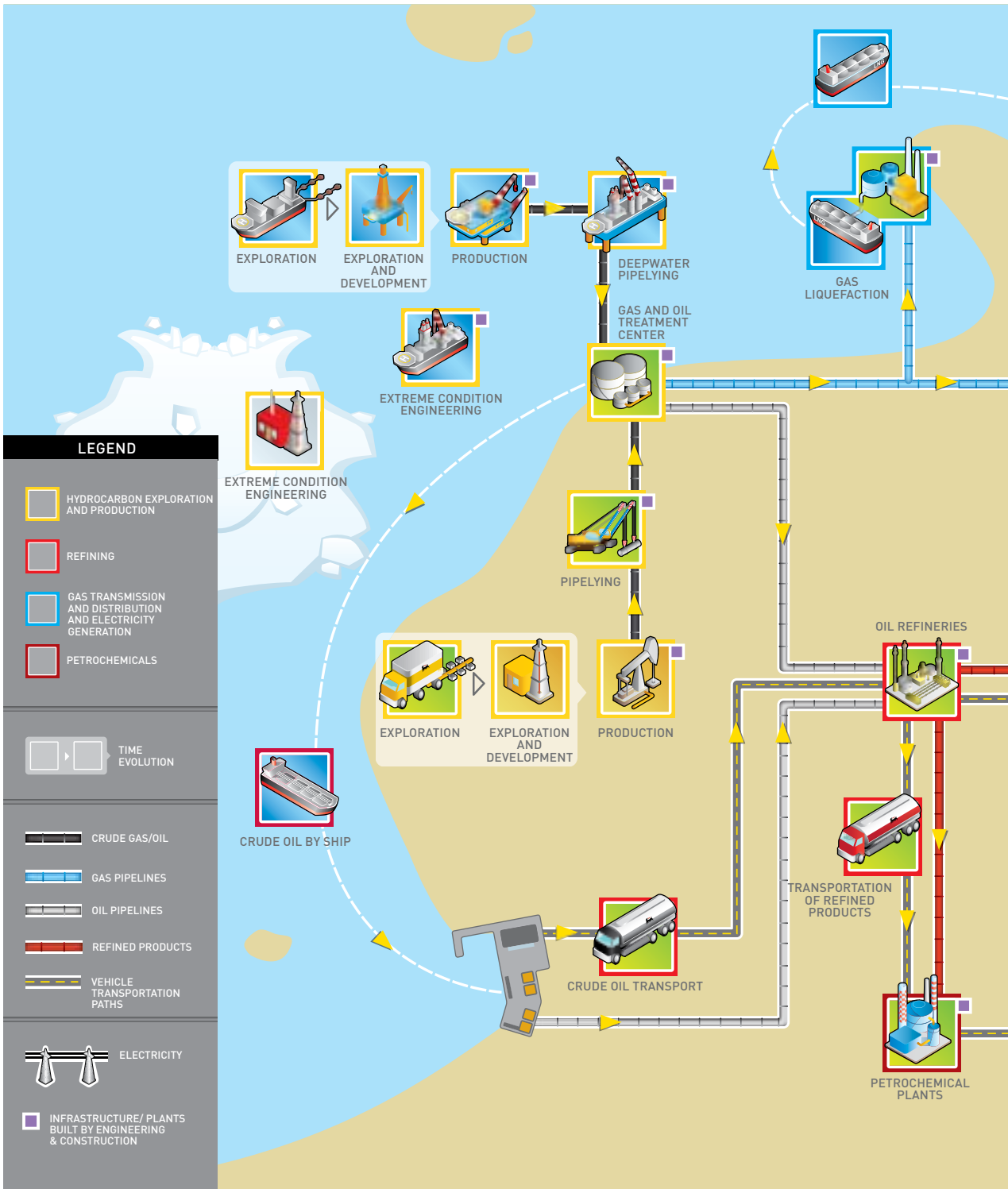
*Values updated from the 2007 publication



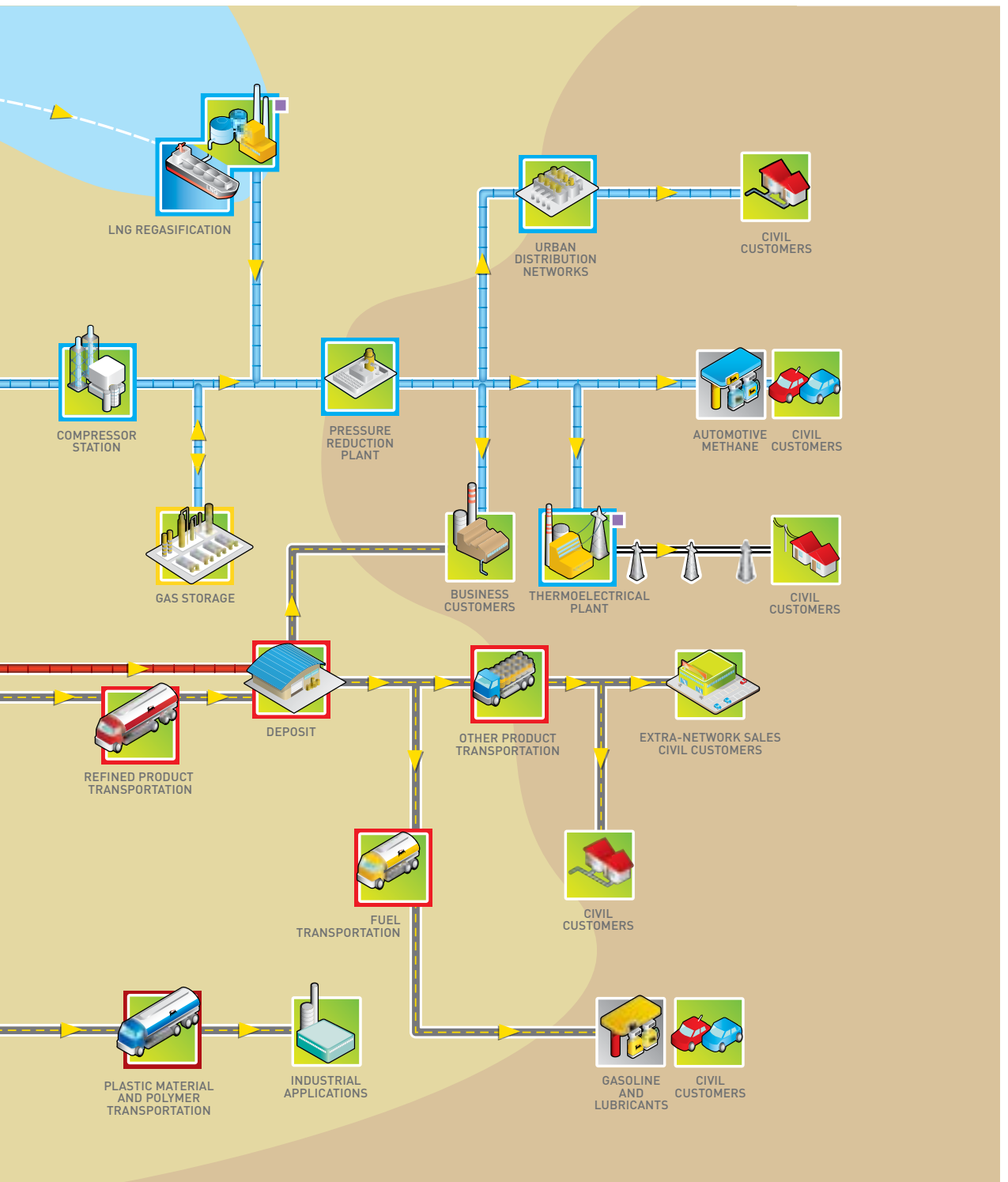
Eni activities and Sustainability indicators by sector

The chart below shows the main activities in each sector and their position within Eni's production process: from hydrocarbon research, production and transformation to the transport and sale of gas and oil products.

The following pages illustrate specific sector indicators and the most significant projects in some Sustainability areas including People, the Environment, and Technological Innovation.



Further details are available in the Sustainability Section of Eni's website www.eni.it



■ Exploration & Production

Hydrocarbon exploration and production is conducted in 39 countries. Eni holds significant positions in some of the world's most attractive mining basins including the Caspian Sea, western and northern Africa, Russia and the Gulf of Mexico. The Countries with the highest production capacity are Egypt, Libya, Italy, Norway, Angola, the United Kingdom, Nigeria, the Caspian Region, the United States and Pakistan, accounting for 90% of Eni's total production.

Exploration is also conducted in environments with extreme climate conditions, such as the desert areas of northwestern Africa or in the Arctic ice pack.

In the course of 2008 Eni acquired new exploration licences in Alaska, the Gulf of Mexico, Indonesia, the North Sea and Gabon, and registered significant discoveries in the Timor Sea, the North Sea, the Gulf of Mexico, Pakistan, Egypt, Italy and Angola. Proved reserves amount to 6.6 billion barrels of oil equivalent, with a residual life of 10 years. In 2008 production increased by 3.5% owing to new acquisitions (Gulf of Mexico, Congo and Turkmenistan) and to the growth in production in Angola, Alaska, the Congo, Egypt, Pakistan and Venezuela. Based on a record output level of 1,797,000 boe/day in 2008, the average forecast output growth rate in the next 4 years is 3.5% (the 2 million barrel threshold is expected to be exceeded by 2012). Growth will focus on three main strategic areas: Africa, OECD Countries and Central Asia/Russia.

Eni is also developing the Liquefied Natural Gas (LNG) business: at December 2008 Eni had a liquefying capacity of 9.6 billion cubic metres (expected to reach 10.5 bln m³ within 2012), mostly concentrated in Nigeria, Egypt, Australia and Indonesia.

PROJECTS

People

- Internationalization projects
- Process safety and contract management project for the reduction of road accidents
- Community Health Impact Assessments
- Programmes for the development of health management systems in all Countries
- Safe driving project for the reduction of road accidents to and from the workplace

Environment

- Flaring down projects in Nigeria, the Congo, Libya, Tunisia, and Algeria for the reduction of GHG, NOx, and SO₂ emissions
- Water injection projects in Libya, Egypt, Pakistan, Indonesia, Nigeria for the reduction of waste water by 14.5 mln m³
- Development and implementation of a Waste Management Plan in foreign subsidiaries
- ISO 14001 certification for 80% of the foreign subsidiaries by 2009
- Project for the reclamation of the site of Belayim, Egypt, by biopiles and of the Gryphon area in Kazakhstan

Technological innovation

- CO₂ for Enhanced Oil Recovery (EOR): exploration of the possibility of using CO₂ injection to increase the heavy oil recovery factor

- EOR by steam injection, a technology used to increase the value of heavy oil fields (off the shores of the Congo)
- On Ice seismic project to minimize the environmental impact of oil exploration in the arctic and subarctic regions
- Innovative exploration technologies: coil shooting (acquisition of seismic data at sea), 4d-MGG (measurement of the changes in reservoir gravitational fields), CSEM (measurement of the variations in electromagnetic fields)

DATA

Production

- Oil and condensate production: 374.49 mln boe
- Natural gas production: 281.415 mln boe
- Proved reserves of oil and condensates: 333.5 mln boe
- Proved reserves of natural gas: 326.5 mln boe
- Gross exploration and development surface: 758,498 km²
- Joint ventures and affiliated companies: 35

People

- People: Italy 5,771 abroad 5,423
- Number of expatriates: 1,199
- Number of nationalities of international personnel: 94
- Total training hours: 931,583
- Health promotion initiatives

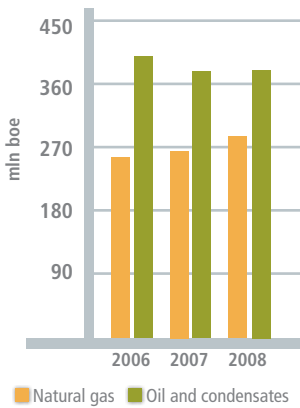
conducted by foreign associated companies: 118

- Audits: safety 192, environment 71
- Injury frequency rate: employees 0.89, contractors 1.12
- Injury severity rate: employees 0.016, contractors 0.027
- OHSAS 18001 certifications: 14

Environment

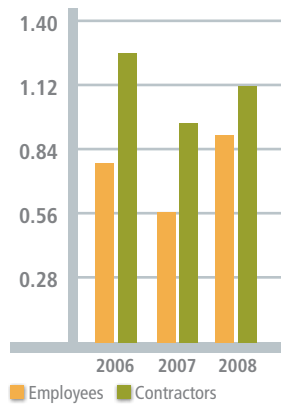
- Water consumption: 181 mln m³, of which 137 mln m³ sea water and 26 mln m³ high-salinity groundwater
- Formation water extracted: 52.93 mln m³
- Formation water reinjected into the reservoir: 14.88 mln m³
- ISO 14001 certifications: 29
- Volume of flared gas: 7,713 mln m³
- Volume of vented gas: 31.99 mln m³
- Oil concentration in production water discharged into a surface environment: 22.49 mg/liter
- GHG emissions: 34.05 mln ton CO_{2eq}, 268.25 ton/Ktoe
- SO₂ emissions: 14.71 kton, 0.117 ton/Ktoe
- NOx emissions: 74.7 kton, 0.593 ton/Ktoe
- NMVOC emissions: 65.75 kton
- Number of oil spills: 378, total volume of oil spills: 7023.89 barrels
- Waste generated: 1577.62 kton; from reclamation: 267.190 kton
- Waste generated per metre drilled: 0.828 ton/m
- Net energy consumption: 4370.79 Ktoe

HYDROCARBON PRODUCTION



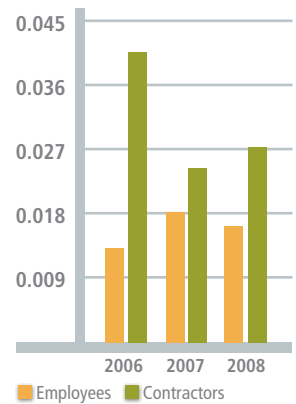
In 2008, hydrocarbon production reached a record level of 1.797 mln barrels of oil equivalent per day (+3.5% over 2007).

INJURY FREQUENCY RATE



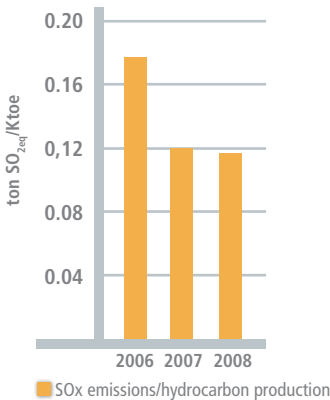
The injury frequency index has increased, compared to 2007, from 0.56 to 0.89 for employees (+58.9%) and from 0.94 to 1.12 for contractors (+19.1%).

INJURY SEVERITY RATE



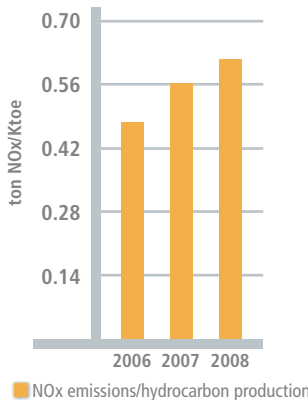
For employees, the injury severity index has declined from 0.018 to 0.016, with an 11.1% decrease compared to 2007, while for contractors the index has increased from 0.024 to 0.027 (+12.5%).

SO₂ EMISSIONS/HYDROCARBON PRODUCTION



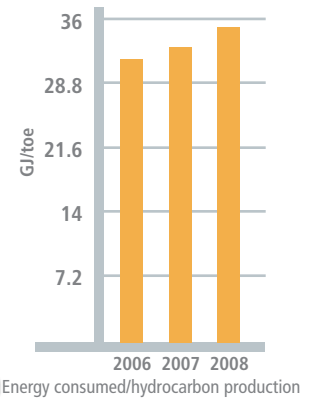
The SO₂ emission index decreased between 2006 and 2007 due to the decrease in SO₂ emissions Kazakhstan, while the 2007-2008 performance remains substantially unchanged.

NO_x EMISSIONS/HYDROCARBON PRODUCTION



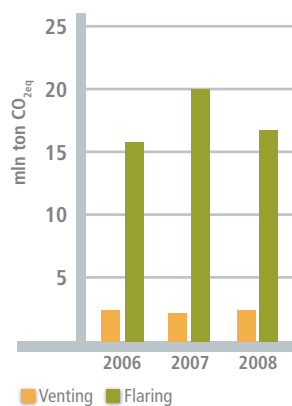
The NO_x emission index relative to hydrocarbon production rose in the 2006-2008 period due to increased energy consumption (see chart on Energy Consumed).

ENERGY CONSUMED FOR HYDROCARBON PRODUCTION



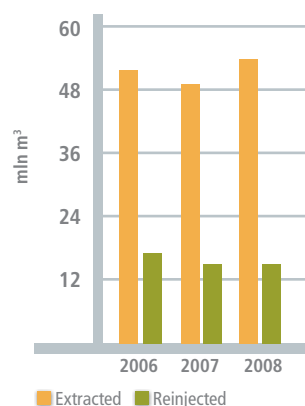
The energy consumed for the production of hydrocarbons increased in the 2006-2008 period as a result of higher consumption in gas recovery activity due to flaring reduction.

GHG FROM FLARING AND VENTING



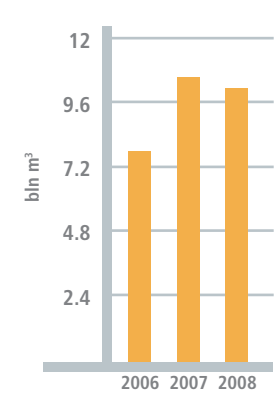
The volumes of gas vented are constantly decreasing; the volumes of gas flared also decreased in 2008 compared to 2007, when a peak was recorded due to activities in Russia and the Congo.

FORMATION WATER



While the amount of water reinjected was substantially unchanged, there was an increase in production water extracted in Nigeria, where water injection projects are under way.

GAS REINJECTED INTO THE RESERVOIR



Reinjected gas has slightly decreased compared to 2007 as a result of reduced reinjection in Nigeria, while the increase between 2006 and 2007 is due to a growth in Kazakhstan, KPO.

Gas & Power

Activities in the Gas & Power sector focus on all the steps of the gas value chain: supply, transmission, distribution, sale and LNG.

In Europe, Eni has access to the most extensive integrated natural gas transmission network, which connects the key consumption basins with the main production areas (north Africa, Russia and the North Sea). Moreover, gas liquefaction allows the transmission by water of resources produced by reservoirs not connected with the main transmission networks and far from the end markets. The technologies used in production and transmission provide a high degree of safety. Eni is the largest operator for sales in the European gas market, with operations in France, Germany, Spain and Portugal, United Kingdom and Turkey. In Italy, through Snam Rete Gas, the Company owns nearly the whole domestic gas transmission network. The availability of regasification capacity in Italy, Spain and Portugal, as well as storage facilities managed by Stogit, ensure a significant level of operating flexibility. Sales of natural gas in 2008 amount to 104.23 billion cubic metres (including self-consumption, Eni's share of sales to associated companies, and sales in Europe and the Gulf of Mexico) with an increase of 5.27 billion cubic metres or 5.3% compared to 2007. This increase is partly due to the acquisition of Distrigaz, a Belgian Company that operates mainly in central and northern European markets. In Italy, the volume of gas transmitted in 2008 was 85.64 billion cubic metres, with an increase of 2.36 billion cubic metres from 2007 (+ 2.8%). Through Italgas and other subsidiaries, Eni conducts gas distribution in 1,320 cities, with a pipeline network extending over approximately 49,000 km, 5.7 million users, and 7.6 billion volumes distributed. The main thermoelectric production plants, also located in Italy, have a total installed power of 4.9 Gigawatt and an output at full capacity of 30 Terawatt Hour: the use of combined cycle gas technology (CCGT) provides high efficiency level and low environmental impact. Sales of electricity in 2008 totalled 29.93 TWh, down 9.8% from 2007 due to a decrease in the available output. This decline involved primarily exchange sales, and was partly offset by an increase in free market sales.

THE PROJECTS

People

- Implementation of new safe navigation systems at the Portovenere and Lerici LNG shipping units
- Online fleet support: an online medical assistance system has been launched to improve the medical monitoring conditions of personnel on board of the LNG shipping fleet

Environment

- Installation of VeLo NOx burners on all CCGT by 2012
- Completion of an industrial plan for the construction of turbogas power plants that have allowed decreases in CO₂, NOx and SO₂, and water consumption per MWh produced
- Replacement of pneumatic equipment for the containment of natural gas emissions in the networks
- Implementation of the Gas Transmission Network Technical Safety Management System (SMS), designed to maintain network integrity, manage population safety issues, and ensure service continuity

Technological innovation

- High-pressure gas transportation (Trasporto ad Alta Pressione - TAP): for the first time worldwide, the technology has been tested on a pilot scale
- Medium-pressure transmission (Trasporto a Pressione Intermedia TPI): the first X80 grade pipes have been produced by leading global manufacturers
- The design is under way for a prototype turboexpansion system combined with cogeneration, which allows the production of electricity from methane expansion and from the cogeneration system for approximately 5.000 MWh/y, and the production of heat for approximately 3.600 MWh/y

DATA

Production

- Gas transmitted (Italy): 85.64 bln m³
- Gas distributed: 7.62 bln m³
- Electricity produced: 23.33 TWh
- Gas sold: 104.23 bln m³
- LNG sold: 12 bln m³
- Electricity sold: 29.93 TWh

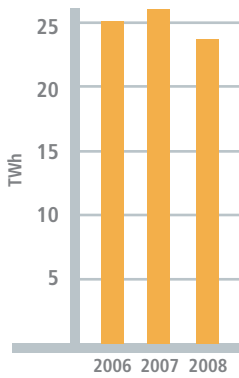
People

- People: 11,389 of whom 19.2% women
- People employed in transmission abroad: 249
- People employed in foreign market: 2,330; in the Italian market: 2,096
- People employed in the electrical sector: 568
- Audits: health 1, safety 20
- Injury frequency rate: employees 5.39; contractors 12.35
- Injury severity rate: employees 0.22; contractors 0.3
- Total training hours: 271,785

Environment

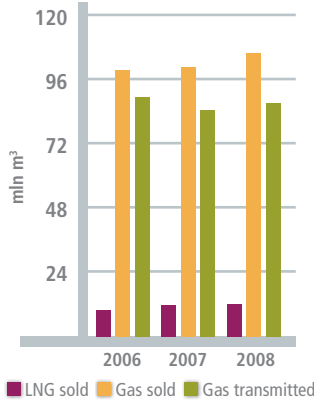
- Environmental audits: 98
- Water drawn: 570.34 mln m³, of which freshwater 14.55 mln m³
- GHG emissions: 14.20 mln tonCO_{2eq}
- SO₂ emissions: 4307.2 ton
- Waste generated: 83163.9 ton, including 12285.2 from reclamation
- CO₂ emissions /MWh produced: 0.40 ton/MWh
- NOx emissions /MWh produced: 220 g/MWh

PRODUCTION OF ELECTRICITY



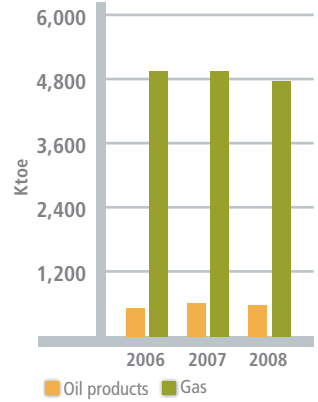
The production of electricity decreased by 8.5% compared to 2007 due to the lower production at the Brindisi, Ravenna and Leghorn sites.

GAS AND LNG SALES AND TRANSMISSION



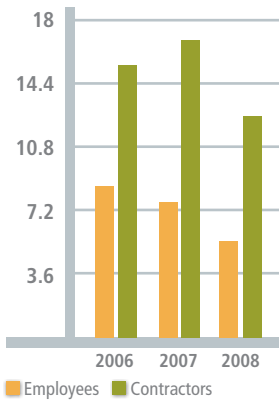
Transmitted gas increased by 2.8% to replenish supplies consequent to winter drawings. Gas sales rose due to the contributions by Union Fenosa Gas and Distrigas.

NET CONSUMPTION OF PRIMARY SOURCES



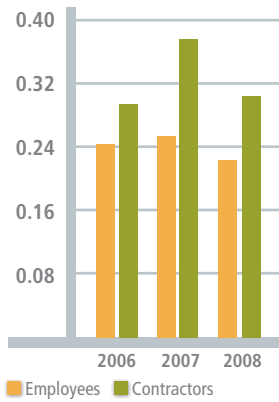
The consumption of natural gas fell from 4875 to 4693 Mtoe, down by 3.7%; oil fell by 6.6% from 615.9 to 575.4 ktoe.

INJURY REQUENCY RATE



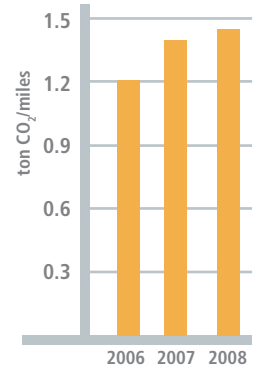
The injury frequency rate decreased compared to 2007 from 7.59 to 5.39 for employees (-29%) and from 16.61 to 12.35 for contractors (-25.6%).

INJURY SEVERITY RATE



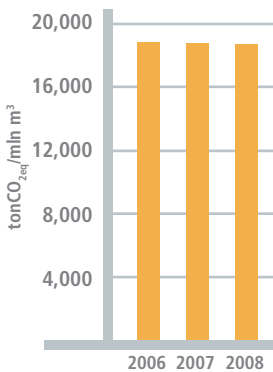
For employees, the injury severity rate fell by 12% compared to the previous year from 0.25 to 0.22; for contractors it fell from 0.37 to 0.3 (-18.9%).

CO₂ EMISSIONS FOR THE TRANSMISSION OF LNG



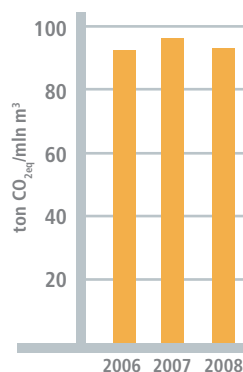
CO₂ emissions for the transmission of LNG increased by 3.4% compared to 2007 from 1.4 to 1.448 tonnes of CO₂ per mile.

CO₂ EMISSIONS IN GAS TRANSMISSION (SNAM RETE GAS)



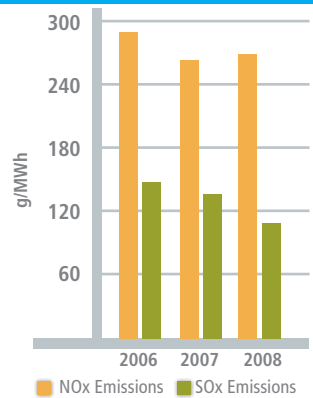
Notwithstanding the increase in energy consumption, the rate of GHG during transmission (GWP=25) remained steady compared to 2007 due to the containment of natural gas emissions.

CO₂ EMISSIONS IN GAS DISTRIBUTION (ITALGAS)



CO₂ emissions for the distribution of natural gas decreased by 3.37% compared to 2007; the tonnes of CO_{2req} per million m³ fell from 96.3 to 93.

SO₂ AND NO_x EMISSIONS/PRODUCTION OF ELECTRICITY



The rate of SO₂ emission in respect to the production of electricity fell by 20% compared to 2007 from 120 to 96 g/KWh; the NO_x emission rate fell from 233 to 220 g/KWh (-5.9%).

Refining & Marketing

The refining system has an overall balanced capacity of approximately 36.8 million tonnes (737 thousand barrels/day). Such system in Italy is made up of 5 owned refineries (Sannazzaro, Taranto, Leghorn, Porto Marghera and Gela) and of the 50% stake in the Milazzo refinery. Eni has stakes abroad in Germany and the Czech Republic. Furthermore, Eni, with a 33.34% stake in Galp, jointly controls the two refineries in Portugal with the Portuguese group Amorim: Porto, small and specialized in the production of lubricant bases, and Sines, which is bigger, more complex and integrated with petrochemicals. In 2008 the processing of oil and own semi-processed goods for 35.84 million tonnes decreased by 3.5% compared to 2007 due primarily to the stops for scheduled maintenance and fortuitous events. Eni is the leader in Italy for the storage and transport of oil products with an integrated logistic structure made up of a system of 21 directly-managed and owned deposits. The secondary distribution of products for the network and extra network market is almost exclusively entrusted to third party companies which are also owners of vehicles. Eni is the leader in Italy for the distribution of oil products on the network market with a market share of 30.6%. At the end of 2008 the distribution network in Italy was made up of 4,409 filling stations, the sales of fuels within the network totalled 8.81 million tonnes (+2.2%), with an average distribution of 2.47 litres. In 2008 the sale of premium fuel was impacted by consumers' greater price sensitivity, causing a decline in the context of an economic recession and of the listings of averagely high-priced fuels. In the extra network market, Eni sold fuel and combustibles for automotive purposes, heating, as well as agricultural and marine sectors. Customers include retailers, industrial businesses, service companies, public entities and municipalized businesses and end users (freight forwarders, apartment buildings, operators from the agriculture and fishing sectors, etc.). In Italy Eni is the leader in the production, distribution and marketing of LPG with 566 thousand tonnes sold on the automotive and combustion markets, the equivalent of a market share of 17.8%. In Italy Eni is the leader in the production and marketing of lubricant bases. Oil bases are produced at the Leghorn refinery. Eni also has a factory for the production of lubricant additives at Robassomero (TO) and has 7 plants for the production of finished lubricants and grease in Italy, Europe, North and South America as well as the Far East. Eni, through its subsidiary Ecofuel (wholly-owned by Eni), sells over 2 million tonnes/year of oxygenates, mainly ethers (approximately 10% of the worldwide demand) and methanol (approximately 1.5% of the worldwide demand).

THE PROJECTS

People

- Development of a model and protocol for the process safety audit already applied to 4 refineries in 2008

Environment

- Water reuse projects in the refining sector include the use of treated groundwater for industrial uses
- Energy saving projects will reduce CO₂ emissions by approximately 270 ktonnes/year

Technological innovation

- The Eni project Slurry Technology (EST): the first industrial plant is being built at the Refinery of Sannazzaro
- Biodiesel from micro algae: the project aims at testing the technical and economic feasibility of a process based on the biofixation by means of micro algae for CO₂ produced by oil refining plants
- LCO Light Cycle Oil Upgrading: upgrading of the LCO refinery into diesel (the application for a patent has been filed)

- Green Diesel: work has been completed on the Front End Engineering Design for an industrial unit for the production of 250 million tonnes/year of Green Diesel from soy and/or palm oil
- Development of analysis models for the second generation production of bio-ethanol within the European NILE project (New Improved Lignocelluloses Ethanol)
- SCT-CPO proprietary technology for the transformation of gaseous and liquid hydrocarbons (such as natural LPG and fuel gas) into synthesis gases (CO and hydrogen). In 2008 a mini-plant was opened for the supply of hydrogen to a fleet of fuel cell cars in the multifuel station of Mantua

DATA

Production

- Production of refined products: 50.68 mln ton
- Installed refining capacity: 737 kbarrels/day
- Fuel sold in the Agip network: 12.67 mln ton
- Filling stations (Italy+Abroad): 5,956

- Stations that supply non-oil services: 3,033

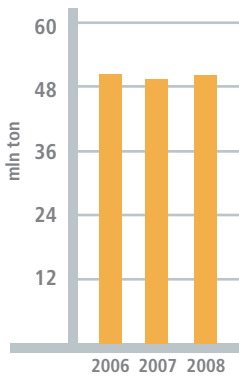
People

- People: 8,327 of whom 17.9% women
- Audit: safety 29 and health 1
- Injury frequency rate: employees 2.78, contractors 3.3
- Injury severity rate: employees 0.097, contractors 0.1368
- Total training hours: 217,183

Environment

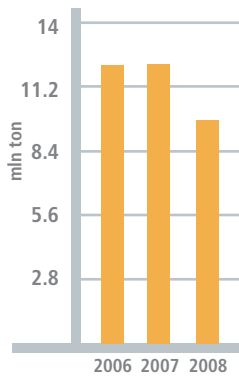
- Water drawn: 930.21 mln m³, fresh 24.75 mln m³
- Water recycled: 6 mln m³
- Net consumption from primary sources: 2561 ktoe
- Certifications: ISO 14001 36, EMAS 6
- GHG emissions: 7.74 mln ton
- CO₂ emission rate: 1275 tonn CO_{2eq}/cap. eq. Distil.
- SO₂ emissions: 23.18 kton
- NO_x emissions 7.38 kton
- NMVOC emissions: 10.95 kton
- Waste produced: 1.96 mln ton, from reclamation 1.87 mln ton

SALES OF OIL PRODUCTS



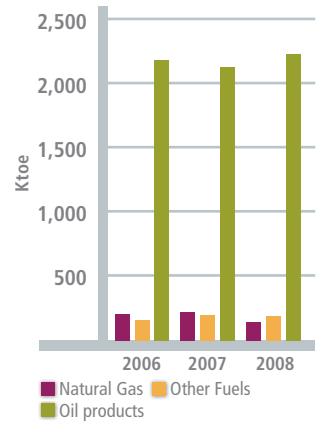
The sales of oil products in 2008 are in line with the previous years.

SALES OF HYDROCARBONS WITH BIOFUELS



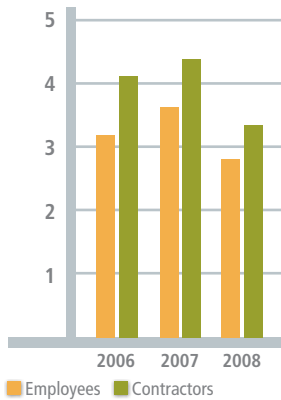
The significant reduction registered in 2008 is primarily due to the transfer of the foreign subsidiaries Agip Espana and Agip Portugal.

NET CONSUMPTION OF PRIMARY SOURCES



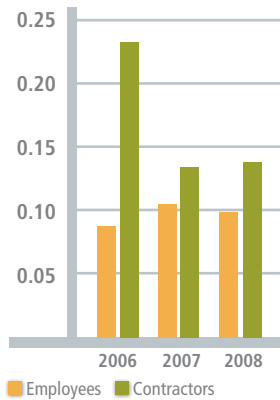
Against an essentially steady trend in energy consumption (+0.9%), atmospheric emissions (CO₂, SO₂ and NO_x) fell.

INJURY FREQUENCY RATE



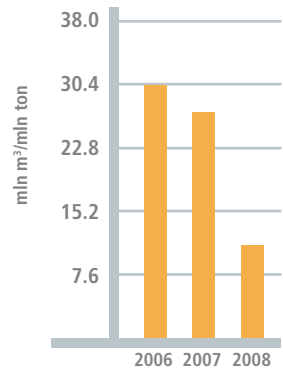
The favourable trend over the last three years is the result of the expeted actions for improvement in the four-year plan functioning to full capacity.

INJURY SEVERITY RATE



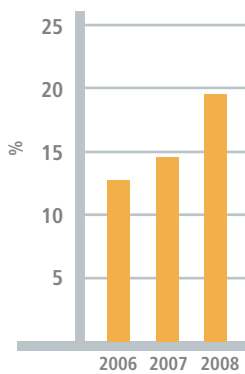
The employee injury severity rate is down compared to 2007 (-7%). For contractors it increased by 3%.

WATER CONSUMPTION INDEX



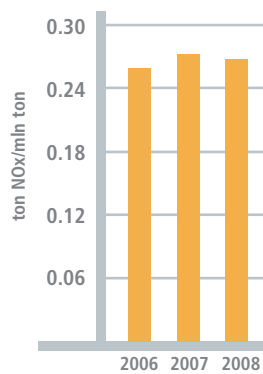
Water consumption fell by 7% compared to 2007; in particular, freshwater fell by 6%.

WATER REUSE PERCENTAGE



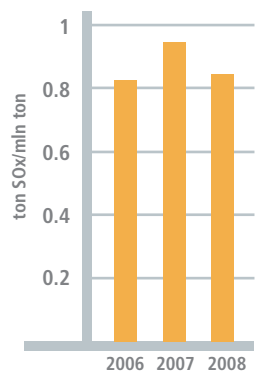
The increasing trend lines reflect the startup of the WaterReUse plants at the Refineries of Gela and Taranto.

NO_x EMISSIONS INDEX



The reduction of NO_x emissions is in part due to the lesser quantity of raw materials processed at the Taranto site and the stop of the refinery in Venice for maintenance.

SO₂ EMISSIONS INDEX



The rate fall compared to 2007 is due to the different mix of fuels used and to adaptation and technological innovation actions.

Engineering & Construction

Eni, through Saipem (Eni 43%), operates in the service market for the oil industry and is a leading contractor on a worldwide level, with high capacities both for Offshore (designing, construction and installation of platforms, floating production systems, underwater structures and pipelines) and Onshore (laying of pipelines and construction of industrial, oil, petrochemical plants, electric power stations, pumping and compressor stations). Saipem operates in Offshore and Onshore drilling. Thanks to its technical, management and engineering know-how, it boasts a solid competitive edge for services integrated into the oil industry, with a particular inclination towards more technologically complex projects (remote areas, deep waters, exploitation of difficult gases or crude oils). For its Offshore activity, Saipem boasts one of the most technological, versatile and competent naval fleets in the world. In Offshore it is a leader in the technologies for laying underwater pipelines, even at significant depths and in subarctic environments, in the development of oilfields and the management of FPSO (Floating Production Storage Offloading vessel) units.

In Onshore Saipem has achieved an excellent competitive edge for the implementation of particularly complex projects, with a strong tendency towards activities in remote areas and extremely challenging conditions.

In drilling it operates worldwide on behalf of major oil companies and government bodies, in many of the most critical areas of the oil industry. It provides offshore drilling services both in shallow and very deep waters, utilizing jack-ups and semi-submersible units that make it possible to work at depths of up to 3,000 metres and to drill at a maximum depth of 9,200 meters. Saipem's local commitment both its at own operational bases and in the creation of projects is particularly significant: the development of a joint venture with local qualified companies, the use and the training of local employees and local material and service suppliers are just some of the prerogatives of Saipem's work approach. In 2008, out of a total of over 35,000 employees (excluding jointly-held associated companies), 85% was local. In 2008 the sector registered an increase in adjusted net profits (126 mln Euros; +19.1%), and overall investments for 2,027 mln Euros (1,410 mln Euros during 2007). The Saipem group, which includes Saipem SpA, a Company listed on the Milan Stock Exchange, is made up of approximately 90 companies and consortia with offices worldwide, and since 2006 has drawn up an annual Sustainability Report also available on the Company website www.saipem.eni.it.

THE PROJECTS

People

- Continuation of the "Leadership in Safety" program in order to raise safety awareness (180 workshops were held in 2008, with approximately 3,000 participants)
- Partnerships with Italian (L'Aquila and Pisa) and international universities (Kazakhstan, Egypt, United Arab Emirates, India, United Kingdom) for Oil&Gas technical, engineering and managerial training programs
- MIOGATE – master in Oil & Gas Telemedicine and Telepharmacy, created in collaboration with the University of Camerino

Environment

- Introduction of a new software for the detection of emissions, primarily GHG, implemented as a pilot project on the Castoro Sei ship
- Review of the emission estimation methodology manual (Saipem EEMM)

Technological innovation

- New offshore trench digging technologies for operations in particularly shallow waters and in areas characterized by delicate environmental equilibriums
- Development of a new towing method of offshore pipelines aimed at minimizing operational risks and environmental impact
- Development of an emergency instrument (EAR – Extended Acoustic Radar) to identify any objects that have fallen into the pipelines during the laying stages, based on the propagation of acoustic waves
- Offshore renewable energy: development and installation of a prototype for the recovery of energy from tides; studies on offshore aeolic plants; studies on energy storage systems on a large scale in collaboration with universities and industrial partners
- Continuation of studies in the synthesis of Urea fertilizer technology sector; the first stage of the "Zero Emissions" project has been concluded with the objective of reducing ammonia emissions from a new plant

DATA

Production

- Order portfolio: 19,105 mln Euros

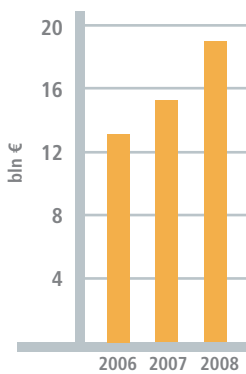
People

- People: 35,629 (excluding jointly held associate companies) of whom 10.4% women
- Italian expatriates: 1,896
- Local employees abroad: 22,505
- International employees: 5,808
- Audit: safety 21, health 22
- Injury frequency rate: employees 0.7, contractors 0.384
- Injury severity rate: employees 0.028, contractors 0.011
- Total training hours: 1,086,994

Environment

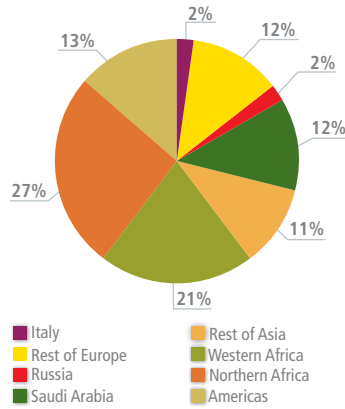
- Water drawn: 233.375 mln m³, fresh 6.915 mln m³
- Net consumption from primary sources: 436.79 mln toe
- ISO 14001 Certifications: 30
- GHG emissions: 1.34 mln tons
- SO₂ emissions: 5.545 kton
- NO_x emissions: 16.606 kton
- NMVOC emissions: 0.667 kton
- Waste produced: 127.256 kton

ORDERS PORTFOLIO



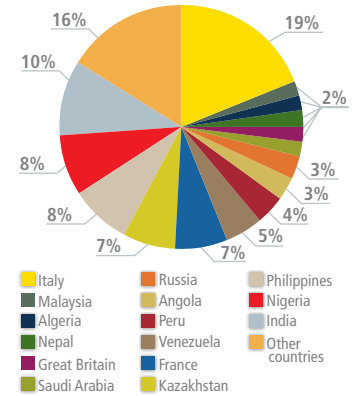
The order portfolio for 19,105 mln Euros as at 31 December 2008 is comprised of 98% work conducted abroad and 13% work assigned by Eni companies.

ORDERS BY GEOGRAPHICAL AREA



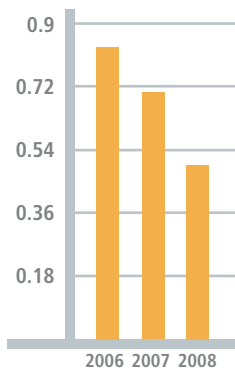
The order portfolio primarily concerns projects in Northern Africa (26%), Western Africa (21%) and America (13%).

WORKFORCE DISTRIBUTION BY NATIONALITIES (%)



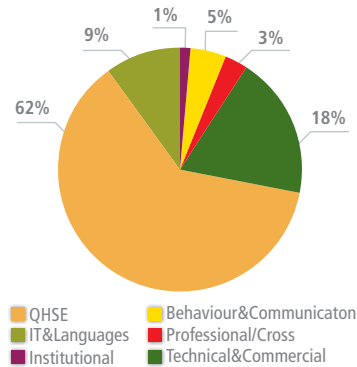
Out of a total of over 37,000 employees (including jointly-held associated companies) from over 115 countries, during 2008, 85% of the workforce was made up of local employees.

INJURY FREQUENCY RATE



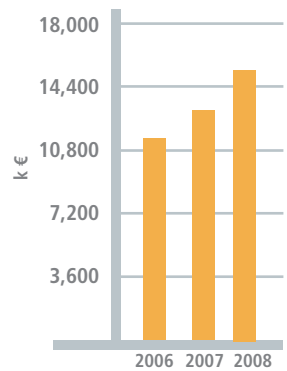
The injury frequency rate (employees and contractors) totalling 0.5 decreased by 30%, making it possible to achieve and improve the 0.6 target fixed for 2008.

TRAINING HOURS BY ISSUES



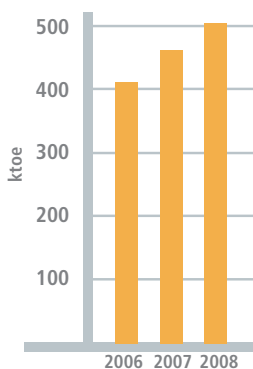
64% of the training supplied to employees regards Quality, Health, Safety and Environment.

HEALTH EXPENDITURE



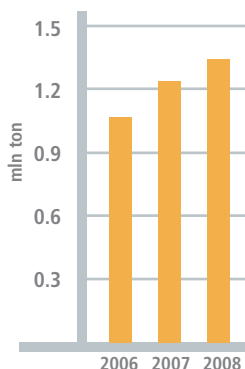
The increase in the expenses allocated to the safeguarding of health is due to a continuous improvement in the coverage of operational units and to the increase in the medical staff.

ENERGY CONSUMPTION



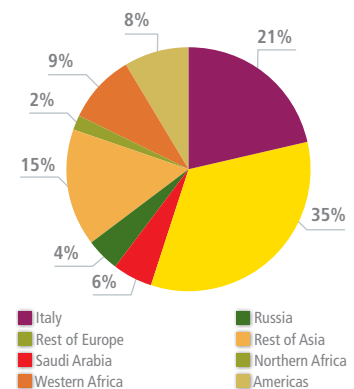
The growing trend of energy consumption, primarily made up of diesel oil, reflects the continuous increase and expansion of the operational activities.

GHG EMISSIONS



GHG emissions, calculated on the basis of mix of fuels used, reflect the increase in energy consumption, with an efficiency of steady emissions.

SUPPLIERS QUALIFIED BY GEOGRAPHICAL AREA



Of the 37,430 suppliers used in Engineering & Construction, 21,081 are subject to a qualification procedure.

Petrochemicals

Eni, through Polimeri Europa, manages the production and marketing of an ample portfolio of petrochemical products, thanks to a range of owned technologies, state-of-the-art plants and an extensive and efficient distribution network. The strategic business areas in the petrochemical sector are basic chemicals, plastics and synthetic rubbers. The production factories are primarily located in Italy (11) and in Europe (7 among Belgium, France, Germany, Great Britain, Portugal and Hungary). In 2008, due to the rise in oil load cost and the weak demand in the product outlet markets, subsequent to the substantial increase registered in 2007 (+24.4%), a reduction of sales was registered equivalent to 829 ktonnes (-15%).

THE PROJECTS

People

- Biological study and monitoring of butadiene in the Ravenna petrochemical plant

Environment

- Water reuse projects in the petrochemical sector include the use of treated groundwater for industrial uses to minimize the amount of water taken
- Energy saving projects will reduce CO₂ emissions by approximately 83 kton/year
- Completion of the safety actions of the groundwaters from Mantua, Ferrara, Brindisi, Priolo, Gela and Sarroch

Technological innovation

- Industrial tests have been carried out with favourable results for the final detailing of an ULDPPE product (ultra

low density polyethylene) for the "compound" with polypropylene for automobile applications

- HIPS/ABS synthesis tests have been carried out on a pilot scale with favourable results (High Impact Polystyrene/ Acrylonitrile Butadiene Styrene) by means of a single stage anionic/radical polymerization
- New types of polybutadienes have been developed, improved for certain applications in the field of plastic materials, for which the pilot activities for industrialization are being completed

DATA

Production

- Production of petrochemical products: 7.372 mln ton

People

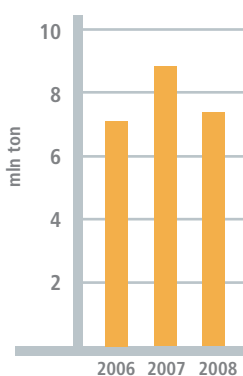
- Number of people: 6,274 of whom 9.6% women

- Injury frequency rate: employees 2.57, contractors 9.95
- Injury severity rate: employees 0.096, contractors 0.25
- Total training hours: 274,069
- OHSAS 18001 certifications: 11

Environment

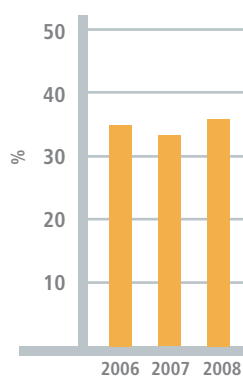
- Water drawn: 1.271 mln m³, fresh 115.8 mln m³
- Water recycled: 64 mln m³
- Net consumption from primary sources: 2,022 ktoe
- Certifications: ISO 14001 13, EMAS Registrations 2
- GHG Emissions: 4.9 mln ton
- SO₂ Emissions: 5.1 mln ton
- NO_x Emissions: 5.3 mln ton
- NMVOC Emissions: 3.6 mln ton
- Waste from production activities: 137 kton
- Waste from reclamation: 1.41 mln ton

PETROCHEMICAL PRODUCTION



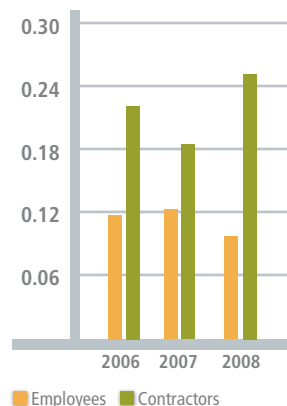
Petrochemical production decreased by 16.2%, from 8.8 million tonnes in 2007 to 7.4 million tonnes in 2008.

RECYCLED FRESHWATER PERCENTAGE



The percentage of recycled freshwater in the petrochemical sector increased from 33.2% in 2007 to 35.8% in 2008.

INJURY SEVERITY RATE



For employees the injury severity rate decreased by 20.7% compared to 2007, from 0.121 to 0.096; for contractors it rose from 0.182 to 0.248 (+36.3%).

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