

# FOR

SUSTAINABILITY PERFORMANCE

ENI FOR 2018



## MISSION

We are an **energy company**.

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

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

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



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## INTRODUCTION

The document aims to present Eni's non-financial performance, highlighting the Key Performance Indicators (KPIs) for the three-year period 2016-2018 along the three drivers of the Group's business model.

Dedicating a specific document to the description of non-financial performance serves a twofold purpose. Firstly, Eni intends to ensure transparency about its performance in order to maintain a constructive and proactive dialogue with its stakeholders. Secondly, Eni has adopted a systemic approach that aims at efficiency, resilience, and growth and that organically integrates sustainability to translate it into business, respecting the environment, the rights

and needs of its employees and protecting the local communities that host the Group's daily activities, with integrity and transparency as its core values. Such business management can be measured by means of non-financial indicators which, in a process of continuous improvement, provide guidance in setting out future strategies and objectives.

This document is attached to Eni for 2018 and is an integral part of the Group's voluntary sustainability reporting. It has been drawn up in accordance with the international standards of reference for non-financial reporting, i.e., the Sustainability Reporting Standards of the Global Reporting Initiative (GRI).

### ENI'S NON-FINANCIAL PERFORMANCE AND THE SUSTAINABLE DEVELOPMENT GOALS

The UN's 2030 Agenda for Sustainable Development, presented in New York in September 2015, identifies 17 Sustainable Development Goals (SDGs) which represent common goals for the current complex social challenges and are an important reference for the international community.

As part of these global challenges, energy plays a fundamental role in the achievement of primary needs, the socio-economic development of Countries, protection of the environment and

international security. Aware of this, in its 2019-2022 Strategic Plan Eni has set out the objectives that directly or indirectly contribute to achieving the SDGs and that are measured through specific KPIs reported in this document<sup>1</sup>. In this way, Eni addresses its own business and is able to seize new business opportunities, highlighting both the value generated in terms of local development and the mitigation actions of the negative impacts possibly caused by the business itself.



<sup>1</sup>) The identification of the KPIs was carried out taking as reference both the document "An Analysis of the Goals and Targets" (published by GRI and UN Global Compact) and the document "Mapping the oil and gas industry to the Sustainable Development Goals: An Atlas" (published by IPIECA).

# GOVERNANCE AND BUSINESS ETHICS

## BOARD OF DIRECTORS AND CONTROL BODIES OF THE ENI GROUP<sup>(a)</sup>

		2016	2017 <sup>(b)</sup>	2018	SDGs - target
Members of Eni SpA Board of Directors	(number)	9	9	9	<b>16.7</b>
executive		1	1	1	
non executive		8	8	8	
independent <sup>(c)</sup>		7	7	7	
non independent		2	2	2	
members of minorities		3	3	3	
Eni SpA Board of Directors Annual Meetings		14	13	12	
Average attendance at Eni SpA Board of Directors	(%)	98	100	99	
Annual board induction sessions/ongoing training of Eni SpA Board of Directors	(number)	2	4	2	
Presence of women on the Boards of Directors	(%)	27	32	33	<b>5.5</b>
Presence of women on the Boards of Statutory Auditors <sup>(d)</sup>		37	37	39	<b>5.5</b>

(a) For consistency with the representation in the 2018 balance sheet, the Eni Group is understood to mean Eni SpA and its subsidiaries consolidated with the line-by-line method.

(b) Refers to the Board in office up until 13 April 2017 and, since 13 April 2017, to the current Board.

(c) Refers to independence as defined by the regulations, referred to in Eni's By-Laws.

(d) Outside of Italy, only the companies with a control body similar to the Italian Board of Statutory Auditors were considered.

The Board of Directors (BoD) and the Board of Statutory Auditors (BoSA) are appointed by the Shareholders' Meeting using the list voting system. Their respective chairmen are appointed by the Shareholders' Meeting with normal majorities. Three Directors and two Auditors, including the Chairman of the Board of Statutory Auditors, are appointed by minority shareholders<sup>2</sup>. The current BoD was appointed by the Shareholders' Meeting held on 13 April 2017. To appoint the Directors, the Shareholders' Meeting took into account the directions promptly communicated to the market by the BoD previously in office on the best composition in terms of diversity, such as gender, professionalism, managerial experience and internationality. The result is a well-balanced and diversified BoD. A third of members of the BoD and of the Board of Statutory Auditors, including the Chairs, are women. The number of independent Directors on the BoD exceeds the number required by the By-Laws and the corporate governance code. Every year, the BoD, with the assistance of an external consultant and the supervision of the Appointments Committee, carries out a self-assessment (Board Review). Essential elements of this

review are comparisons with best practices at national and international level, and a review of board dynamics, also evaluating whether to carry out a Peer Review of directors, which was actually carried out in 2017<sup>3</sup>.

In line with the procedure launched several years ago, at the start of the new term of office, training sessions were carried out on institutional and business issues, including visits to operating sites, to support the BoD and the Board of Statutory Auditors. Training continues during their term with ongoing training sessions, in particular with visits to operating sites.

The internal regulations on the "Corporate Governance of Eni companies", subject to the requirements of the law, provides that in selecting the members of the management and control boards of Eni's Italian and foreign subsidiaries, the need for diversity (including gender diversity) is, where possible, taken into account. In line with these regulations, Eni's commitment to reinforcing the presence of women on the management and control boards of Eni's companies is ongoing.

## REMUNERATION

The Chief Executive Officer's (CEO) overall pay mix in the 2017-2020 term is more focused on variable components, which are also linked to sustainability targets, with a strong prevalence of the long-term component. The table shows the percentage of the

remuneration linked to long-term objectives and the percentage of annual variable remuneration linked to sustainability objectives, if the target or maximum level company objectives are achieved compared to an overall target level performance.

2) Eni's By-Laws ensures that the number of representatives of minorities exceeds the number required by law. The number of independent Directors provided by the Company By-Laws is also greater than that required by law.

3) This consists of the assessment by each Board Member of the contributions made by each other Board Member.

	Policy Mandate 2014-2017		Policy Mandate 2017-202	
	Target	Maximum	Target	Maximum
% of CEO remuneration linked to long-term objectives	46%	51%	53%	65%
% of CEO variable remuneration on sustainability objectives	25%	33%	25%	38%

In 2018, Eni updated the method of calculating the pay ratio by focusing on the median values of the remuneration of the Italian population, in line with the most widely used practices at international level. The pay ratio was calculated both as a ratio of the CEO's fixed remuneration to the fixed median remuneration of employees and as a ratio of

the CEO's total remuneration to the total median remuneration of employees. In addition to the fixed component, total remuneration also includes variable components and benefits. The following table shows the pay ratios for 2018 and previous years recalculated according to the new method.

	2016	2017	2018
Ratio between the CEO's fixed remuneration and the average fixed remuneration of employees	33	37	37
Ratio between the CEO's total remuneration and the average total remuneration of employees	76	89	115

## VALUE ADDED

	2016	2017	2018	SDGs - target	
Gross global value added	(€ million)	12,304	18,281	22,281	
- of which to human resources		3,219	3,163	3,247	
- of which to States and Public Administrations		1,936	3,467	5,970	
- of which to financial backers		757	751	685	
- of which to shareholders		2,885	2,884	2,991	
Total distributed value added		8,797	10,265	12,893	
- portion of net profit reinvested in the company		(3,929)	493	1,146	
- depreciation, amortization and impairments (gross)		7,436	7,523	7,956	
Net value added		4,868	10,758	14,325	<b>8.2 9.1</b>

Distributed value added in 2018 amounted to €12,893 million, an increase compared to 2017, and is divided as follows: i) 46% to the State and Public Administrations through taxes on the income of both Italian and overseas businesses; ii) 25% to hu-

man resources remunerated through wages, salaries and welfare contributions; iii) 23% to shareholders remunerated through the distribution of dividends; iv) 5% to financial backers paid through financial charges.

# RESEARCH AND DEVELOPMENT

		2016	2017	2018	SDGs - target
R&D expenditures	(€ million)	161	185	197.2	9.5
Tangible value generated by R&D		1,395	914	921	
First patent filing applications	(number)	40	27	43	9.5
of which filed on renewable sources		12	11	13	
Existing patents		6,314	6,631	7,280	
Average age of patents	(years)	9.05	9.10	9.17	
R&D expenditures by typology	(€ million)				9.5
Other, of which exploration		66	71	83.2	
Safety and risk reduction		17	26	24.7	
Environment		15	16	15	
of which related to decarbonization		63	72	74.3	
Number of partnerships on R&D <sup>(a)</sup>	(number)	874	1,033	1,127	9.5
of which with Universities and Research Centers		131	233	271	
Number of active users in #KMS <sup>(b)</sup>		1,806	2,321	2,184	4.4
Impacting Knowledge in #KMS <sup>(c)</sup>		1,943	2,035	2,501	4.4
of which linked to Strategic Tags <sup>(d)</sup>		700	1,165	1,309	

(a) Partnerships consider purchase orders relating to goods and services that are functional to R&D activities in Eni SpA and Versalis SpA.

(b) The number of active users reports the number of unique users who have written at least one post in #KMS over the year.

(c) Impacting Knowledge includes Knowledge Nuggets, KM Webinars, Innovation Idea Management and Application of Innovative Technologies and KM Success Stories.

(d) Impacting Knowledge referring to issues that are considered strategic for the business lines active in #KMS. Strategic Impacting Knowledge was introduced in 2016 as the KPI representing the quality of the contents.

In 2018, Eni's economic investment in scientific research and technological development activities amounted to €197 million. The trend of efforts in Research and Development shows a clear growth, due to an increase in activities aimed at bringing the technologies developed into rapid production. The acceleration of the time between first successful technology pilot and routine business use, is acknowledged by Eni as a key lever for competing and guarantee the long-term sustainability of the energy business.

Eni Research and Technological Innovation is a key element to make effective and efficient access to new energy resources and improve the use of existing ones, while reducing the impact on the environment. In this perspective, Eni leverages the skills of all business areas, in a cross-cutting and synergistic way, to draw even more value from skills projecting them towards the challenges of the energy transition. Eni has also been committed to identifying the value generated by applying innovative technologies developed in-house and with third parties. In 2018, the estimated tangible value generated was €921 million, slightly higher than the previous year (+€8 million) thanks to the contribution of the following technologies:

→ Proprietary software for processing seismic signals flow as-

surance with significant cost savings in licences and code maintenance;

- Technologies that allow identifying the best structures during drilling, providing for the optimal positioning of wells in a timely manner and increasing their productivity;
- Use of software to cut Not Productive Time during the drilling phase, allowing the optimization of operating parameters in real time, resulting in increased operational efficiency;
- Methodologies for the complete characterization of raw materials for refineries, which are necessary for commercial evaluation and process and product optimization.

With regard to Intellectual Property in support of technological innovation, in 2018 a total of 43 new patent applications were filed, 13 of which are directly concerned with developing technologies in the field of renewable energy sources (biofuels and solar). This figure, which is higher than that of 2017 (27), is in line with the statistical variability detectable by the long-term trend of previous years and confirms the high degree of innovation in the renewable energy technology sectors. The orientation of the business towards initiatives to enhance the industrial value of research is confirmed by the increase in the total number of securities in the

portfolio (7,280) as a result of greater investment in territorial coverage of the protection of proprietary technologies and actions aimed at expanding the technology portfolio with external acquisitions, as in the case of the “organic” branch of Mossi&Ghisolfi. The average age of the portfolio recorded a slight increase compared to the previous two years, but was nonetheless near 9 years (9.17) as a result of monitoring and updating activities carried out on the portfolio to keep it consistent with Eni’s industrial and business strategies, as well as those of its subsidiaries. The 2018 Knowledge Management System (KMS) strategy was mainly focused on two aspects: the quality of content shared

within the #KMS portal and the integration of business lines on technical problem-solving issues. As for the first aspect, in 2018 there was a 23% increase in Impacting Knowledge: of the 2,501 Impacting Knowledge items shared, 1,309 relate to strategic issues, confirming the focus on drilling, reservoirs, production and facilities. Finally, evidence of the integration of the business lines in #KMS is the birth of new Communities of Practice launched in 2018, including the “CoP Renewable Energies”, which is the result of the synergy between Eni Research and the Energy Solutions Department, and the “CoP Lubrication Science”, jointly coordinated by R&M and Research.



# PATH TO DECARBONIZATION

## EMISSIONS

		2016	2017	2018	SDGs - target
Direct GHG emissions <sup>(a)</sup>	(million tonnes CO <sub>2</sub> eq)	42.15	43.15	43.35	13.1
of which: CO <sub>2</sub> eq from combustion and process		32.39	33.03	33.89	
of which: CO <sub>2</sub> eq from flaring		5.40	6.83	6.26	
of which: CO <sub>2</sub> eq from fugitive emissions		2.01	1.14	1.08	
of which: CO <sub>2</sub> eq from venting		2.35	2.15	2.12	
Direct GHG emissions by sector:		42.15	43.15	43.35	
Exploration & Production (E&P)		22.47	24.02	24.07	
Gas & Power (G&P)		11.17	11.30	11.08	
Refining & Marketing and Chemicals (R&M & C)		8.50	7.82	8.19	
Corporate and other activities		0.01	0.01	0.01	
Carbon efficiency index	(tonnes CO <sub>2</sub> eq/kboe)	38.26	36.01	33.90	13.1
GHG emissions/100% operated hydrocarbon gross roduction (UPS)		23.56	22.75	21.44	13.1
GHG emissions/kWheq (EniPower)	(gCO <sub>2</sub> eq/kWheq)	398	395	402	13.1
GHG emissions/Refinery throughputs	(tonnes CO <sub>2</sub> eq/kt)	278	258	253	13.1
UPS methane fugitive emissions	(ktonnes di CH <sub>4</sub> )	72.6	38.8	38.8	13.1
Volumes of hydrocarbon sent to flaring	(billion Sm <sup>3</sup> )	1.9	2.3	1.9	13.1
of which: sent to process flaring		1.5	1.6	1.4	
Volumes of hydrocarbon sent to venting <sup>(a)</sup>		0.05	0.05	0.05	13.1
CO <sub>2</sub> emissions from Eni plants subject to EU ETS	(million tonnes CO <sub>2</sub> eq)	20.23	19.72	19.92	
Quotas allocated to Eni plants subject to EU ETS		7.06	8.52	7.24	
Eni plants subject to EU ETS	(number)	41	40	40	
Indirect GHG emissions (Scope 2) <sup>(b)</sup>	(million tonnes CO <sub>2</sub> eq)	0.71	0.65	0.67	13.1
Indirect GHG emissions other than those due to purchases from other companies (Scope 3) <sup>(b)</sup>					13.1
of which use of sold products		225.6	228.6	231.0	
of which processing of sold products		10.6	11.0	11.3	
of which electricity purchased and sold		5.9	5.0	5.5	
of which purchased goods and services (supply chain)		1.9	1.7	2.0	
of which transportation and distribution of products		1.4	1.9 <sup>(c)</sup>	1.8	
of which business travel and employees commuting		0.4	0.2	0.2	
of which other contributions		0.5	0.5	0.5	
Production of biofuels	(ktonnes)	181	206	219	12.2 13.1
Capacity of biorefinery	(ktonnes/year)	360	360	360	12.2 13.1

(a) The volumes of methane sent to venting and the relative GHG emissions have been revised following the refinement of the estimation methodology, in line with international methodologies developed thanks to the CCAC OGMP Partnership. Therefore, the historical series have been revised in order to ensure the consistency of the performance indices with respect to the reduction targets of the GHGs communicated by Eni.

(b) The GHG includes emissions of CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O; the Global Warming Potential used is 25 for CH<sub>4</sub> and 298 for N<sub>2</sub>O.

(c) GHG emissions related to transportation and distribution of products for 2017 have been revised following a methodological alignment.

As part of its decarbonization strategy, Eni has adopted indicators that illustrate the progress achieved so far in the reduction of GHG emissions into the atmosphere, the use and consumption of energy from primary sources and the production of energy from renewables. With specific reference to emission rates, calculated on 100% operated assets for which Eni has set strategic objectives, an overview of the results obtained in 2018 compared to the set targets is provided below.

**Reduction of the upstream GHG emission intensity index by 43% by 2025 vs 2014:** the upstream GHG intensity index, expressed as the ratio between direct emissions<sup>4</sup> in tonnes of CO<sub>2</sub>eq and thousands of barrels of oil equivalent, recorded a decrease of 6% in 2018 compared to 2017, reaching 21.44 tCO<sub>2</sub>eq/kboe. This is a 20% reduction compared to 2014, which is in line with the 2025 reduction target. The improvement in the index in 2018 is mainly due to the reduction in flaring emissions, the contribution to production of the gas fields in Egypt (Zohr) and Indonesia (Jangkrik) and the return to full operation in Norway (Goliat). Overall, these activities have a lower emission intensity compared to the portfolio average.

**Zero process gas flaring by 2025:** the volume of hydrocarbons sent for process flaring in 2018 amounted to 1.4 billion Sm<sup>3</sup>, a decrease of 9% compared to 2017 (1.6 billion Sm<sup>3</sup>), mainly as a result of “zero flaring” achieved in Turkmenistan (Burun field). Through the measures implemented, the volume of hydrocarbons sent for process flaring was reduced by 16% compared to 2014, in line with the goal of zero process flaring by 2025. In 2018, Eni invested €39 million in flaring-down projects, especially in Nigeria and Libya.

**Reduction of upstream fugitive emissions by 80% by 2025 vs 2014:** in 2018 upstream fugitive methane emissions amounted to 38.8 kton CH<sub>4</sub> (-66% vs 2014), unchanged compared to 2017 but in line overall with the target. In this area, monitoring and maintenance campaigns (Leak Detection And Repair - LDAR) continued in the upstream sector, as well as in the mid-downstream sector (Sergaz), with a 6% reduction in total Eni fugitive methane emissions compared to 2017.

**Average improvement of 2% per year to 2021 compared to the 2014 carbon efficiency index:** the target extends the GHG reduction targets (scope 1 and scope 2) to all business areas with a target of improving the carbon efficiency index by 2% a year<sup>5</sup>. This objective refers to the overall Eni index, maintaining the appropriate flexibility in the trends of the individual businesses.

In 2018, the index stood at 33.90 tonCO<sub>2</sub>eq/kboe, down 5.9% from 2017 (36.01 tonCO<sub>2</sub>eq/kboe). This reduction already makes it possible to achieve the 2021 target, but Eni is nonetheless set on pursuing an improvement of at least 2% per annum in coming years as well. In addition to the upstream results already mentioned, this reduction was also made possible by a reduction in the emission intensity of refineries even with an increase in the performance index of EniPower. In 2018, Eni invested about €10 million in energy efficiency projects, which, once in full operation, will yield energy savings of around 313 ktoe/year, amounting to a reduction in emissions of 0.8 million tonnes of CO<sub>2</sub>eq.

In 2018, GHG direct emissions, calculated on all Eni activities, amounted to 43.3 million tonCO<sub>2</sub>eq (figure for 100% operated assets) and were stable (+0.5%) compared to 2017, while compared to 2010 they decreased by 26%. Compared to the individual emission categories, in 2018 there was an upward trend in combustion and process emissions, since the increases recorded in the E&P, R&M and Chemical sectors due to increased production levels were only partially offset by decreases in G&P due to lower electricity production and lower quantities of gas transported, as well as to the exit from the Tigaz Group's domain. Emissions from flaring fell by 8% compared to 2017. The GHG emissions for 2018 from 40 Eni facilities subject to the Emissions Trading Scheme (19.92 MtCO<sub>2</sub>) are in line with historical data (+1% vs 2017). The free allowances assigned in 2018 under the allocation rules in force during the third ETS period (2013-2020) were not sufficient to cover the Company's needs (deficit of 12.7 MtCO<sub>2</sub>); EniPower was particularly affected as, since 2013, it no longer receives free allowances except for those related to heat sold to third parties. The emission intensity of refineries also decreased, while at EniPower the worsening of the performance index is linked to greater consumption of refinery gas to replace natural gas at the Ferrera Erboگونه power plant. In 2018, electricity produced from renewables grew by 20% compared to 2017 (19.3 vs 16.1 GWh in 2017), while the production of biofuels stood at 219 thousand tonnes, up 6% vs 2017. Indirect GHG emissions other than those due to purchases from other companies (so-called Scope 3) in the Oil & Gas sector, the most important category is linked to the use of products sold (natural gas and petroleum products) and in 2018 the increase in Eni emissions was due to the increase in production of upstream crude oil. The other categories, though negligible in terms of emissions, are still the subject of targeted initiatives and are: product logistics optimization, green procurement, sustainable mobility, smart working and videoconference.

4) GHG emissions from methane venting have been revised following the fine-tuning of the estimation methodology, in line with international methodologies developed within the CCAC OGMP Partnership. The historical series of this type of emissions was therefore revised, in order to ensure the consistency of the performance indicators with the GHG reduction objectives set by Eni.

5) It expresses the GHG emissions intensity (operated assets' scope 1 and scope 2 on an operatorship basis in tonCO<sub>2</sub>eq) of Eni's core businesses productions vs operated production (converted into barrels of oil equivalent using the Eni average conversion factors published in the Fact Book) of each business, thus measuring their degree of carbon efficiency in a decarbonization scenario. Scope 1 emissions (CO<sub>2</sub>+CH<sub>4</sub>+N<sub>2</sub>O) are direct emissions from the company's own assets. Scope 2 indirect emissions relate to the generation of electricity, steam and heat purchased from third parties.

## ENERGY EFFICIENCY

		2016	2017	2018	SDGs - target
Electricity produced by type of source <sup>(a)</sup>	(TWh)	27.363	28.847	29.508	7.1
of which: from natural gas		25.826	26.395	27.209	
of which: from petroleum products		1.524	2.436	2.280	
of which: from photovoltaic		0.013	0.016	0.019	
Energy Intensity Index (refineries)	(%)	101.7	109.2	112.2	7.3
Energy consumption from production activities/100% operated hydrocarbon gross production (UPS)	(GJ/toe)	1.71	1.49	1.42	7.3 12.2
Net consumption of primary resources/MWheq (EniPower)	(toe/MWheq)	0.16	0.16	0.17	7.3
Primary sources consumption <sup>(b)</sup>	(million of toe)	12.5	13.0	13.0	12.2
natural gas/fuel gas		10.0	10.5	10.2	
other petroleum products		2.6	2.5	2.8	
Primary energy purchased from other companies by type		0.44	0.38	0.44	12.2
electricity		0.38	0.33	0.38	
other sources <sup>(c)</sup>		0.06	0.05	0.06	
Regular fuel savings resulting from energy saving projects	(ktoe/year)	234	295	313	7.3
Installed power from renewables	(MW)	10.3	10.3	45.8	7.2

(a) Unlike Eni for 2017, where the data referred only to EniPower, the data shown relates to the entire Eni perimeter.

(b) The figure differs from Eni for 2017 due to a refinement of the reporting methodology.

(c) Includes steam, heat and hydrogen.

In 2018, consumption of Eni's primary sources remained substantially stable. The electricity produced from photovoltaics was 19.3 GWh, up over the previous year. In 2018, Eni invested about €10 million in energy efficiency projects, which, once in full operation, will yield energy savings of 313 ktoe/year, amounting to a reduction in emissions of about 0.8 million tonnes of CO<sub>2</sub>eq. The E&P sector made a major contribution to this result, with 50 energy efficiency initiatives implemented in 21 companies in 16 different Countries, resulting in savings of around 295 ktoe/year once in full operation. The most significant measures implemented by the E&P sector concerned the revamping of compression systems and the adaptation of machinery to the new

operating conditions, as well as better thermal integration between different systems and equipment and the optimisation of collection networks and plants. In the R&M and Chemical sector (where the energy savings achieved with the new projects completed in 2018 amounted to more than 6 ktoe/year), the most significant contribution was made by the Porto Marghera petrochemical plant with the launch of the "Site Reorganisation - New Steam Generators" initiative, with fuel savings of over 5 ktoe/year once in full operation. In G&P, the measures completed in 2018 at the EniPower power plants in Bologniano, Brindisi, Ferrera Erbognone and Ravenna will lead to fuel savings of about 10 ktoe/year.

# MODEL FOR OPERATIONAL EXCELLENCE

## PEOPLE

### EMPLOYMENT

		2016	2017	2018	SDGs - target
Employees as of December 31 <sup>st</sup>	(number)	32,733	32,195	30,950	<b>8.5</b>
Men		25,126	24,615	23,643	
Women		7,607	7,580	7,307	<b>5.1</b>
Italy		20,476	20,468	20,576	
Abroad		12,257	11,727	10,374	
of which: Africa		3,546	3,303	3,374	
of which: America		1,236	1,216	1,257	
of which: Asia		2,523	2,418	2,505	
of which: Australia and Oceania		113	114	90	
of which: Rest of Europe		4,839	4,676	3,148	
Employees aged 18-24		289	364	437	<b>8.6</b>
Employees aged 25-39		10,622	9,761	9,224	
Employees aged 40-54		15,281	15,022	14,058	
Employees aged over 55		6,541	7,048	7,231	
Employees by sector					
E&P		12,408	11,928	11,619	
R&MC		10,235	10,312	10,510	
G&P		4,168	4,220	2,941	
Employees by professional category					
Senior managers		1,000	990	1,008	
Managers		9,135	9,043	9,147	
White collar		16,842	16,600	15,839	
Blue collar		5,756	5,562	4,956	
Employees by educational qualification					
Degree		14,655	14,802	14,603	
Secondary school diploma		14,082	14,300	13,348	
Less than secondary school diploma		3,996	3,093	2,999	
Seniority	(years)				
Senior managers		22.02	22.08	22.12	
Managers		19.08	20.01	20.02	
White collar		16.08	17.02	17.03	
Blue collar		13.01	13.05	13.05	
Employees abroad by category	(number)	12,257	11,727	10,374	
locals		10,377	10,010	8,572	<b>8.5 10.1</b>
italian expatriates		1,358	1,234	1,261	
international expatriates (including TCN)		522	483	541	
Local employees abroad by professional category		10,377	10,010	8,572	
of which: senior managers		67	58	46	
of which: managers		1,902	1,781	1,686	
of which: white collar		5,641	5,543	4,769	
of which: blue collar		2,767	2,628	2,071	

(continued)

(continued)		2016	2017	2018	SDGs - target
Local employees in the upstream sector	(%)				<b>8.5 10.1</b>
of which historical presence Countries		86	90	87	
of which recent entry Countries		35	30	32	
Local senior managers & middle managers abroad		16.06	15.68	16.70	<b>8.5 10.1</b>
Employees in non OECD Countries	(number)	7,002	6,631	6,705	<b>8.5 10.1</b>
Local employees in subsidiaries	(%)	93.49	93.36	93.22	
of which: consolidated		84.66	85.36	82.63	
of which: non consolidated		97.79	97.03	97.25	
Employees in non consolidated and proportionally consolidated subsidiaries <sup>(a)</sup>	(number)	26,190	26,492	28,292	
of which: local		25,632	25,733	27,540	
Employees with permanent contracts <sup>(b)</sup>		32,299	31,609	30,183	<b>8.5</b>
Employees with fixed term contracts <sup>(b)</sup>		434	586	767	<b>8.5</b>
Full-time employees		32,139	31,612	30,390	<b>8.5</b>
Part-time employees <sup>(c)</sup>		594	583	560	<b>8.5</b>
Average age	(years)	44.8	45.3	45.4	
Number of permanent hires	(number)	663	992	1,264	<b>8.5</b>
Number of terminations		1,417	1,312	1,270	
of which: number of resignations		548	504	488	
of which: number of retirements		607	593	606	
of which: number of layoffs		262	178	136	
other		0	37	40	
Turnover rate <sup>(d)</sup>	(%)	6.1	6.8	7.6	<b>8.5</b>

(a) The calculation of employees in non-consolidated subsidiaries takes into account the total employees and not only the Eni employees.

(b) The subdivision of fixed-term/permanent contracts does not vary significantly either by gender or by geographical area except for China and Mozambique where it is common practice to insert local resources for fixed term and then stabilize them over a period of 1-3 years.

(c) There is a higher percentage of women (7% of total women) on part-time contracts, compared to men (0.1% of total men).

(d) Ratio between the number of hires + resolutions of permanent contracts and the permanent employment of the previous year.

Overall employment amounts to 30,950 people, of whom 20,576 in Italy (66.5% of Eni employees) and 10,374 abroad (33.5% of Eni employees). In 2018, employment at global level decreased by 1,245 people compared to 2017, equal to -3.9%, with an increase in Italy (+108) and a more substantial reduction abroad of -1,353 resources. This reduction is due mainly to a focus of activities on the strategic areas, also through corporate reorganizations. In particular, the sale of Tigaz in Hungary, the deconsolidation of Eni Norge in Norway and the development of the gas retail business in Greece (acquisition of 100% of Zenith) are worth mentioning. In Italy, 868 hires were made, including 691 under permanent employment contracts (of which 28.9% were women, a rise compared with 2017, when only 21.9% of total recruits were women). The number of personnel employed rose, particularly for the younger age group (18-24), mainly due to the recruitment of operating personnel for industrial sites in Italy including Viggianno, Livorno, Sannazzaro, Mantua and Taranto.

In 2018, the number of terminations in Italy rose (951 employees), of which 640 permanent contracts (of which 21.7% were women). In 2018, 860 hires were made abroad, of which 573 with permanent contracts (29.3% women) with 72.1% of employees under the age of 40. As regards terminations, 827 contracts were terminated, of which 630 permanent contracts. Of these, 43.3% regarded resources under the age of 40, and 28.3% were women. Of the hires abroad, more than 60% refer to the E&P business areas (Mexico, Indonesia, Norway, and the UK) and G&P business area (France, Hungary and the UK), with the aim of developing and promoting new initiatives, as well as of supporting turnover. Of the total hires, about 42% were made in the Local Companies of the Upstream business area (total 361, of which 186 with permanent contracts and 175 with a temporary contract) and 25% in the Refining & Marketing & Chemicals area. At year end, the balance between hires and terminations abroad was +33 (+860 -827) and was basically the result

of the growth of the G&P retail business in France, the consolidation of R&MeC and upstream activities in Mexico and Indonesia, the re-dimensioning of activities in the gas business in Hungary and the release of local and international employees in upstream activities in Nigeria, Pakistan, and the Americas. A reduction in local resources was registered outside of Italy (-1,438 compared with the previous year), resulting in a drop in the percentage of local staff out of total employment abroad from 85.4% in 2017 to 82.6% in 2018. Overall, in 2018, 1,728 hires were made, of which 1,264 with permanent contracts. Of these, 29.1% covered female staff and about 81% regarded resources under 40 years of age. In all, 1,778 contracts were terminated of which 1,270 permanent contracts, and 25.0% regarded

female employees. In 2018, 28.3% of the permanent contracts terminated involved employees under the age of 40. A total of 1,802 expatriates (of whom 1,261 are Italian) work abroad, slightly up from 2017 (+27 Italians). The average age of Eni people in the world is 45.4 years old (46.7 in Italy and 42.9 abroad) with an increase in the average age of 0.1 years compared to 2017. Analysing the data divided by professional category (qualification), it is noted that the average age of the resources in positions of responsibility (senior managers and managers) is 49.3 years old (50.3 in Italy and 46.9 abroad). The average age is 44.3 years old (46.0 in Italy and 41.0 abroad) for white collar workers, whereas for blue collar workers it is 41.3 (40.5 in Italy and 42.4 abroad).

#### RATIO BETWEEN ENI MINIMUM WAGE POLICY AND MARKET MINIMUM WAGE (1<sup>ST</sup> DECILE) (MIDDLE MANAGER - SENIOR STAFF - WHITE COLLARS)

**TABLE 1: MIDDLE MANAGERS, SENIOR STAFF AND WHITE COLLAR - RATIO BETWEEN ENI MINIMUM WAGE POLICY AND MARKET MINIMUM WAGE (1<sup>ST</sup> DECILE)**

Ratio	Countries	SDGs - target
100 - 125	Austria, Belgium, France, Germany, Greece, Ireland, Italy, Netherlands, Poland, United Kingdom, Romania, Russia, Spain, Switzerland, Hungary	
126 - 150	China, Ecuador, United States	
151 - 175	Algeria, Australia	
176 - 225	Pakistan, Kazakhstan	
226 - 275	Angola, Iraq, Vietnam	
> 275	Egypt, Indonesia, Nigeria	
<b>172</b>	<b>Global Average</b>	<b>8.5</b>

**TABLE 2: BLUE COLLAR - RATIO BETWEEN ENI'S MINIMUM WAGE (1<sup>ST</sup> DECILE) AND MINIMUM MARKET WAGE (1<sup>ST</sup> DECILE)**

Ratio	Countries	SDGs - target
100 - 125	Germany, Italy, Spain, Switzerland	
126 - 150	France	
151 - 175	Australia, Belgium, Ecuador, Russia, United Kingdom	
176 - 225	Austria, Hungary, Vietnam	
226 - 275	Pakistan, United States	
> 275	Angola, Egypt, Indonesia	
<b>182</b>	<b>Global Average</b>	<b>8.5</b>

In its policy for local personnel, Eni sets out reference salary levels in a minimum/maximum range in relation to the market data of each Country, monitored annually through international providers. For middle managers, senior staff and white collars, for whom Eni has specific remuneration policies, the comparison is made between the minimum levels set in the policy by Eni and the minimum market levels determined by the providers (1<sup>st</sup> decile of local remuneration practices), as shown in Table 1. Since 2018, Eni has

also monitored the minimum wages of the workers' population by comparing, for each Country, the Eni minimum wage level (1<sup>st</sup> decile) with the local market minimum wage equivalent (1<sup>st</sup> decile) as shown in Table 2. The analysis was carried out in 28 of the most representative Countries for which market data are available; of these, 18 are those in which blue collar are present. The results show that the minimum levels of Eni's policy are significantly above market minimum levels.

## EQUAL OPPORTUNITIES

		2016	2017	2018	SDGs - target
Women employees in service	(%)	23.24	23.54	23.61	5.1
Women hired		25.34	24.70	29.11	5.1
Women in managerial positions (senior and middle managers)		24.06	24.86	25.28	5.5
Senior managers		14.20	14.14	14.88	
Middle Managers		25.13	26.03	26.42	
Replacement rate by gender		0.47	0.76	1.00	5.1
Men		0.48	0.72	0.94	
Women		0.43	0.90	1.16	
Total pay gap (women vs men)		97	97	98	5.1
Senior managers (women vs men)		98	96	97	
Middle managers and senior staff (women vs men)		97	96	99	
White collars (women vs men)		97	98	98	
Blue collars (women vs men)		95	97	98	

By the end of 2018, 7,307 women work for Eni (23.61% of total employees), of which 4,997 in Italy and 2,310 abroad. In Italy, of the 691 permanent hires over the course of 2018, 28.9% (total 200) were female employees. In 2018, the replacement rate of women (ratio between hires/termination of permanent contracts) after an increase in 2017, rose again from 0.43 in 2016, to 0.90 in 2017 and then 1.16 in 2018. The percentage of women in managerial positions (senior and middle managers) also increased, from 24.06% in 2016 to 24.86% in 2017 and then 25.28% in 2018.

The results of the 2018 analysis of the gender pay gap at a global level show a substantial alignment (98%) between the pay of female workers and that of male workers. There is a slight difference compared to previous years but it is statistically irrelevant. It has been used, as in previous years, a consolidated Eni method which neutralizes, in the pay comparison, any effects deriving from differences in role and seniority. In 2018, this measurement was conducted at a worldwide level on a sample of more than 90% of the Eni population (about 30,000 resources in 52 Countries).

## TRAINING

		2016	2017	2018	SDGs - target
Total attendances	(number)	158,355	152,343	177,236	
Training hours by type	(hours)	930,345	1,111,112	1,169,385	4.3
HSE and quality		309,284	401,094	354,756	
Languages and IT		105,480	124,266	108,160	
Conduct/Communication/Institutional		181,321	213,477	283,126	
Professional-cross cutting		92,575	113,117	135,684	
Professional-technical/commercial		241,685	259,158	287,659	
Total training hours by professional category		930,345	1,111,112	1,169,385	
Senior managers		28,152	32,005	42,201	
Managers		218,342	319,615	335,440	
White collar		526,538	580,864	592,580	
Blue collar		157,313	178,628	199,164	

(continued)

(continued)		2016	2017	2018	SDGs - target
Average hours of training per employee by employee category		28.1	34.2	36.9	
Senior managers		27.6	31.7	41.7	
Managers		23.9	35.7	37.2	
White collar		30.6	34.5	36.2	
Blue collar		27.5	31.6	37.7	
In house training <sup>(a)</sup>	(%)	19.4	24.2	27.7	
Training expenditures	(€ million)	28.1	30.7	33.6	4.3
Training hours	(hours)	930,345	1,111,112	1,169,385	
of which e-learnings		195,311	232,399	220,554	
of which in classroom		735,034	878,713	948,831	

(a) It includes also contributions related to companies not included in the scope.

In 2018, hours of training increased by 5.2% compared to 2017. This is partly due to the increase in participation in “digital learning” initiatives, also through the new “Digital Transformation Center” environment made

available to all employees, and to an increase in classroom pathways targeting a broad audience (e.g., Eni Tells Its Own Story) covering a long period of time or aimed at foreign companies.

## KNOWLEDGE MANAGEMENT

		2016	2017	2018
Knowledge/Community network by application sector	(number)	68	64	62
business		59	52	51
cross cutting		9	12	11
Participants in the knowledge community/network by application sector		9,913	8,781	9,771
business		8,935	6,597	7,591
cross cutting		978	2,184	2,180

2018 was characterized by the consolidation of knowledge management activities through the streamlining of existing communities with the aim of strengthening the sharing processes on complementary know-how areas. In terms of participants in

communities, the resources of the business lines increased, confirming greater integration on issues of technical know-how, while the resources belonging to the support function were substantially stable.

## INTERNAL COMMUNICATION

	2016	2017	2018
Eni Engage – number of online meetings	13	13	16
Eni Engage – access to online meetings (total click)	34,102	59,325 <sup>(a)</sup>	61,002 <sup>(b)</sup>
Eni Engage – opinion on clarity of Eni objectives (max score 6)	4.9	5	5
Myeni <sup>(c)</sup> – enabled users on MyEni	24,664	25,837	28,931

(a) The number includes 23,303 clicks to the starting event of the Engage program with the participation of Eni’s CEO, organized for the first time in 2017.

(b) The number includes 31,532 accesses to the live event, and 29,470 access to the deferred event.

(c) Company intranet, the main instrument of internal communication and support for the daily activity of Eni’s people.



In 2018, the internal communication plan, in continuity with previous years, is developed on 3 pillars, Executive, Business and People, with the aim of putting people at the center of communication in line with Eni's approach. The **Executive communication** has defined strategies and initiatives in order to involve Eni's management in sharing the business model, results, objectives and strategies, values in order to increase the involvement of people through increasingly direct communication, thanks also to technology. In particular, the most significant initiatives of 2018 were: i) **Leadership Meeting**, the annual meeting of the CEO, in addition to involving 250 Eni key managers on objectives and strategies, for the first time it was broadcasted live on the company intranet to allow everyone to hear the message of the CEO; ii) **Global Engage**, a communication program downstream of the Leadership Meeting that involves the top management of Eni, in sharing objectives and results with its people through events that can be enjoyed by everyone live on the intranet to facilitate integration; iii) "Nuvola" event in which the CEO, for the second year, in the presence of 1,700 managers from all Eni companies, communicated the business model and started a dis-

cussion on the value of trust. The event was broadcasted live on the intranet.

**Business communication** has carried out communication projects aimed at enhancing **internal professional skills, innovations** implemented by Eni and **business results**. In particular, in 2018 a narrative trend was started on Circular Economy and Digitalization projects. Finally, the **People communication** is aimed at raising awareness of issues relevant to Eni and its people and at the conception and enhancement of initiatives in favor of employee engagement. In particular, in 2018 internal communication projects of **Compliance** and **HSE** were carried out which saw our employees protagonists of Eni's first internal web series, a new communication method that produced excellent results in terms of engagement. Initiatives on safety, cybersecurity, health, training and smart working have been carried out. Finally, in 2018 the first Eni Internal Hackathon<sup>6</sup> was organized, an internal communication initiative tested for employees of the San Donato Milanese headquarters, focused on Digitalization and Circular Economy through the direct contribution of our people to the generation of ideas, in order to increase the engagement and enhancement of the team and the skills of our people.

## ENHANCING PEOPLE

	2016	2017	2018	SDGs - target
Employees covered by performance assessment tools (senior managers, managers, young graduates) (%)	73 <sup>(a)</sup>	85	90	<b>8.5</b>
of which senior manager	100	100	100	
Employees subject to annual review (senior managers, managers, young graduated)	93	95	95	<b>8.5</b>
of which senior manager	100	100	100	

(a) 74% in 2016: the three-year figures 2015-2017 have been re-weighted according to the change in the scope of consolidation of the companies.

In 2018, with reference to the performance assessment<sup>7</sup>, overall coverage (+5%) continued to grow on the target population (senior managers, middle managers and young graduates). In particular, there was complete coverage of senior managers and, overall, very high coverage of other groups, strengthening sensitivity towards transparent, goal-oriented management and assessment with the aim of continuous improvement.

The annual review<sup>8</sup>, compared to 2017, confirmed the complete mapping of senior management, through management review, and that the remaining populations (middle managers and graduates who are not middle managers) was substantially stable, while reaching very high levels of coverage. In particular, the year saw the consolidation of the

coverage of foreign middle managers (+2%), confirming the complete involvement of the local population in HR processes.

Regarding the Potential Assessment<sup>9</sup>, 93% of planned assessments were carried out (using the methodologies of the Development Center, Assessment Center and Focused Interviews), registering an increase of 1% compared to 2017. Specifically, there was a further 5% increase in assessments abroad carried out on an online-distance basis. The new method has made it possible to overcome logistical and visa barriers with overall savings in travel costs to the benefit of assessment activities. In 2018, over 133 resources (senior and middle managers) were assessed using Management Appraisal<sup>10</sup>.

6) Creative team marathon, which saw the participation of 100 employees on site and 50 connected remotely to pool different skills to develop innovative ideas.

7) Performance assessment: it is the main tool for the communication of corporate priorities and objectives, guidance for the activities orientation and continuous improvement of managerial and professional results and skills. It is aimed at the evaluation of the contribution provided and the results achieved during the year by the people and is one of the reference elements for the rewarding system.

8) Annual review: annual process aimed at expressing a synthetic resources evaluation that takes into account, in a coherent way, all the instruments/moments of observation/assessment of the year, identifying the population groups for the definition of targeted development actions.

9) Potential assessment: the potential detection activities allow the collection of information related to personal skills and behaviours expressed at work also for the purpose of the timely identification of resources with high growth potential. The potential detection constitutes, in particular in the first period of working life, a fundamental support for the development of personal and professional skills and for the orientation towards growth paths with prevalent managerial or technical-professional content, coherent with the business needs.

10) Management Appraisal: the methodology is aimed at individually evaluating a pool of resources belonging to the middle and senior managerial population (managers in development and senior managers for Italy, comparable figures abroad) to detect soft/managerial skills, level of expendability and potential of growth in relation to the roles to fill.

## HEALTH

		2016	2017	2018	SDGs - target
Health Impact Assessments carried out	(number)	8	13	20	<b>8.8</b>
Employees included in health monitoring programs		31,643	30,944	28,807	<b>3.8</b>
Number of health services provided		484,984	450,398	473,437	<b>3.8</b>
of which to employees		349,763	297,480	320,933	
of which to contractors		72,350	56,573	68,796	
of which to relatives		56,677	79,687	66,327	
of which to others		6,194	16,658	17,381	
Number of registration to health promotion initiative		27,424	56,765	148,130 <sup>(a)</sup>	
of which to employees		18,245	34,458	57,110	
of which to contractors		7,762	11,739	43,525	
of which to relatives		1,417	10,568	47,495	
OIFR Occupational Illness Frequency Rate (total Eni)	(Allegations of professional illness/worked hours) x 1,000,000	0.15	0.13	0.16 <sup>(b)</sup>	<b>3.3 8.8</b>
Allegations of professional illness	(number)	133	120	81	<b>3.3 8.8</b>
of which to employees		14	12	10	
of which to previous employed		119	108	71	

(a) The increase in the figure for the number of registrations for health promotion initiatives compared to previous years depends mainly on the improvement of the monitoring activities of the execution of the initiatives themselves.

(b) The 2018 OIFR is calculated considering only the consolidated perimeter, unlike that of previous years. The OIFR calculated on the total hours worked by ENI is equal to 0.11.

In 2018, all of the companies continued the implementation of health management systems with the objective of promoting and maintaining the health and well-being of Eni people and ensuring adequate risk management in the workplace. Confirming this, the business areas completed the health monitoring programs with a result in line with what had been planned by the competent physicians. In 2018, in order to assess the potential impact of projects on the health of the communities involved, the Upstream sector completed 20 HIA (Health Impact Assessment), of which 7 were integrated ESHIA studies (Environmental and Social Health Impact Assessment): 1 in each of the following Countries: Ghana, Indonesia, Mexico, Tunisia, Vietnam, China and Congo; 1 ESH (Environmental Social Health Baseline) in Egypt; 2 Pre-ESHAs in Congo, 2 in Italy, 1 in the following Countries: Pakistan, Portugal, Australia, Algeria and Nigeria; 1 Pre-HIA in Kenya;

2 HIAs, of which 1 in Indonesia and 1 in Pakistan. The number of health services sustained by Eni in 2018 was 473,437, of which 320,933 for employees, 66,327 for family members, 68,796 for contractors and 17,381 for others (e.g., visitors and external patients). The number of participants in health promotion initiatives in 2018 was 148,130, of which 57,110 were employees, 43,525 were contractors and 47,495 were family members. The significant increase compared to the previous year is due to an improvement in reporting. As concern occupational illnesses, allegations fell during 2018 from 120 to 81, with an overall reduction of 33%, due to the reduction of illnesses reported, both from former employees (from 108 to 71 claims) and current employees (from 12 to 10 claims). Of the 81 occupational disease claims submitted in 2018, 12 were submitted by heirs (11 relating to former employees and 1 to an employee).

## INDUSTRIAL RELATIONS

		2016	2017	2018	SDGs - target
Employees covered by collective bargaining	(number)	27,758	27,325	25,841	<b>8.8</b>
Employees covered by collective bargaining	(%)	82.48	81.96	80.89	
Italy		100	100	100	
Abroad		47.46	44.54	35.33	
Consultations, negotiations with trade unions on organizational changes (Italy)	(number)	288	275	192	<b>8.5</b>
Number of employees in trade unions		12,862	12,166	11,444	
Number of employees in trade unions	(%)	38.22	36.49	35.82	

On December 5, 2018, the second annual meeting on Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility was held in Montreux (CH). During the meeting, in addition to the presentation of the 2018-

2021 Strategic Plan and the main Eni projects in the world, there was discussion about the possible adoption of monitoring models on the implementation of the Agreement, in view of renewal in 2019.

## EMPLOYMENT DISPUTES

		2016	2017	2018
Employee disputes	(number)	812	1,310	1,211
Prevention/disputes ratio		562/812	626/1,310	503/1,211
Disputes/employees ratio	(%)	2.46	4.05	3.89

The decrease in the number of employment law disputes in 2018 was mainly due to the positive settlement of some serial claims, in particular the one in Ecuador concerning the local regulation on profit sharing brought by a large number of claimants. As regards Italy, 42% of the 841 disputes pending concern claims for damages by former employees, or their heirs, for alleged occupational illnesses. These alleged diseases are related to exposure to potentially damaging agents occurring in the past, often before the early 1990s, in

industrial sites that were not managed by Eni but acquired years later as a result of corporate transactions. At global level, the number of claims directly connected with the performance of work contracts such as claims relating to the type of contract, recognition of pay differences and alleged downgrading or demotion, remain at an extremely low level which, if considered in relation to the number of employees, amounts to 0.12% of the employees in service at the end of December 2018 (0.19% in 2017).

## SAFETY

		2016	2017	2018	SDGs - target
Total Recordable Injury Rate (TRIR)	(total recordable injuries/worked hours) x 1,000,000	0.35	0.33	0.35	8.8
employees		0.36	0.30	0.37	
contractors		0.35	0.34	0.34	
Italy		0.51	0.64	0.62	
abroad		0.31	0.26	0.29	
High-consequence work-related injuries rate (excluding fatalities)	(high-consequence work-related injuries/worked hours) x 1,000,000	0.01	0.00	0.01	8.8
employees		0.01	0.01	0.00	
contractors		0.01	0.00	0.01	
Injury frequency rate (LTIF)	(injuries whit days of absence/worked hours) x 1,000,000	0.23	0.21	0.23	8.8
employees		0.30	0.27	0.28	
contractors		0.19	0.19	0.21	
Italy		0.51	0.60	0.60	
abroad		0.15	0.12	0.14	
Injuries severity index	(days of absence/worked hours) x 1,000	0.010	0.011	0.010	8.8
employees		0.017	0.019	0.016	
contractors		0.007	0.008	0.007	
Fatality index	(fatal injuries/worked hours) x 100,000,000	0.72	0.33	1.21	8.8
employees		-	-	-	
contractors		1.09	0.47	1.67	
Number of fatalities as a result of workrelated injury	(number)	2	1	4	8.8
employees		0	0	0	
contractors		2	1	4	
Near miss		1,643	1,550	1,431	8.8
Worked hours	(million of hours)	276.9	306.3	330.6	
employees		93.7	93.1	91.6	
contractors		183.2	213.3	239.0	
Training hours on safety	(hours)	249,467	323,765	289,661	8.8
of which to senior managers		2,144	9,567	4,945	
of which to managers		30,532	67,293	57,061	
of which to white collar		148,150	174,016	157,724	
of which to blue collar		68,640	72,889	69,931	

In 2018, the total recordable injuries rate (TRIR) of the workforce increased by 6% compared to 2017. The worsening was determined by the employees' index (due to an increase in accidents), while the contractors' index remained stable. Four fatal accidents occurred to upstream contractors: 1 in Nigeria as a result of crushing by a maneuvering vehicle, 1 in Algeria as a result of burns, and 2 in Egypt for falls from a height. The high-consequence work-related injuries index was affected by two events: one in Alaska (upstream contractor who suffered a serious injury to his right leg) and the other in Egypt (contractor who fell from a height). In Italy, the number of

total recordable accidents in 2018 increased (40 events vs 38 in 2017), but the total recordable injury rate (TRIR) improved by 3%; however, the number of accidents abroad increased (76 events vs 63 in 2017) and the total recordable injury rate worsened by 12%. The training hours are in line with those recorded in the previous years except for 2017, which has been characterized by a peak of training hours due to specific activities (mandatory training refresh, Safety Golden rules training in sites and subsidiaries, launch of the Zohr project and provision of training for mandatory offshore training as, for example, OPITO-BOSIET).

## ENVIRONMENT

### HSE MANAGEMENT SYSTEM CERTIFICATIONS AND EXPENSES

		2016	2017	2018	SDGs - target
OHSAS 18001 certifications	(number)	104	102	102	<b>8.8</b>
ISO 14001 certifications		95	94	88	<b>12.2</b>
EMAS registrations		8	9	10	<b>12.2</b>
ISO 50001 certifications		19	22	22	<b>12.2</b>
Total HSE expenditure and investments <sup>(a)</sup>	(€ million)	1,101.6	1,100.4	1,255.8	<b>9.5</b>
of which current costs		839.0	865.9	990.2	
of which investments		262.6	234.6	265.6	
of which Safety expenditures and investments		287.8	249.8	260.3	
of which current costs		239.5	175.1	198.5	
of which investments		48.3	74.7	61.8	
of which Environmental expenditures and investments		588.7	755.6	915.4	
of which current costs		466.5	604.0	730.4	
of which investments		122.1	151.6	185.0	

(a) The 2017 figure has been restated following a refinement of the reporting tool.

The total number of certifications is slightly different from what was published in previous editions as a result of changes in the consolidation area and the merging of several businesses under the same certificate. In 2018, Eni continued its activities aimed at certifying all its companies with significant HSE risks according to the OHSAS 18001 and ISO 14001 standards: at the end of 2018, coverage reached 94% for the OHSAS 18001 standard and 93% for the ISO 14001 standard, with full coverage<sup>11</sup> expected to be achieved, including certification of new acquisitions by 2022 for both standards. The main production units of the R&M and Chemicals and

G&P sectors obtained EMAS registration and certification of the energy management systems under ISO 50001. In 2018, total HSE expenditure amounts to approximately €1,256 billion, up overall by 14% compared to 2017. Expenditure on safety, amounting to over €260 million, mainly concerned control, supervision, inspection and testing activities (€63 million) and maintenance of plant and equipment (€58 million). Environmental expenditure, amounting to approximately €915 million, increased by 21% compared to 2017 and is mainly due to remediation of land and groundwater (totalling over €370 million) and waste management (over €22 million).

### PROTECTION OF WATER AND BIODIVERSITY

		2016	2017	2018	SDGs - target
Total water withdrawals	(Mm <sup>3</sup> )	1,851	1,786	1,776	<b>6.4</b>
of which sea water		1,710	1,650	1,640	
of which freshwater		129	119	117	
of which: freshwater from superficial water bodies		87	79	81	
of which freshwater from subsoil		23	20	19	
of which freshwater from urban net or tanker		9	10	6	
of which polluted groundwater treated at TAF <sup>(a)</sup> plants and used in the production cycle		3	4	4	
of which freshwater withdrawal from other streams		7	6	7	
of which brackish water from subsoil or superficial water bodies		12	16	19	

(continued)

11) Coverage calculated based on the sites in scope at the end of 2018.

(continued)		2016	2017	2018	SDGs - target
Fresh water reused	(%)	84	86	87	6.4
Total production water extracted (E&P)	(Mm <sup>3</sup> )	65	67	68	6.3
Production water re-injected	(%)	58	59	60	
Freshwater discharged	(Mm <sup>3</sup> )	104	95	97	6.4
Sea water discharged		1,643	1,552	1,449	6.4
Expenditures on water resources and discharges <sup>(b)</sup>	(€ million)	75.45	99.73	131.05	9.5
of which current costs		53.56	73.61	91.62	
of which investments		21.89	26.11	39.43	
Total biodiversity expenditures <sup>(b)</sup>		3.90	5.25	12.51	9.5
of which current costs		3.90	5.25	12.38	
of which investments		0.00	0.00	0.13	

(a) TAF: Groundwater treatment.

(b) The figure is part of the environmental expenses and investments reported in the "HSE management system certifications and expenses" table.

Eni uses water mainly for cooling and steam generation. In 2018, 92% of water withdrawals were from sea water, 7% from fresh water and the remaining 1% from brackish water. About 54% of water withdrawals are related to chemical processes, while only 8% are related to the E&P sector. In line with the trend recorded in recent years, in 2018 Eni reduced its total fresh water withdrawals by 2% compared to 2017. This result was made possible thanks to new steam generators installed at the Porto Marghera petrochemical plant, which made it possible to reduce the amount of fresh water used in the cooling cycles. In 2018, as a complement to interventions on plants, Eni achieved a fresh water reuse rate of 87%. In the E&P sector, production water re-injected reached 60% both for the maintenance of good performance of the fields in Egypt and Ecuador and thanks to the commissioning of the Ebocha field (Nigeria) and Zero Water Discharge in the Loango and Zatchi fields (Congo).

In 2018, biodiversity risk exposure was assessed on all international and national concessions under development and/or exploitation in the upstream sector<sup>12</sup> (operated and joint ventures), in order to identify those that affect (even partially) protected areas<sup>13</sup> and/or key biodiversity areas (KBAs)<sup>14</sup>. A detailed analysis of these concessions, relating to the actual position of the produc-

tion sites within them (plants and/or infrastructures), has shown that in 27 concessions, located in 6 Countries (United Kingdom, United States, Egypt<sup>15</sup>, Nigeria, Pakistan and Italy), they are within one or more protected areas and/or KBAs; while in another 31 concessions, located in 7 Countries (United States, Ecuador, Tunisia, Congo, Nigeria, Pakistan and Italy), the production sites are located outside, in areas adjacent to one or more protected areas or KBAs. Among the protected areas and/or KBAs that overlap with production sites, 2 are included in the Ramsar List<sup>16</sup>, 3 are IUCN protected areas<sup>17</sup>, 7 are other nationally designated protected areas, 15 fall under the Natura 2000 classification, while 12 are identified as KBAs. Of these areas, 26 are found in terrestrial ecosystems, 11 in marine ecosystems and 2 in mixed ecosystems (terrestrial and marine). No production site overlaps with World Heritage sites (WHS<sup>18</sup>). Instead, among the production sites located in areas adjacent to protected areas or KBAs, only one is located near a WHS natural heritage site (Mount Etna)<sup>19</sup>. The other areas concerned are: 2 are included in the Ramsar List, 18 are IUCN protected areas, 4 are other nationally designated protected areas, 35 fall under the Natura 2000 classification, while 16 are identified as KBAs. Of these sites, 67 are found in terrestrial ecosystems, 6 in marine ecosystems and 3 in mixed ecosystems (terrestrial and marine).

12) Source: Company database, June 2018.

13) Source: World Database of Protected Areas, December 2018.

14) Source: World Database of Key Biodiversity Areas, June 2018. KBAs (Key Biodiversity Areas) are sites that contribute significantly to the global persistence of biodiversity, on land, in freshwater or in the seas. These are identified through national processes by local stakeholders using a set of globally agreed scientific criteria. To date, KBAs consist of two subsets: 1) Important Bird and Biodiversity Areas; 2) Alliance for Zero Extinction Sites.

15) In Egypt, 5 concessions have been assessed, of which only 1 belongs to fully consolidated entities as required by Italian Legislative Decree 254/2016; the remaining 4 are included in the "operated" reporting perimeter.

16) List of wetlands of international importance identified by the Countries that signed the Ramsar Convention in Iran in 1971 and which aims to ensure the sustainable development and conservation of biodiversity in these areas.

17) IUCN, International Union for Conservation of Nature.

18) WHS, World Heritage Site.

19) Although the Zubair field (Iraq) is not included among the fully consolidated entities or within the "operated" reporting perimeter, it is located near the Ahwar site classified as a mixed WHS site (natural and cultural). However, no operational infrastructure or activity falls within this protected area.

MANAGING SPILLS<sup>(a)</sup>

		2016	2017	2018	SDGs - target
<b>Operational Oil spills</b>					<b>12.4</b>
Total number of oil spills (> 1 barrel)	(number)	85	55	72	
of which E&P		76	50	63	
Volume of oil spills (> 1 barrel) <sup>(b)</sup>	(barrels)	1,231	3,323	2,665	
of which UPS		1,097	3,022	1,595	
Operational oil spills/100% operated hydrocarbon gross productions (UPS)	(barrels/million barrels)	1.2	3.0	1.5	<b>12.4</b>
<b>Oil spills due to sabotage (including theft)</b>					<b>12.4</b>
Number of oil spills (> 1 barrel)	(number)	158	102	97	
of which UPS		143	102	97	
Volume of oil spills (> 1 barrel) <sup>(b)</sup>	(barrels)	4,682	3,236	3,697	
of which UPS		3,953	3,236	3,697	
Volume of oil spills due to sabotage (including theft) in Nigeria (> 1 barrel) <sup>(b)</sup>		3,953	3,236	3,277	<b>12.4</b>
<b>Chemical Spill</b>					<b>12.4</b>
Number of chemical spills into the environment	(number)	24	17	34	<b>12.4</b>
Volume of chemical spills into the environment	(barrels)	18	63	61	<b>12.4</b>
Spill prevention expenditures and investments <sup>(c)</sup>	(€ million)	37.08	53.35	41.24	<b>9.5</b>
of which current costs		15.67	27.64	11.65	
of which investments		21.40	25.72	29.60	

(a) According to international standards, all the above values refer to events over 1 barrel. Data related to sabotage include spills due to oil theft attempts and vandalism.

(b) The 2017 figure was updated following some investigations closed after the publication of Eni for 2017. This circumstance could also occur for the 2018 figure.

(c) The figure is part of the environmental expenses and investments reported in the "HSE management system certifications and expenses" table.

The number of barrels spilled in operational oil spills has decreased by 20% compared with 2017. Two major incidents were recorded: one at the Livorno refinery (spillage from a tank caused by overfilling) and the other at the Sarroch chemical plant in Sardinia (discovery of soil with hydrocarbon product and water at a road crossing), both with spills of about 500 barrels of product. The remaining volumes relate to the E&P sector, in particular to the activities in Nigeria (1,101 barrels spilled at NAOC). The year 2018 saw a reduction in

the number of incidents by sabotage, while the volume spilled increased by 14%; spills were related solely to the E&P activities in Nigeria (3,277 barrels spilled at NAOC) and Egypt (420 barrels spilled at Agiba). The barrels spilled in chemical spills relate to E&P activities and Versalis. The total volume of expenditure and investment in the prevention of spills was €41 million in 2018 (down 23% compared to 2017); in the 2019 budget, investments and current expenditure are expected to amount to approximately €50 million.

## AIR PROTECTION

		2016	2017	2018	SDGs - target
NO <sub>x</sub> (nitrogen oxides) emissions	(ktonnes NO <sub>2</sub> eq)	56.0	55.6	53.1	3.9 12.4
NO <sub>x</sub> emissions/100% operated hydrocarbon gross production (UPS)	(ton NO <sub>2</sub> eq/kboe)	0.045	0.042	0.039	3.9 12.4
SO <sub>x</sub> (sulphur oxides) emissions	(ktonnes SO <sub>2</sub> eq)	8.9	8.4	16.5	3.9 12.4
SO <sub>x</sub> emissions/100% operated hydrocarbon gross production (UPS)	(tonnes SO <sub>2</sub> eq/kboe)	0.005	0.003	0.011	3.9 12.4
SO <sub>x</sub> emissions/crude oil processing and semi-processed oil (refineries)	(tonnes SO <sub>2</sub> eq/kt)	0.212	0.281	0.240	3.9 12.4
NM VOC (Non Methane Volatile Organic Compounds) emissions	(ktonnes)	15.9	21.5	23.1	3.9 12.4
TSP (Total Suspended Particulate) emissions		1.4	1.5	1.5	3.9 12.4
Air protection expenditures and investments <sup>(a)</sup>	(€ million)	47.18	55.07	65.82	9.5
of which current costs		22.08	22.82	29.92	
of which investments		25.10	32.25	35.89	

(a) The figure is part of the environmental expenses and investments reported in the "HSE management system certifications and expenses" table.

In 2018, NO<sub>x</sub> emissions fell by 4.5% compared to 2017. In particular, in E&P, which accounts for over 78% of the Eni consolidated result, the parameter decreased both in absolute terms (more than -2,100 tonnes) and with reference to production. In the G&P sector, NO<sub>x</sub> emissions decreased overall (-5.9%) as a result of the reduced quantities of gas transported from Sergaz, as at EniPower emissions increased both in absolute terms and in terms of production, as a result of increased variability in the production trend compared to the previous year. The contribution of the R&M and Chemicals sector was stable (-0.8% compared to 2017). The upward trend in SO<sub>x</sub> emissions in 2018 was due solely to the E&P sector, where an update of the composition of the gas sent to the

flare for the KPC (Kazakhstan) and Bouri (Libya) sites was carried out, resulting in an increase at both sites of the percentage of H<sub>2</sub>S in the stream. In the R&M and Chemical sectors, on the other hand, emissions decreased (-7.2% compared to 2017), with a reduction in the emission intensity of refineries. NM VOC emissions, which increased overall, rose in the E&P sector (+14.9% compared to 2017) for the activities in Algeria and Nigeria due to a change in the composition of gas and were down 13.7% in the R&M and Chemical sectors due to operational improvements at some Versalis sites and to reductions at the Gela green refinery following plant upgrading activities. Overall, TSP emissions remained stable, more than 90% of which relate to the E&P sector.

## WASTE

		2016	2017	2018	SDGs - target
Total waste from production activities	(million tonnes)	0.8	1.4	2.6	12.5
of which hazardous waste		0.3	0.7	0.3	
of which non-hazardous waste		0.5	0.7	2.3	
Expenditures and investments in waste management <sup>(a)</sup>	(€ million)	133.80	225.80	224.14	9.5
of which current costs		133.71	199.76	212.41	
of which investments		0.09	26.03	11.72	

(a) The figure is part of the environmental expenses and investments reported in the "HSE management system certifications and expenses" table.



Waste from production activities generated by Eni in 2018 (over 88% in the E&P sector and over 10% in the R&M and Chemicals sector) increased compared to 2017, due in particular to the contribution of non-hazardous waste (88% of the total), while hazardous waste recorded a decrease. The increase is related to the E&P sectors (in particular, due to the ramp-up of the Zohr project in Egypt and the return to full operation of the Val d'Agri Oil Center, which was also affected by the increased production of aquifer water disposed of as waste) and R&M and Chemicals (following the general shutdown of the Taranto refinery and the disposals following flooding that occurred in 2017 at the Livor-

no refinery). Also in the G&P sector, the quantities of waste produced increased (both hazardous and non-hazardous) as a result of the greater quantities of waste generated during scheduled maintenance activities at EniPower plants. In 2018, the quantities of waste from production recovered by Eni increased in absolute terms, due to greater production, as well as in percentage terms compared to other destinations. The share of recovered/recycled waste more than doubled compared to 2017 for hazardous waste (16.4% vs 6.7% in 2017) and almost quadrupled for non-hazardous waste (42.3% vs 10.8% in 2017), rising to 40% of total waste disposed of.

## REMIEDIATION

		2016	2017	2018	SDGs - target
Waste from remediation activities	(million tonnes)	5.7	4.8	4.3	12.5
of which hazardous waste		0.1	0.1	0.1	
of which non-hazardous waste		5.6	4.7	4.2	
Soil and groundwater remediation expenditures and investments <sup>(a)</sup>	(€ million)	233.90	260.12	375.53	9.5
of which current costs		223.81	254.70	358.27	
of which investments		10.09	5.42	17.26	

(a) The figure is part of the environmental expenses and investments reported in the "HSE management system certifications and expenses" table. Furthermore, the 2017 figure has been restated following a refinement of the reporting tool.

Total expenditure on remediations in 2018 amounted to approximately €375.53 million, an increase of 44% compared to last year. In particular, the increase is linked to soil and groundwater remediation activities of the E&P sector at the Centro Oli Val D'Agri (over €100 million). Also the expenditure incurred by Syndial, a company specialized in the remediation of contaminated disused sites, increased in 2018 to over €173 million (€140 million in 2017). Waste from remediation activities (approximately 4.3 million tonnes) consists mainly of groundwater (approximately 64% of the total), more than

92% of which was generated by Syndial. Compared to 2017, there was a 10.4% reduction in the quantities produced. The volume of activity testifies to the complexity and variability of Eni's business, which ranges from 17 Sites of National Interest (refineries, petrochemical plants and disused sites), to points of sale in the R&M sector or well fields in the E&P sector. The reclamation activities are substantially in line with previous years and the implementation of the approved reclamation projects and the technical/administrative follow-up of the numerous procedures in place continued.

## HUMAN RIGHTS

		2016	2017	2018	SDGs - target
Hours of training on human rights	(number)	88,874	7,805	10,653	<b>4.7</b>
In class		354	52	164	
Distance		88,520	7,753	10,489	
Attendances in human rights training courses		22,307	2,084	10,557	
Employees trained on human rights <sup>(a)</sup>		21,682	1,360	8,512	
Employees trained on human rights <sup>(b)</sup>	(%)	-	74	91	
Security contracts containing clauses on human rights		91	88	90	<b>16.1</b>
Critical sites covered by assessments/surveys	(number)	35	53	84	<b>16.1</b>
Sites verified by a check list		295	311	279	<b>16.1</b>
Countries with armed guards protecting sites		8	7	7	<b>16.1</b>
Security personnel trained on human rights		53	308 <sup>(c)</sup>	73	<b>16.1</b>
Security personnel (professional area) trained on human rights <sup>(d)</sup>	(%)	83	88	96	<b>16.1</b>

(a) Data for 2016 and 2017 differ from what reported in Eni for 2017 following a refinement of the calculation methodology. Particularly, the current data refer to the number of employees who completed the training course, counted only once. The data reported in Eni for 2017, instead, referred to the total number of participants in courses on human rights.

(b) This percentage is calculated as the ratio of the number of registered employees who have completed a training course on the total number of registered employees.

(c) The variations of the KPI Security resources trained on human rights, in some cases also significant, which can be detected between one year and the next, are linked to the different characteristics of the training projects and to the operating contingencies.

(d) This data is a percentage of a value cumulated.

In 2018 the Human Rights programme continued (after the massive campaign held between 2016 and 2017) with specific in-depth thematic follow-ups (e.g., Security in the Workplace and Relations with Community) aimed at different targets depending on the content of the modules. In 2019, the training campaign will continue and the one relating to the procurement professional area (in the Supply Chain) will start. In addition, the "Sustainability and Business Integration" course in Italian, English and French was made available in open mode to all Eni employees, for a total of approximately 7100 enrolments in Italy and abroad. Since 2009, Eni has been conducting a training program for public and private security forces at its subsidiaries in various Countries,

which was recognized as a best practice in the 2013 joint publication Global Compact and Principles for Responsible Investment (PRI) of the United Nations. From 2009 to date, training sessions have been carried out in Italy (Rome and San Donato Milanese in 2009), in Egypt and Nigeria (2010), in Pakistan and Iraq (2011), in the Republic of Congo and Angola (2012), in Indonesia and Algeria (2013), in Mozambique (2014), in Kenya (2015), in Venezuela and Ecuador (2016), in Nigeria (2017) and in Tunisia (2018). In addition, since 2008, Eni SpA and its subsidiaries have carried out 192 Human Rights Assessments (of which 62 follow-up) on suppliers at 15 sites and have trained 44 people as qualified SA8000 Auditors (Eni people of headquarter and subsidiary).

WHISTLEBLOWING REPORT<sup>(a)</sup> ON HUMAN RIGHTS VIOLATIONS

	2016	2017	2018	SDGs - target
Reports (assertions) <sup>(b)</sup> on human rights violations (closed during the year and divided by result of investigation and by type), of which (number)	36	29 (32)	31 (34)	<b>16.1</b>
assertions justified	11	3	9	
potential socio-economic impacts on local communities <sup>(c)</sup>	0	0	0	
potential impacts on health, safety and/or well-being of local communities <sup>(d)</sup>	1	0	0	
potential impacts on worker rights <sup>(e)</sup>	9	3	6	
potential impacts on workplace health and safety <sup>(f)</sup>	1	0	3	
assertions unfounded, with the adoption of improvement measures	6	9	9	
potential socio-economic impacts on local communities <sup>(c)</sup>	0	0	0	
potential impacts on health, safety and/or well-being of local communities <sup>(d)</sup>	0	0	0	
potential impacts on worker rights <sup>(e)</sup>	6	8	8	
potential impacts on workplace health and safety <sup>(f)</sup>	0	1	1	
assertions unfounded/generic	19	20	16	
potential socio-economic impacts on local communities <sup>(c)</sup>	0	0	0	
potential impacts on health, safety and/or well-being of local communities <sup>(d)</sup>	1	2	2	
potential impacts on worker rights <sup>(e)</sup>	14	15	12	
potential impacts on workplace health and safety <sup>(f)</sup>	4	3	2	

[a] Whistleblowing report: it is a summary document of the investigations carried out on the whistleblowing report(s) (which may contain one or more detailed and verifiable assertions) including the summary of the investigation carried out, the results of such investigation and any identified action plan.

[b] 2016 data refers to the whistleblowing reports (and not to the assertions).

[c] Including issues related to consultation and/or compensation processes and increase in conflicts.

[d] Including spills, atmospheric pollution, accidents, etc.

[e] Including discrimination, violations of labour union rights, forced labour, child labour and unfit working conditions (including harassment and mobbing, salaries less than minimum wage and/or undignified salaries).

[f] Including unhealthy and/or insecure workplace environments.

With regard to whistleblowing reports, in 2018 investigations were completed on 79 files, 31<sup>20</sup> of which included human rights aspects, mainly concerning potential impacts on workers' rights. Among these, 34 assertions were checked: the events reported were confirmed, at least in part, for only 9 of these, and actions were taken to mitigate and/or minimize the impacts including: (i) actions on the Internal Control and Risk Management System, relating to the implementa-

tion and strengthening of controls in place, and awareness-raising and training activities for employees; (ii) actions for suppliers and (iii) actions against employees, including disciplinary measures, in accordance with the Compliance Program (Model 231), the collective labour agreement and other national laws applicable. At the end of the year 21 files were still open, 5 of which referred to human rights aspects, in particular potential impacts on workers' rights.

20) All relating to companies consolidated on a line-by-line basis.

## TRANSPARENCY AND ANTI-CORRUPTION

### INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

		2016	2017	2018	SDGs - target
Integrated audits	(number)	68	68	67	
scheduled audits		57	59	57	
spot audits		4	3	3	
follow-up		7	6	7	
Audit with activities on risk of corruption activities		33	36	32	16.5
Number of recommendations (corrective actions)		657	705	706	
E-learning for managers		865	493	951	16.5
E-learning for other resources		9,364	1,857	1,950	16.5
General workshop		1,269	1,434	1,765	16.5
Job specific training		1,214	1,539	1,461	16.5
Countries where Eni supports EIT's local Multi Stakeholder Groups		8	9	8	17.16

A primary role in the verification and assessment process of the internal control and risk management system (SCIGR) is assigned to the Internal Audit function, which carries out audits (operational, financial and compliance audits with focus on elements of Italian Legislative Decree No. 231/01 and Anti-Corruption compliance) to implement the Annual plan of activities drafted with a "top-down risk based" approach and approved, together with the resources budget, by the Board of Directors and, for elements relevant to Italian Legislative Decree No. 231/01, by the Eni SpA Supervisory Body. With reference to the main activities performed by the Internal Audit department, it is noted that i) the number of integrated audits conducted under the 2018 Plan is in line with the average for the three-year period. As in previous years, 2018 also saw the continuation of training initiatives in relation to the SCIGR

directed at Eni SpA's management and the main subsidiaries in Italy and abroad. These initiatives aim to provide an organic and integrated vision of the SCIGR and develop awareness of the role of management in the implementation and operation of an effective and efficient SCIGR. In particular, in 2018 "on site" workshops were delivered in about 9 Countries in addition to Italy and the related e-learning course continues to be provided. During 2018, 32 audits were carried out in 13 Countries, with anti-corruption checks that confirmed the overall adequacy and effective operation of the anti-corruption compliance program.

In 2018, the anti-corruption e-learning campaign aimed at training the entire company population continued; these campaigns are gradually being completed, thus ensuring full coverage in terms of training for all Eni people.

### WHISTLEBLOWING MANAGEMENT<sup>(a)</sup>

		2016	2017	2018	SDGs - target
Report files opened during the year, of which	(number)	103	73	81	
Internal control and risk management system reports divided according to the process that is the subject of the report		73	58	69	16.5
procurement		17	12	14	
human resources		10	8	11	
maintenance		6	5	8	
commercial		10	10	6	
logistics		6	4	6	
HSE		4	3	5	
others (security, operations, portfolio management and trading)		20	16	19	
Reports on other matters relating to alleged violations of the Code of Ethics		30	15	12	5.2 16.1

(continued)

(continued)	2016	2017	2018	SDGs - target
Report files that have been closed during the year divided according to the outcome of the investigations, of which:	111	83	79	
Justified	27	10	15	
other matters	9	2	4	
internal control and risk management system	18	8	11	
Unfounded, with the adoption of improvement measures	36	35	30	
other matters	11	8	2	
internal control and risk management system	25	27	28	
Unfounded/generic	48	38	34	
other matters	18	12	8	
internal control and risk management system	30	26	26	

(a) The data relating to the reports contained in this paragraph refer to reports concerning Eni SpA and its subsidiaries.

In 2018, 115 whistleblowing reports<sup>21</sup> were received and 81 files were opened, of which 69 concern issues relevant to the “Internal Control and Risk Management System”<sup>22</sup> and 12 of which relate to “Other matters”<sup>23</sup>. In the same period, a total of 79 files were archived, 65 of which concerned the “Internal Control and Risk Management System” and 14 concerned “Other matters”. The checks carried out on 79 archived files resulted in the following outcomes: (i) for 64 files the checks did not find any evidence to confirm the facts reported, nevertheless for 30 files improvement actions were taken in any case; (ii) for 15 files the checks confirmed, at least in part, the contents of the reports and the appropriate corrective actions were adopted. The 11 files concerning the “Internal Control and Risk Management System” mainly refer to: violations

of the contractual obligations by commercial partners and suppliers, anomalies in the awarding and management of contracts, and improper behaviour of employees. The corrective actions adopted as a result of these files mainly consisted in actions on the Internal Control and Risk Management System, such as, for example, implementing and strengthening existing controls, raising awareness and training among employees, formalizing procedures, and taking actions relating to suppliers and employees, such as disciplinary measures in accordance with the Compliance Program (Model 231) and the collective labour agreement and other applicable national standards. At 31 December 2018 there were still 20 files open related to the “Internal Control and Risk Management System” and 1 file concerning “Other Matters”.

21) Whistleblowing report means any report received by Eni, concerning conduct (of any kind, including mere omissions) of Eni's personnel or third parties in violation of (i) the Code of Ethics, (ii) any laws or regulations or provisions of the authority or internal regulations or in any case likely to cause damage or prejudice to Eni, even if only to its public image. In order to process them and for their investigation, Whistleblowing Reports are divided into SCIGR Reports and AM Reports.

22) SCIGR Reports - Reports concerning the Internal Control and Risk Management System: these are, for the effective maintenance of Eni's Internal Control and Risk Management System, all those Reports relating to non-compliance with laws and external regulations and rules included in Eni's internal regulatory system, including (i) cases of fraud against the company's assets and/or in corporate reporting, (ii) events that, at least theoretically, may result in administrative liability under Italian Legislative Decree No. 231/2001 or under similar regulations in terms of corporate responsibility, and (iii) possible facts of corruption (active or passive) or violation of legal anti-corruption regulations.

23) AM Reports - These include all Reports relating to the violation of rules and principles contained in the Code of Ethics (for example, issues relating to business ethics, bullying, harassment, discrimination, conflicts related to personnel management), which do not also result in SCIGR Reports.

## PROMOTION OF LOCAL DEVELOPMENT: COOPERATION MODEL

		2016	2017	2018	SDGs - target
Community investment by sector of intervention	(€ million)	64.2	70.7	94.8	
Access to off-grid energy		0.6	1.1	1.7	7.1
Economic diversification		37.6	36.9	45.8	8.1
Education and training		16.8	17.3	23.3	4.4
Access to water and sanitation		0.9	0.7	0.8	6.a
Health		2.9	7	3.3	3.8
Compensation and resettlement		5.4	7.5	19.9	8.3
Community investment by geographic area					
Africa		14.8	22.9	46.7	
Americas		5.6	4.9	3.8	
Asia		33.5	34.3	21.9	
Italy		9.2	7.0	20.6	
Rest of Europe		1.0	1.4	1.5	
Oceania		0.1	0.2	0.3	

In 2018, overall spending on community investment amounted to about €94.8 million (Eni share), of which approximately 98% related to upstream activities. In Asia, approximately €21.9 million was spent, mainly on economic diversification, in particular for the maintenance of road infrastructure (bridges and roads). In Africa a total of €46.7 million was spent, of which €43.9 million was on Sub-Saharan Africa, mainly in

the area of professional training and the construction of school infrastructure (net of amounts relating to resettlement). About €32.4 million was invested in infrastructure development, of which €13.4 million was in Africa and €15.2 in Asia. The total number of grievances received in 2018 was 193, of which 138 cases were resolved and closed. In particular, 97% of complaints in Ghana were closed.

## SUPPLIERS AND CUSTOMERS

### SUPPLIER ASSESSMENT

		2016	2017	2018	SDGs - target
Suppliers subjected to assessment regarding social responsibility aspects	(number)	5,171	5,055	5,184	
of which suppliers with criticalities/areas for improvement		1,336	1,248	1,008	
of which suppliers with whom Eni has terminated relations		131	65	95	
New suppliers assessed in accordance to social responsibility aspects	(%)	100	100	100	8.8

During 2018, more than 5,000 suppliers were subject to checks and assessment with reference to sustainability aspects (i.e. health, safety, environment, human rights, anti-corruption and compliance). For 19% of these suppliers, potential critical issues and/or possible areas for improvement were identified; in 91% of cases these were not serious enough to compromise the possibility of working with them, while for the remaining 9% of suppliers checked, the criticalities revealed led to the temporary suspen-

sion of relations with Eni. In 2018 critical issues and/or areas for improvement<sup>24</sup> were in fact identified on 1,008 suppliers; for 95 of these the assessment at the qualification stage was negative (i.e., non qualified) or Eni issued an instruction suspending or revoking the qualification; the 2018 figure for supplier suspensions, which shows a drop compared to previous years, reflects the reduced number of investigations for unlawful conduct involving Eni suppliers in the year.

24) Suppliers subject to assessment on which critical issues have been identified (resulting in a request for implementation of improvement plans) on HSE or human rights issues during the qualification process or Human Rights assessment (relating, for example, to health and safety regulations, violation of the code of ethics, corruption, environmental crimes) or on which Eni has issued a preventive measure (monitoring, state of attention with clearance, suspension or revocation of qualification).

Monitoring activities of the supply chain also include analyses to measure the percentage spent on local suppliers at some major up-

stream foreign subsidiaries. The 2018 percentage spent on local suppliers in these Countries ranges on average between 20% and 30%.

## RELATIONS WITH CUSTOMERS AND CONSUMERS

### ENI CALL CENTER PERFORMANCE

		2016	2017	2018	Standard ARERA
Customers who called and spoke to an operator (service level)	(%)	95.7	95.5	96.0	80
Average hold time	(seconds)	103	104	107	240
First Call Resolution (FCR)	(%)	94	93	93	-
Self Care (operations performed autonomously by customers on the total of operations requested)		69	73	77	-

The Eni call center results from 2018 confirm a service level exceeding the 80% benchmark laid down by the Regulatory Authority for Energy, Networks and Environment (ARERA), the average call waiting time remains substantially below the Authority's benchmark, 107 seconds instead of 240 seconds. The number of requests resolved on the first call (First Call Resolution, FCR) remained stable at 93%. Furthermore,

in this area a considerable increase was recorded in the number of operations carried out independently (self care), from 73% in 2017 to 77% in 2018. Eni has conducted a Customer Satisfaction survey since 2013 to monitor the daily level of satisfaction of customers that use the call center, interviewing a representative sample of customers, which in the last year reached nearly 200,000 customers.

## SATISFACTION OF G&P CUSTOMERS REGARDING TELEPHONE SERVICES

### SERVICE ASSESSMENT<sup>(a)</sup>

		2016	2017	2018
Clarity <sup>(b)</sup>	(%)	85.3	86.2	87.5
Courtesy <sup>(b)</sup>		88.8	89.7	90.7
Wait time <sup>(b)</sup>		84.5	84.4	85.4
Resolution		80.1	81.4	83.1
Service satisfaction		81.4	82.4	82.9
Average assessment	(Score)	86.2	86.7	87.9
Customer Effort Score (CES)		-	-	84.3

(a) The assessment of the service, with the exception of questions related to resolutions, is measured on a scale from 0 to 100.

(b) The values refer to the first 4 months of 2018. As of May 2018, the CES (Customer Effort Score) indicator is recorded.

In 2018, Eni continued with the program of initiatives aimed at increasing the level of customer satisfaction and outlining a reference model for the quality of the gas and electricity service. In this scenario the average assessment of customers on service performance continues its growth trend, recording a score of 87.9 in 2018. The ease of use of the call center in obtaining the help that custom-

ers need, measured with the CES (Customer Effort Score) indicator, stands at 84.3.

The CES is given by the average value expressed by the Customers on that specific request expressed in 100ths. The calculation is made by dividing the final average by 9 (maximum survey value=100) and multiplying it by 100.

# REPORTING CRITERIA

## REPORTING PRINCIPLES

In 2018 Eni published, for the second year running, the Consolidated Non-Financial Statement, in accordance with the requirements of Legislative Decree 254/2016. This Statement is a specific section of the Integrated Annual Report included in the Annual Financial Report. The integration of non-financial information in the Annual Financial Report is a path that Eni has been following since 2010 when it joined the International Integrated Reporting Council (IIRC) for the preparation of integrated financial statements. Eni For is prepared in compliance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) according to principles of balance, comparability, accuracy, timeliness, reliability and clarity (reporting principles). Eni For has adopted the Core “in accordance” option. Key Performance In-

dicators, selected according to the aspects identified as the most relevant, are collected on an annual basis. The data gathering process is structured to ensure the comparability of data over several years, in order to allow a correct reading of the information and a full vision to all stakeholders interested in the evolution of Eni's performance. Individual exceptions are appropriately reported in the text. The 2016 and 2017 data could be different from those published previously due to the refinement of the estimation/ calculation or of reporting methodology and also as a consequence of the consolidating effect of the data that were only made available after the publication of these documents. For the same reason, the 2018 data represent the best estimation with the data available at the time of writing this report.

## REPORTING BOUNDARY

The following paragraphs contain the sustainability performance indicators for the 2016-2018 period. The information refers to Eni SpA and to the fully consolidated entities, with the exception of some data, as clearly indicated in the following paragraphs of the document. With regard to data on health, safety and the environment, the consolidation domain is defined on the basis of the operational criterion (control of operations) and refers to all

the activities in which Eni has the role of operator, with relevant HSE impacts<sup>25</sup>. All the whistleblowing reports received have been included under the report data in line with other company documents and in continuity with the past. In conclusion, data on anti-corruption training and on community investment include the fully consolidated companies and other companies which are considered relevant with reference to this aspect.

## CORRELATION TABLE BETWEEN THE KEY SUSTAINABILITY TOPICS FOR ENI AND GRI STANDARDS

	KEY SUSTAINABILITY TOPICS	GRI STANDARDS	INTERNAL BOUNDARY	EXTERNAL BOUNDARY AND LIMITATIONS	
PATH TO DECARBONIZATION	<b>Combating climate change</b> GHG emissions, promotion of natural gas, renewables, biofuels and green chemistry	GRI 201 Economic Performance GRI 305 Emissions	√	Suppliers and customers (RNES <sup>1</sup> ; RNEC <sup>2</sup> )	
		GRI 302 Energy	√		
	<b>Technological Innovation</b>	-	√		
OPERATIONAL EXCELLENCE MODEL	<b>People</b> Employment, diversity and inclusion Training Occupational health and local communities health	GRI 202 Market presence GRI 401 Employment GRI 403 Occupational H&S GRI 404 Training and Education GRI 405 Diversity of governance bodies and employees	√		
		<b>Safety</b> People safety and asset integrity	GRI 403 Occupational H&S	√	Suppliers
		<b>Reduction of environmental impacts</b> Water resources Biodiversity Oil spill	GRI 303 Water GRI 304 Biodiversity GRI 306 Effluents and Waste GRI 307 Environmental compliance	√	
			<b>Human Rights</b> Rights of workers and local communities Supply chain Security	GRI 406 Non-Discrimination GRI 410 Security Practices GRI 412 Human Rights Assessment GRI 414 Supplier Social Assessment	√
	<b>Integrity in business management</b> Transparency and anti-corruption	GRI 205 Anti-corruption	√	Suppliers (RPES <sup>3</sup> )	

(continued)

25) The consolidation domain includes both the data for the fully consolidated entities and the data including companies under joint operation or joint control or associates in which Eni has control of operations; for more details please refer to page 125 of Annual Report 2018 and, in particular, to note 47.



(continued)

	KEY SUSTAINABILITY TOPICS	GRI STANDARDS	INTERNAL BOUNDARY	EXTERNAL BOUNDARY AND LIMITATIONS
PROMOTION OF LOCAL DEVELOPMENT	<b>Access to energy, Local development through public-private Partnerships</b> Economic diversification Education and training Access to water and hygiene Health	GRI 203 Indirect Economic Impacts GRI 413 Local Communities	√	
	<b>Local content</b>	GRI 204 Procurement Practices	√	Suppliers (RNES <sup>1</sup> )

(1) RNES: Reporting not extended to suppliers.

(2) RNEC: Reporting not extended to customers.

(3) RPES: Reporting partially extended to suppliers.

## CALCULATION METHODS

INDICATORS	METHOD
<b>GOVERNANCE</b>	
<b>DIVERSITY IN THE CONTROL BODIES</b>	Outside of Italy, only the companies with a control body similar to the Italian Board of Statutory Auditors were considered.
<b>VALUE ADDED</b>	Value added represents the wealth generated by the Company in carrying out its activities. Global gross value added is divided between the following beneficiaries: employees (direct remuneration composed of wages, salaries and provisions for severance payments (TFR) and indirect remuneration consisting of social welfare contributions); Public Administration (income tax); financial backers (medium- and long-term interest paid for the availability of borrowed capital); shareholders (dividends distributed); and the company (reinvested earnings).
<b>RESEARCH AND DEVELOPMENT</b>	
<b>RESEARCH AND DEVELOPMENT</b>	The tangible value generated by R&D is measured by the economic benefits related to the application of innovative production/process technologies. The overall value generated is divided into: (a) actual benefits and (b) expected benefits. Actual benefits are applied to 100% of the investment in technological applications projects and before tax. On the other hand, expected benefits are associated with: (i) investment projects that employ innovative technologies; (ii) reductions in expenditures envisaged from abandoning Upstream infrastructures and are calculated in terms of Net Present Value (NPV) at 100% of the investment and before tax; and (iii) increases in 2P reserves calculated by reportioning Eni's share of the unit NPV/boe to 100% using the SEC methodology. The latter include the benefit deriving from the application of applied technologies in exploration, which contribute to increasing the success rate and the associated values. The tangible benefits are identified in a "what if" scenario, namely as the difference compared to the application of the best alternative technology available on the market or, in the case of new products, as the difference compared to the margin derived from the sale of the new product net of any products replaced.
<b>PATH TO DECARBONIZATION</b>	
<b>GHG EMISSIONS</b>	<b>Scope 1:</b> the GHGs include CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O emissions; the Global Warming Potential used is 25 for CH <sub>4</sub> and 298 for N <sub>2</sub> O. In 2019, the Eni inventory will be certified in accordance with ISAE3000/3410. The emission factors used for the calculations are, where possible, site specific or, as an alternative, drawn from the international documents available. <b>Scope 2:</b> Scope 2 indirect emissions relate to the generation of electricity, steam and heat purchased from third parties and include the contributions of CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O. <b>Scope 3:</b> allow representing the carbon footprint for the entire company value chain and are reported by Eni according to the IPIECA <sup>(a)</sup> /WBCSD <sup>(b)</sup> methodology (contributions by category).
<b>EMISSION INTENSITY</b>	Numerator: direct GHG emissions (Scope 1) including CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O. Denominator: <ul style="list-style-type: none"> <li>• UPS: 100% operated hydrocarbon gross production</li> <li>• R&amp;M: incoming processed quantities (raw materials and semi-finished products) from own refineries</li> <li>• EniPower: equivalent electrical energy produced</li> </ul>
<b>CARBON EFFICIENCY</b>	It expresses the GHG emissions intensity (scope 1 and scope 2 calculated on an operated basis expressed in tonCO <sub>2</sub> e/q) of Eni's main industrial productions compared to operated production (converted by homogeneity into barrels of oil equivalent using the Eni average conversion factors) in the individual businesses of reference, thus measuring their degree of operating efficiency in a decarbonization scenario.

(continued)

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INDICATORS	METHOD
<b>ENERGY CONSUMPTION</b>	<p><b>Consumption from primary sources:</b> Sum of consumption of fuel gas, natural gas, refinery/process gas, LPG, light distillates/petrol, diesel, kerosene, fuel oil, FOK and coke from FCC.</p> <p><b>Primary energy purchased from other companies:</b> Sum of purchases of electricity, heat and steam from third parties.</p> <p>Consumption from renewable sources depends on the national electric mix because consumption from photovoltaic panels installed by Eni on its assets is currently negligible.</p>
<b>EMISSION INTENSITY</b>	The refining energy intensity index represents the total value of energy actually used in a given year in the various refinery processing plants, divided by the corresponding value determined on the basis of predefined standard consumption values for each processing plant. For comparison between years, the data for 2009 have been taken as the baseline (100%). For these indexes the numerator represents consumption from primary resources and purchases of electricity and/or steam.
<b>MODEL FOR OPERATIONAL EXCELLENCE</b>	
<b>EMPLOYMENT</b>	Eni uses a large number of contractors to carry out the activities within its own sites.
<b>INDUSTRIAL RELATIONS</b>	Regarding industrial relations, the minimum notice period for operational changes is in line with the provisions of the laws in force and the trade union agreements signed in the Countries in which Eni operates. <b>Employees covered by collective bargaining:</b> are those employees whose employment relationship is governed by collective agreements or contracts, whether national, industry, company or site.
<b>SENIORITY</b>	Average number of years worked by employees at Eni and its subsidiaries.
<b>TRAINING HOURS</b>	Hours delivered to Eni employees through training courses managed and carried out by Eni Corporate University (classroom and remote) and through activities carried out by the organisational units of Eni Business areas/Companies independently, also through on-the-job training. Average training hours are calculated as total training hours divided by the average number of employees in the year.
<b>LOCAL SENIOR MANAGERS AND MANAGERS ABROAD</b>	Number of local senior managers + managers (employees born in the Country in which their main working activity is based) divided by total employment abroad.
<b>TURNOVER RATE</b>	Ratio of the number of hires + resolutions of permanent contracts and permanent employment for the previous year.
<b>REPLACEMENT RATE</b>	Ratio of number of hiring and termination of permanent contracts.
<b>HEALTH</b>	<p><b>OIFR (Occupational Illness Frequency Rate):</b> frequency index of the reported occupational diseases of the employees. Ratio of the number of occupational diseases in the reference accounting period and the worked hours in the same period. Result of the ratio multiplied by 1,000,000.</p> <p><b>Number of occupational disease reports presented by heirs:</b> indicator used as a proxy for the number of deaths due to occupational diseases.</p> <p><b>Recordable cases of occupational diseases:</b> number of occupational disease reports.</p> <p><b>Main types of diseases:</b> i) due to exposure to chemical agents: neoplasms, respiratory diseases, blood diseases; ii) due to exposure to biological agents: malaria; iii) due to exposure to physical agents: hypoacusis.</p>
<b>SAFETY</b>	<p><b>TRIR:</b> total recordable work-related injuries rate (injuries leading to days of absence, medical treatments and cases of work limitations). Numerator: number of total recordable work-related injuries in the reference accounting period; denominator: hours worked in the same period. Result of the ratio multiplied by 1,000,000.</p> <p><b>High-consequence work-related injuries rate (excluding fatalities):</b> index of frequency of work-related injuries with serious consequences (accidents at work with days of absence exceeding 180 days or involving total or permanent incapacity). Numerator: number of injuries at work with serious consequences in the reference accounting period; denominator: hours worked in the same period. Result of the ratio multiplied by 1,000,000.</p> <p><b>LTIF:</b> lost time injury frequency rate, i.e. number of work-related injuries that occurred for every million hours worked. Numerator: total injuries at work with lost days occurring in the period; denominator: hours worked in the same period; the result is multiplied by 1,000,000.</p> <p><b>Injuries severity index:</b> days of absence due to occupational injuries occurred every thousand hours worked. Numerator: days of absence from work in the period for work-related injuries (calculated as calendar days starting from the day after the event). Denominator: hours worked in the same period. Result of the ratio multiplied by 1,000.</p> <p><b>Near miss:</b> an incidental event, the origin, execution and potential effect of which is accidental in nature, but which is however different from an accident only in that the result has not proved damaging, due to luck or favourable circumstances, or to the mitigating intervention of technical and/or organizational protection systems. Accidental events that do not turn into accidents or injuries are therefore considered to be near misses.</p> <p>The <b>main hazards identified</b> in 2018 at Eni were found in the following types of activities:</p> <ul style="list-style-type: none"> <li>• work at height: exposes workers to the risk of falls from a height. At Eni, this occurs especially for work that requires the use of scaffolding or that involves the lifting of workers with a safety harness (man rigging);</li> <li>• load handling: exposes workers to collisions, crushing, falls from a height or on the same plane mainly during the lifting of material and the movement on the same plane of various types of materials.</li> </ul>

(continued)

(continued)

INDICATORS	METHOD
<b>WATER WITHDRAWAL</b>	Sum of sea water, freshwater, and salt water from subsoil or surface withdrawn. TAF (groundwater treatment plant) water represents the amount of polluted groundwater treated and reused in the production cycle.
<b>BIODIVERSITY</b>	<p><b>Number of sites overlapping with protected areas and Key Biodiversity Areas (KBAs):</b> calculated by identifying the active national and international concessions, whether operated or in joint ventures, under development or in production, present in the company databases (last updated in June 2018) that overlap with one or more protected or key biodiversity areas (data made available to Eni by "World Database on Protected Areas" last updated in December 2018, and "World Database of Key Biodiversity Areas" last updated in June 2018, in the framework of Eni's membership in the UNEP-WCMC Proteus Partnership) where development/production operations (wells, sealines, pipelines and onshore and offshore plants as documented in the company's GIS geodatabase) overlap with protected areas and/or KBAs.</p> <p><b>Number of sites adjacent to protected areas or Key Biodiversity Areas (KBAs):</b> concessions for which the overlap analysis described above has not confirmed the presence of operational sites (development/production) overlapping protected areas or key biodiversity areas, determining their position outside these areas. There are some limitations to consider when interpreting the results of this analysis:</p> <ul style="list-style-type: none"> <li>• it is globally recognised that there is an overlap between the different databases of protected areas and KBAs, which may have led to a certain degree of duplication in the analysis (some protected areas/KBAs could be counted several times);</li> <li>• the databases of protected or key biodiversity areas used for the analysis, while representing the most up-to-date information available at global level, may not be complete for each Country.</li> </ul>
<b>OIL SPILL</b>	Spills from primary or secondary containment into the environment of oil or petroleum derivative from refining or oil waste occurring during operation or as a result of sabotage, theft or vandalism.
<b>WASTE</b>	<p><b>Waste from production:</b> waste from production activities, including waste from drilling activities and construction sites.</p> <p><b>Waste from remediation activities:</b> include waste deriving from securing and remediation activities of the soil, from demolition and groundwater classified as waste.</p> <p><b>Waste from remediation activities:</b> this includes waste from soil securing and remediation activities, demolition and groundwater classified as waste.</p> <p><b>Recoverable waste (Italy):</b> sum of own and intermediate waste classified with a CER code that was destined to be recovered at least once in a base year of reference; groundwater and production water are excluded from the count.</p>
<b>AIR PROTECTION</b>	<p><b>NO<sub>x</sub>:</b> total direct emissions of nitrogen oxide due to combustion processes with air. Includes emissions of NO<sub>x</sub> from flaring activities, sulphur recovery processes, FCC regeneration, etc. Includes emissions of NO and NO<sub>2</sub>, excludes N<sub>2</sub>O.</p> <p><b>SO<sub>2</sub>:</b> total direct emissions of sulphur oxides, including emissions of SO<sub>2</sub> and SO<sub>x</sub>.</p> <p><b>NM VOC (Non-methane volatile organic compounds):</b> total direct emissions of hydrocarbons, hydrocarbon substitutes and oxygenated hydrocarbons that evaporate at normal temperature. They include LPG and exclude methane.</p> <p><b>TSP:</b> direct emissions of Total Suspended Particulates, finely divided solid or liquid material suspended in gaseous flows. Standard emission factors.</p>
<b>SUPPLIERS SUBJECTED TO ASSESSMENT</b>	This indicator relates to processes managed by Eni SpA, Eni Ghana and Eni Pakistan and represents all suppliers subjected to Due Diligence, a qualification process, HSE, compliance or business conduct assessment feedback, human rights feedback process or assessment (SA8000). It relates to all suppliers for which Vendor Management activities are centralized in Eni SpA (i.e. all Italian suppliers, mega-suppliers and international suppliers) and to local suppliers of Eni Ghana and Eni Pakistan.
<b>ANTI-CORRUPTION TRAINING</b>	<p><b>E-learning for managers:</b> online courses for managerial figures.</p> <p><b>E-learning for other resources:</b> online courses for non-managerial resources.</p> <p><b>General workshop:</b> in-class training events for staff at risk of corruption.</p> <p><b>Job specific training:</b> in-class training events for professional areas at risk of corruption.</p>
<b>LOCAL DEVELOPMENT PROMOTION: COOPERATION MODEL</b>	
<b>SPENDING TO LOCAL SUPPLIERS</b>	<p>The indicator refers to the 2018 share of expenditure to local suppliers. "Spending to local suppliers" has been defined according to the following alternative methods on the basis of the specific characteristics of the Countries analysed:</p> <ol style="list-style-type: none"> <li>1) "Equity Method" (Ghana): the share of spending to local suppliers is determined on the basis of the percentage of ownership of the corporate structure (e.g., for a JV with 60% local component, 60% of total spending to the JV is considered as spending to local suppliers);</li> <li>2) "Local Currency Method" (Angola): the portion paid in local currency is identified as spending to local suppliers;</li> <li>3) "Country registration method" (Iraq e Nigeria): spending to suppliers registered in the Country and not belonging to international/megasupplier groups (e.g., drilling service/drilling support service providers) is identified as local;</li> <li>4) "Country registration + Local Currency Method" (Congo): spending to suppliers registered in the Country and not belonging to international/megasupplier groups (e.g., drilling service/drilling support service providers) is identified as local. For the latter, spending in local currency is considered to be local. The list of Countries to which the expenditure indicator refers will be expanded starting from 2019.</li> </ol>
<b>GRIEVANCE</b>	Complaints made by an individual or a group of individuals relating to actual or perceived impacts caused by the company's operational activities.

[a] IPIECA is an Oil &amp; Gas industry association that deals with environmental and social issues.

[b] World Business Council for Sustainable Development.





Eni SpA

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