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Annexes:
Eni for 2015 - Sustainability Performance
Eni for Transparency
GRI Content Index (available on eni.com)
2015 has been an important year. It has witnessed the engagement of the international community and the public opinion in a dialogue and debate, aimed at the quest for a new sustainable development paradigm and a low carbon energetic model.

The United Nations International conference on Finance for the Development, the UN General Assembly for the launch of the new Sustainable Development Goals (SDGs) and the Conference on Climate held in Paris (COP 21) all marked crucial moments of this debate.

Even Pope Francis’ encyclical Laudato si’ invites us to ‘till and keep the garden of the world’, urging each one of us to assume responsibility regarding the future of the planet.

This means that also companies must be leaders of this change, adapting their business models to contribute to the common wealth, and creating value in the long-term.

Eni has always embraced a sustainable and locally oriented approach, accompanying Countries in a growth path that aims at their development even in businesses outside the oil and gas sector, and promotes environmental protection and health and safety safeguarding as absolute priorities.

All our local and global initiatives arise from the people’s needs: it’s our way to express respect for the different cultures. We are local, we live together with the local communities, working in order to enable them to reach a sustainable and long-lasting development. We have been the first to search for and produce gas not only for exportation, but also for the development of local markets, building infrastructures for the production of electric energy and its consumption. Access to energy is in fact an essential condition for economic growth and development. We have risked as a company, investing in projects that are far from our core business, and putting our skills to the service of the communities.

We have transferred know-how and supplied clean energy, respecting the environment and the territory, and taking risks alongside Countries that have hosted us, to grow together.

Our commitment in the Countries has also been to stimulate the diversification of their economies, improving health assistance and infrastructures, promoting education and training.

We consider the territories where we work as our home. This is why the protection of health, safety and the environment of who lives and works in the Countries where we operate, is a priority for us.

We constantly monitor our people’s health, also through continuous analysis on the eventual health impacts of our activities. The same attention is given to the safety of those who work with us.

We have been investing, for years, in training and in disseminating our safety culture at all company levels, reducing therefore the injury frequency index by 47% in the last 3 years; a fact that placed us at the top of the industry.

We look at the environment, the ecosystems and biodiversity with the same dedication. We adopt the best technologies everywhere, counting on research and innovation to explore new and innovative solutions: every day we monitor thousands of parameters in all our operating sites.
in Italy and worldwide, and we study new prevention methodologies in a continuous improvement cycle. The challenge, now, is to build a future where everyone can access energy resources in a sustainable way. To that end, we have set, in 2015, the basis to resolutely pursue a low carbon model.

During the COP 21, we recognized the +2 degrees scenario, and we adjusted our climate change strategy relying on a portfolio and a development strategy that ensure maximum resilience in progressively decarbonized scenarios.

Our organic growth is based on a conventional asset portfolio. Since 2010, we have reduced our GHG emissions by 28%. In the future, we aim at a further reduction of 43% in our upstream emissions index, by decreasing flaring and fugitive methane emissions and increasing energy efficiency.

We invest in the gas chain, the fossil source with lowest carbon content, building, thanks to recent discoveries, a portfolio with an increasing gas share, starting from the current 58% of resources (3p+ contingent).

We believe that natural gas will help meet most of the growing global energy needs and that it is the ideal energy resource to back up renewables. With this in mind, we have created our new Energy Solution division, whose mission is to evaluate and develop growth opportunities in the renewable energy business sector. This will increase our ability to respond to the energy needs of the local communities.

Moreover, we are actively committed in asking for a global carbon pricing which will lead to a gradual reduction in the use of the most polluting resources. Thanks to the Oil and Gas Climate Initiative, we promoted a joint action with the other companies in the energy industry to find practical solutions to reduce emissions.

While pursuing these solutions we use maximum transparency and clarity towards all stakeholders through the establishment of a continuous and proactive dialogue and the application of actions to protect a sound and shared business. We promote a transparent approach in the conduct of our business activities also by joining the Extractive Industries Transparency Initiative (EITI) and by dialoguing with the Governments of the Countries that have not formally joined the initiative yet. Our commitment in this direction brought us to strongly support the voluntary publication of payments in the Countries where we operate, believing that transparency is a prerequisite to fight international corruption.

Corporate social responsibility for Eni is substantiated with a lasting and sustainable corporate approach but it is above all, along with our corporate culture, a distinguished trait that marks everyone working in Eni. This is what makes us credible and valued in the Countries where we operate. This is what allows us to build a future of sustainable growth.

Claudio Descalzi
Chief Executive Officer
Eni in the world

Eni is an integrated energy company that employs more than 28,000 people in 66 Countries around the world. It is a key player in the exploration and production of oil and natural gas, the refining and sale of petroleum products, the generation and marketing of electricity.

- **People**: 28,246 → -1.2%
- **TRIR***: 0.40 → -35%
- **Total direct GHG emissions**: 38,500,000 tonnes CO₂ eq → -1%
- **GHG emissions on gross production of hydrocarbons**: 25,000,000 tonnes CO₂/kboe → -9%
- **Total procurement**: 19,514,000,000 € → -15%
- **Community Investment**: 74,000,000 € → +9%
- **R&D Expenditures**: 139,000,000 € → +3.7%

* (total recordable injuries/hours worked x 1,000,000)
Eni’s activities

Upstream

Eni engages in oil and natural gas exploration, field development and production, mainly in Italy, Algeria, Angola, Congo, Egypt, Ghana, Libya, Mozambique, Nigeria, Norway, Kazakhstan, UK, the United States and Venezuela, overall in 42 Countries on 66.

Mid-Downstream

Eni sells in the European market basing on the portfolio availability of equity gas and long-term contracts; sells LNG on a global scale. Produces and sells electricity through gas plants. Through refineries, Eni processes crude oil to produce fuels, lubricants that are supplied to wholesalers or through retail networks or distributors. Eni engages in the trading of oil, natural gas, LNG and electricity.

Eni worldwide presence

<table>
<thead>
<tr>
<th>Country</th>
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Responsible and sustainable business

Sustainability has been a cornerstone of Eni’s genetic heritage since its foundation. It is a business dimension that creates value over time for stakeholders, the company and society as a whole. Operating in a social responsible way means creating opportunities and promoting respect for people and their rights, as well as protecting the environment. Sustainability has always been a ‘glocal’ concept for Eni, both global and local at the same.

Business model

Integrated risk management
Integrated risk management model

Governance
Clear and transparent governance rules

Creation of sustainable value

What are the distinctive assets for delivering sustainable value?
- Skills in exploration activities and upstream operations
- Solid and competitive resource base
- Giant or super-giant projects
- Gas supply portfolio aligned to market conditions
- Large and loyal customer base
- Biorefineries
- Eni brand

What are the strategic guidelines to use and develop our assets?
- Profitable and selective upstream growth
- Efficiency and cost control
- Focus on near-field exploration
- Reduction of time-to-market
- Operatorship
- Partnership with NOCs
- Trading of energy Commodities
- Gas supply contracts renegotiation
- Logistic and capacity rationalization/optimization
- Customer retention in gas and fuel markets
- Competitiveness of sale networks
- Development of green fuels

What are the principles for delivering sustainable value?
- Integrity in business management
- Support Countries development
- Excellence in conducting operations
- Innovation in developing competitive solutions to face complexity
- Know how and skills sharing and equal opportunities for all Eni’s people
- Integration of financial and non-financial issues in the Company’s decisions and processes
The Corporate Governance system constitutes a key element for Eni business model. Along with business strategies, it supports the trust relationship between Eni and its stakeholders, contributing to achieving business results and creating sustainable value over the long-term. In 2014, with the new Board of Directors in power, a Sustainability and Scenarios Committee was established in order to further enhance the strategic value of sustainability. The Committee has consultative and advisory functions vis-a-vis the Board of Directors. In 2015 the Committee investigated several issues, including climate change and related topics; namely the Arctic and renewable energy sources.

The integrated risk management model pursues the objective of providing an organic and comprehensive vision of primary corporate risks, both financial and non-financial. It also aims at creating a set of more uniform methodologies and tools to support risk management and reinforcing knowledge at all levels, that adequate risk assessment and management can influence the achievement of corporate objectives. The model is based on impact assessment parameters that relates not only to financial aspects, but also to the social, environmental and reputational ones. In 2015, 60 subsidiaries in 23 Countries were subjected to risk assessment.

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**Integrity**

Business management is founded on the principles of transparency, anti-corruption and respect for human rights.

→ In 2015
5,000 people participated in webinars Responsible leadership dedicated to a culture of integrity

**Support for development**

Eni’s credibility also relies on the commitment to the social and economic development of the Countries in which it operates.

→ In 2015
Integrated Hinda project in Congo concluded

**Operational excellence**

Sustainable management of business as a driving force for obtaining excellent results.

→ In 2015
The discovery of globally important gas reserves in Egypt (850 billion cubic meters of gas)

**Innovation**

Innovation as a competitive factor in the search for sustainable solutions in complex conditions.

→ In 2015
More than 3,000 patents deposited and in force

**Sharing**

Sharing skills and expertise and equal opportunities for people.

→ In 2015
More than 8,000 people involved in the corporate knowledge network (+20% over 2014)

**Integration**

The financial and non-financial aspects as integrated factors in corporate decision-making processes.

→ In 2015
More integration of sustainability in the Four-year strategic plan
Materiality analysis

The materiality of the issues illustrated through the reporting system is the result of a process of identifying, evaluating and prioritizing those sustainability issues that significantly impact on the Company’s ability to create value over the short, medium and long-term. The process of materiality was based on analysis of three lines: the CEO’s guidelines for the strategic plan, resulting from the scenario analysis to define the strategic directions of the four-year period; ESG risks to which Eni is exposed, identified by internal risk assessment analysis; the evaluation of stakeholder management system (SMS) that reflects the primary sustainability requests from outside the Company. The findings have led to the identification of 6 relevant items.

**CEO Guidelines**
- Attention to workplace safety
- Transposing of European Directives governing transparency in reporting
- Access to energy for local development projects
- Monitoring and assessment of local content
- Fighting climate change
- Stakeholder mapping
- Supporting for employee volunteering initiatives
- Culture of integrity and respect for human rights
- Equal opportunity for people

**Potential risks with ESG* impact**
- Political and social instability in areas of presence
- Blow outs and other accidents in extraction plants
- Negative impact on corporate image in matters of compliance and anti-corruption
- Disputes in environmental and health matters linked to reclamation activities
- Climate change
- Negative perception by local and international stakeholders

**Main issues**
- Environmental performance
- Creation of value and dissemination of value
- Management of social impacts
- Transparency and disclosure

**Key stakeholders**
- Governments
- Local communities
- Financial community

**CEO Guidelines for strategic plan 16/19**
**Risk assessment**
**Stakeholder Management System**

6 material topics
## Materiality analysis

The process of materiality was employed to identify and prioritize those sustainability issues that significantly impact on the Company’s ability to create value over the short, medium and long-term. It involves evaluating and prioritizing for strategic plan items. The findings have led to the identification of 6 relevant material topics with ESG* impact on the sustainability issues that Eni is exposed, for the four-year period; ESG risks to strategic directions of the Company.

### Material topics

<table>
<thead>
<tr>
<th>Material topics</th>
<th>Commitments</th>
<th>Progress as at 2015</th>
<th>Objectives for 16/19</th>
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<td><strong>Integrity in business management</strong></td>
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<td><strong>People safety and asset integrity</strong></td>
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<td><strong>Reconversion of industrial sites to biorefineries</strong></td>
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### Objectives for 16/19

- **Extension of the 'Responsible leadership' to a broader public and new updated activities related to ‘integrity’**
- **Prioritizing of violation risk of human rights in audit plans to be carried out on the supply chain**
- **Implementation of the new mandatory reporting regime and creation of a new support community to affiliates on EITI and on transparency issues**
- **Continuous improvement targeting zero level of injuries**
- **Intensification of cooperation with Universities in some Countries (Angola, Ghana) in order to align their curricula with the needs of local content**
- **10% increase of women staff in Italy in the years 2016-17**
- **-25% to 2019**
- **-43% to 2025**
- **64% to 2019**
- **Continuous integration of the 'access to energy' theme, taking into account various energy mix alternatives, in the local development projects**
- **Construction of pilot and demonstrative plants of newly developed technological solutions**
- **Engineering of the most promising technologies and practical application of these**
- **Conversion of the Gela refinery and production launch of second generation biofuel**

*Environmental, Social and Governance*
Innovation

Technological innovation is for Eni a key element for making access to new energy resources effective and efficient, improving the use of existing resources and, at the same time, reducing environmental impact.

Research to respond to the new energy scenario

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<th>Strategy</th>
<th>Objectives</th>
<th>Benefits</th>
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<tr>
<td>Research related to core upstream and downstream activities</td>
<td>Energy mix using fossil fuels with low carbon emissions, like natural gas</td>
<td>Provide sustainable energy for all with access costs that guarantee competitiveness for businesses on the one hand, and reduce costs for the population on the other</td>
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<tr>
<td>Valorization of natural gas</td>
<td>Progressive introduction of sustainable renewable energy sources, also in an economic sense</td>
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<td>Transition towards a low carbon future by exploiting the renewable energy sources</td>
<td>New ways to capture and use CO₂ and energy efficiency</td>
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First patents filing applications of which: filed on renewable energy sources

- 35
- 21
- 11

Total existing patents

- 3,644
- 3,056
- 3,162

Investments in R&D (Mln €)

- 142 (2013)
- 134 (2014)
- 139 (2015)

Regarding the transition towards a low carbon future, the three areas where Eni is directing most of its research relate to technologies for exploiting solar power and energy storage, the use of biomass and innovative technologies to protect the environment. The primary projects dealing with renewable energy require: the use of technologies able to absorb specific amounts of solar radiation, also in conditions of scarce direct light (e.g. sunrise, sunset) as well and the development of technological capacities in thermodynamic solar power. As far as advanced biofuels are concerned, Eni is mainly developing the production of oils obtained from agricultural waste, urban waste and microalgae. With regard to respecting the environment, Eni in addition to technologies for more sustainable management of hydrocarbon fuel production activities, is also focusing on reclamation research.

1) Figure doesn’t include general overheads attributed to research activities and amortizations.
Activities in this field are focused on the development of easy to use tools for measuring and characterizing the contaminating component, on the integration of innovative technologies for the measurement and modelling of contaminants, innovative technologies for the treatment of water on the development of models simulating the dispersion of pollutants to precisely determine the objectives of reclamation, maximizing results in the specific area of intervention.

**Exploitation of solar power and energy storage**

The research projects in solar power and energy storage are aimed at developing applications for provisioning electricity and steam in the oil & gas field; reducing the energy footprint in general (for example, in construction) and implementing sustainable initiatives to make electricity available in areas where it is lacking or scarce. Research activities focus on the conception, development and subsequent application of technological solutions with high coefficients of innovation in respect to state-of-the-art technologies. Projects collaboration with MIT in Cambridge (USA) are continuing in this field. Amongst possible applications for intermittent renewable or non-programmable energy sources, like solar power, energy storage (‘Storage’ project) has the purpose of ensuring continuity in the supply of energy. Projects in the solar power field are: “Concentrating Solar Power – CSP”, “Luminescent Solar Concentrator - LSC” and “Advanced PV”.

**Valorization of biomass energy**

This research has the objective to identify and develop sustainable supply chains for complying with standards governing the quantity of biocomponents to be inserted into the fuel pool. One of the key projects in this activity is the “Second generation Green Diesel demo plant”, dedicated to the creation of a proprietary process to produce microbial oils converted into Green Diesel through the proprietary Ecofining™ process. The “Waste to fuel” project is focused on the production of bio-oil from the organic fraction of solid urban waste, purification sludge from wastewater treatment plants and other agricultural-food derived wastes. Other possible sources or processes are also being studied, like methane from biogas.
Innovative technologies for respecting the environment

The R&D portfolio dedicated to the business of Syndial, the Eni company that provides integrated services linked to environmental restoration, is focused on water treatment projects. The “Water treatment” projects are related to the development of proprietary technologies for the treatment of production waters, wastewater and groundwater. The “Site reclamation and disposal” projects create highly eco-compatible techniques for soil reclamation, such as, the phyto-remedy for biodegradation of organic compost or for the fixation of contaminant metals in the soil, with select micro-organisms and specific plant essences. The “Site characterization” projects develop new techniques and protocols for monitoring water, air and soil.

The Clean Sea project

Clean Sea is an innovative undersea robotic technology developed and perfected by Eni. It allows to perform automatic environmental monitoring and inspections on oil&gas offshore plants.

The Rapid Cube project

Eni is developing the CUBE system based on a proprietary and patented technology to respond to unforeseen oil spills at sea. CUBE was designed to be the last line of defence if a blow out (the uncontrolled spewing of oil from a well) is not intercepted in time with standard emergency systems.
Innovative technologies for respecting the environment

The R&D portfolio dedicated to the business of Syndial, the Eni company that provides integrated services linked to environmental restoration, is focused on water treatment projects. The "Water treatment" projects are related to the development of proprietary technologies for the treatment of production waters, wastewater and groundwater.

The "Site reclamation and disposal" projects create highly eco-compatible techniques for soil reclamation, such as, the phyto-remedy for biodegradation of organic compost or for the fixation of contaminant metals in the soil, with select micro-organisms and specific plant essences. The "Site characterization" projects develop new techniques and protocols for monitoring water, air and soil.

The Clean Sea project

The Rapid Cube project

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Eni and climate change

Eni recognizes the scientific evidences presented in the IPCC Fifth Assessment Report and the necessity to limit the rise of the global temperature to less than 2 °C above pre-industrial levels. To this end Eni is carrying on a strategy on climate change that has already produced significant results over the last 10 years in terms of reductions of routine flaring and carbon intensity. The reduction of GHGs is accompanied by a strategy focused on natural gas, that is the fossil fuel with the lowest carbon content. Furthermore Eni has created the Energy Solutions Department to integrate renewable sources in the business model. Eni supports the need to introduce a carbon price for the GHG emissions at a global level to discourage higher emissions options and to stimulate investments in low carbon technologies.

“Our challenge is to build a low carbon future in which everybody can have access to energy sources in a sustainable way”. CEO Claudio Descalzi

Governance

In 2015 Eni has adopted a ten-year action plan on climate. This Plan has been approved by the Board of Directors that has a central role in the definition of policies, strategies and the sustainability performance review. The Sustainability and Scenarios Committee has supported the Board in the assessments related to climate change and energy scenarios. In 2015 the second training module of the UN Global Compact LEAD Board Programme has been held, and it was dedicated to the Board’s roles and responsibilities on sustainability issues with particular reference to climate change.

Topics covered by the Sustainability and Scenarios Committee 2015 about climate change:

- Climate change debate and carbon bubble
- HSE Performance
- Renewables sources
- COP 21
- Arctic
- Medium Long-Term scenarios

The 2016 CEO Annual variable incentive plan, as the previous year, has been defined with a target on Environmental Sustainability and human capital weighted 25%: this is composed by an objective on CO₂ emissions and another on safety. Based on that also the objectives of the Managers with strategic responsibilities have been declined.
Risk management

In 2015 Eni has included the climate change among the top business risks through the internal Integrated Risk management process, established in 2010. The risk assessment is referred both to the operational consequences of future international climate policies and to the potential physical impacts on industrial assets. For this reason, in addition to the 2025 Action Plan, Eni has decided to adopt a Carbon Pricing Sensitivity Analysis with price of 40 $ per tons of CO2 to assess all main strategic development projects and has launched an initiative on climate change adaptation with the support of the CMCC (Center Euro-Mediterranean on Climate Change) to assess risks and to identify adaptation measures. The business strategy and the climate strategy allow to minimize the risk.

Comparing Scenarios

Eni believes that natural gas - the fossil fuels with the lowest content carbon - can be complementary to renewable sources and can help to meet a substantial part of the world energy demand in the next decades in a more sustainable scenario. In line with the IEA scenarios (the New Policy Scenario IEA and 450) and with the NDC2 presented for the COP 21, the global energy demand will continue to grow in relation to population and GDP increases and it will be satisfied by a combination of fossil fuels and renewable sources with a role gradually increasing.

IEA 450 Scenario: percentage of energy demand met by oil and natural gas

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>52%</td>
<td>50%</td>
<td>44%</td>
</tr>
</tbody>
</table>

The oil demand will not peak before 2030 due to the growing consumption in emerging Countries and technological and economic constraints, in particular in the transport sector. Eni’s forecast for oil prices is in the lower range of the industry estimates ($ 65/b real term from 2019) and well below the assumptions of both IEA scenarios. This price is used to evaluate all new initiatives and applied to assess project economics, before sanctioning.

2) Nationally Determined Contributions.
Conference of Parties (COP 21)

In 2015 the 21st Conference of the Parties (COP 21) of the UNFCCC (United Nations Framework Convention on Climate Change) has been held in Paris. Eni has promoted several initiatives to sensitize Countries on the need for an ambitious agreement in Paris, in first place through the Oil and Gas Climate Initiative, led by the CEOs of 10 oil&gas companies. Eni’s CEO has spoken by the CEOs of 10 oil&gas companies. Eni’s CEO has spoken in favor of the adoption of carbon price instruments with the Paying for Carbon letter. The Global Climate Agreement reached in Paris has been a positive step by virtue of the ambitious commitments – although not sufficient to reach the targets of the Agreement – that have emerged, the willingness of industrialized Countries to financially support Developing Countries and the Governments’ commitments to present National Determined Contributions to reduce emissions. The plans of Developing Countries are of particular interest for Eni because they can constitute the long-term reference for the national energy and economic policies useful for the declination of local development projects.

Eni business strategy

Thanks to the business strategy adopted, even in the IEA 450 scenario that limit the rise of temperature to less than 2 °C, there are no impacts on the assets value.
Portfolio resilience

Over the last 2-3 years, the concept of 'stranded assets' has gained traction among some investors. The highest risk of stranded assets is linked to the barrels with the highest production costs or the ones that have the highest CO₂ content. In this sense, strategy and the portfolio composition minimize this risk.

Climate strategy

Since 2010 to date the strategy has allowed the reduction of the total GHG emissions by 28% and the reduction of GHG upstream emissions on operated production by 25%.

The ten-year Action Plan on climate change to 2025 foresees a reduction target of 43% of the GHG performance index on operated production compared to 2014.

**Reduction of GHG emissions and offset**
- Progressive reduction of the routine flaring
- Reduction of carbon intensity
- Focus on control of fugitive methane emissions
- Definition of Forestry Carbon offset strategy

**Low carbon portfolio**
- Ever growing portfolio of natural gas reserves (giant Zohr in Egypt in 2015)
- Organic growth of conventional assets
- Valorization of natural gas for mobility and heavy transport

**Commitment on renewable energies**
- Research focus on energy mix diversification and green businesses
- Energy Solution Department to integrate renewables in the business world
- Biofuels and Green refinery

For the emissions Scope 2 and Scope 3, see Sustainability Performance on page 25-26.

**GHG Emissions**

(TCO₂eq/toe)

-2%/year  -3.5%/year  -4%/year  2025 GHG reduction vs 2014 -43%
Reduction in process flaring

In 2007 Eni initiated a progressive reduction program of the gas sent to flaring, thanks to an emphasis on the production of electricity for local populations, for domestic consumption and for export. When these practices were not possible, Eni realized re-injection systems in natural gas reservoirs. The objective is to reach zero routine flaring by 2025.

Volumes of hydrocarbon fuels sent to process flaring (MSm³)

<table>
<thead>
<tr>
<th>Year</th>
<th>Volumes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3,320</td>
</tr>
<tr>
<td>2014</td>
<td>1,678</td>
</tr>
<tr>
<td>2015</td>
<td>1,564</td>
</tr>
</tbody>
</table>

After having consolidated a reduction of gas volumes sent to flaring last year of 75% compared with 2007, despite the difficult environment in Countries like Nigeria and Libya, in 2015 Eni accomplished a further reduction of 7% of volumes of hydrocarbons sent to process flaring compared with 2014. Eni foresees an investment of 400 million euros over the next 4 years to reduce the volume of hydrocarbons sent to flaring.

Commitment to energy efficiency

The energy efficiency programs implemented since 2008 have resulted in operational savings of approximately 370 thousand tons of petroleum equivalent a year, of which more than 20% from optimized logistics in the upstream, equal to an accumulated reduction of over 1 Mt CO₂eq/year. Further engineering modifications in the power sector were added to these interventions, thanks to which a reduction in energy intensity over the next four years is predicted for plants that already operate with high efficiency, like combined cycle gas turbine plants. Many of these interventions were possible thanks to energy management systems in compliance with standard ISO 50001, which Eni introduced already in 2010.

Reduction in fugitive methane emissions

The reduction of fugitive emissions represents a new challenge for the O&G companies. Eni has already reduced in 8 subsidiaries the emissions of 0.6 Mt of CO₂eq estimated in 2015 vs. 2014. Furthermore, Eni presented a methane emissions control program in the Upstream activities aligned with requirements promoted by the Climate and Clean Air Coalition. Over the next 10 years, all of the most important Upstream operating sites will be covered by monitoring campaigns.
Renewable energy

To underline its commitment to renewable energy sources, in 2015 Eni founded the new Energy Solutions Department that reports directly to the CEO. The Division has the mission to complement and integrate the traditional energy sources with the production of energy from renewable sources, through profitable projects on an industrial scale. There will be two types of power generation projects: Brownfield projects, to seize all the industrial and contractual synergies in the existing production sites and Greenfield in sites that are not linked to Eni industrial areas for on-grid and off-grid projects. The projects are also part of the Cooperation model with the Countries to respond to their energy requirements. The commitment on renewable, in particular in solar, started 35 years ago and has been concentrated in the commercial production of solar modules, R&D activities and collaborations with Italian and foreign universities. Research is focusing mainly on 2 technologies: concentrated solar and the development of advanced biofuels.

Biofuels and Green refinery

To meet the challenges posed by the refining structural crisis, Eni has decided to convert the older industrial sites, building in Porto Marghera the first biorefinery in the world, obtained from the conversion of a traditional refinery via the Ecofining® proprietary technology. In Porto Marghera Eni produces the Eni Diesel +, the new diesel that, with the 15% renewable component, preserves the engine efficiency and contributes to reducing CO₂ emissions by 5% compared to the diesel in the market. The biomass used, converted into biofuel, is certified according the International Sustainability & Carbon Certification (ISCC) standard, which guarantees respect for environmental requirements, as well as social requirements. Furthermore Eni continue to invest in the research for new biocomponents to input into fuels (see Innovation section).

In Gela through the conversion of the existing refinery the second biorefinery will be launched

International partnerships

Eni actively participates in the primary international climate initiatives. One of these initiatives involved Eni in the development of the “Oil and Gas Climate Initiative” (OGCI), launched in 2014 in collaboration with other companies from the petroleum sector. In 2015, the CEOs of the companies of the OGCI, at an event in Paris, launched a Joint Collaborative Declaration that announced their collaboration in the area of climate change, where they presented a joint report that collected the measures adopted for the management of GHG emissions and climate impacts over the long-term. Furthermore, Eni, with Bg, Bp, Shell, Statoil and Total, sent a letter to the United Nations and the governments of the entire world to define a global plan of action on carbon pricing and to promote natural gas as a bridge solution for the climate change challenge. Eni is working with this group of companies and the World Bank on the initiative “Carbon Pricing Leadership Coalition” aimed at building an effective dialogue with governments and companies around the world. Since 2003 Eni participates in the CDP (Carbon Disclosure former Project) and in 2015 was among the few companies oil & gas to have obtained the highest rating (100/100) with respect to disclosure. Finally, Eni participates in the Task Force established in December 2015 by the Financial Stability Board (FSB-TCFD) to develop recommendations and International guidelines on the reporting of changes climate related risks.

5) The current group members are Bg, Bp, CNPC, Eni, PEMEX, Reliance, Repsol, Saudi Aramco Shell, Statoil and Total, which together represent 20% of world production.
Human rights

Eni is committed to ensuring respect for human rights, in line with the United Nations Guiding Principles on Business and Human Rights, applying a transversal approach focused on continuous improvement. Eni maintains constant dialogue with stakeholders and experts, in particular within the Human Rights Task Force of IPIECA (the International Petroleum Industry Environmental Conservation Association) and the United Nations Global Compact.

Respect for human rights in the supply chain*

Qualification

→ Assessment of suppliers through check lists and questionnaires with criteria aligned with the SA8000 standard on:
  → promotion and respect of workplace health and safety conditions
  → respect for prohibition of forced labour and exploitation of child labour
  → trade union freedom of association and collective bargaining

Inspection and updating

→ Inspection and periodic updating of the status of conformity and conduct

Feedback

→ The Company departments that have relationships with suppliers provide feedback on performance of suppliers including possible violations of human rights

Performing SA8000 audits*

Planning and execution of annual SA8000 audit plan on suppliers and subcontractors. In 2015 Eni conducted 8 SA8000 audits (of subsidiary suppliers in Ecuador, Vietnam, Algeria and Ghana); completed 8 follow-ups of Eni suppliers (Mozambique, Indonesia, Angola and Pakistan), trained 3 SA8000 auditors at subsidiaries (in Vietnam, Ecuador and Algeria).

From 2008 to the present 123 SA8000 audits have been performed at 13 foreign companies.

9,268 suppliers used
19,514 million € total procurement
87%

* For the respect of HSE supply chain parameters, please see chapter Safety of this document.

4) SA8000 is an international standard governing Corporate Social Responsibility, in order to certify some aspects of corporate management involving corporate social responsibility, including respect for human rights, workers’ rights, respect for health and safety in the workplace, the production chain and the consumer chain.
Respect for human rights in local communities

To improve prevention of any possible violations of human rights in the communities where Eni operates, the following two operating instructions were issued over the course of 2015.

**Land Management Operating Procedure**
- governs land acquisition processes in compliance with international standards and best practices.
  - livelihood restoration
  - non discrimination and respect for vulnerable groups
  - informed consultation and participation of involved communities
  - access to mechanisms for collecting grievances and damage remedies

**Operating procedure for Grievance Management**
- governs systems for collecting and managing local complaints - grievance mechanism - to facilitate identification of solutions and to contribute to management of reported criticalities
  - includes channels for receiving grievances, verbal and in writing, for local stakeholders impacted by project activities
  - defines assessment methods and grievance resolution
  - is added to the procedure in place for collecting reports, in confidential or anonymous form, relating to the internal control system or other materials related to violations of the Code of Ethics

**Human Rights Impact Assessment**

Eni’s commitment also includes specific local interventions. In 2015, a preliminary assessment project was initiated in Myanmar on the potential impacts on human rights regarding activities carried out by the subsidiary in the Country. Eni was among the first companies to acquire onshore exploration rights in the Country after its recent opening to foreign investors. To carry out these activities Eni relied on the support of the Danish Institute for Human Rights.

**Human rights in the Security process**

To improve management of the risk of violating human rights in supplying equipment to the public and private security forces that operate at Eni sites, basic operating instructions were made available to subsidiaries’ security managers that mirror the provisions set forth in the Voluntary Principles on Security and Human Rights. Training sessions were also held on ‘Human Rights & Security’ for the private security forces that work at Eni sites in Kenya, and in early 2016, two additional training events were held in Venezuela and Ecuador.
Local development

One of the factors of Eni success is the ability to establish long-term relationships with producing Countries providing plans and actions with local development goals. For Eni, a responsible and sustainable relationship with the local communities has been a dimension of the Eni way of doing business since its foundation. Knowledge of local realities is a fundamental part of the process and it helps to respond to the needs of people, instilling a reciprocal relationship based on awareness and respect. This integration permits identifying participatory programs, projects and activities, through participatory methods, that respond to real needs in compliance with local development programs. Eni’s commitment to act responsibly and sustainably is evident in all of its operating phases, based on an approach aligned with the guidelines set forth in ISO 26000.

The 6 operating procedures

→ Local stakeholders engagement
→ Analysis of the local context
→ Community investment plan
→ Monitoring, reporting and audits
→ Local content
→ Land acquisition and management

Results obtained as of today

→ The development and sustainability system was applied in 2014 in the following pilot Countries: Mozambique, Congo, Kazakhstan (AKBV), Pakistan, Angola.
→ In 2015 it was extended to: Nigeria (NAOC), Egypt (IEOC), Gabon, Ghana, Italy (DICS, Enimed, DIME), Ecuador, Libya, Indonesia, Myanmar.
→ In 2015 adherence to the guidelines set forth in ISO 26000 was verified in: Kazakhstan (AKBV), Congo, Italy (Enimed), Pakistan, Mozambique.
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The lack of energy is recognized as one of the most serious social problems. This means lack of adequate health services, hinders access to basic education and gender equality, and compromises the development of productive activities. In Africa, 56% of the population has no access to electricity and 66% does not have access to improved cooking systems. Eni placed access to energy at the heart of its commitment to Africa, by initiating projects for energy access of populations, by promoting energy plans for developing domestic resources, infrastructure for production and by investment in electricity distribution. A concrete example of this commitment are the power plants in Nigeria and Congo, which today produce 20% and 60% respectively of the national electricity production, with a significant reduction of flaring gas in both Countries.

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Eni’s commitment continues in Congo, through the integrated Hinda Project (PIH) for the communities in the areas surrounding the onshore industrial M’Boundi plants. The project is an example of how access to energy is a prerequisite to satisfy the primary needs of the community. As of today 22 water wells have been constructed, of which 17 are powered through solar energy, 1 connected to the main electricity network and 1 powered using a manual pump.

In 2015, studies in Angola continued for the planning of electrification of two health centers in the Luanda province: Kilunda and Quicama. Both studies have the objective of offering a practical solution for the production of electricity through solar power systems.

In Congo

11 health centers restructured, of which
equipped with photovoltaic systems

In 2015 Eni was an ‘Official Partner for Sustainability Initiatives in African Countries’ at Expo. The focus of the partnership was the broad issue of access to energy in Africa, which for Eni translates into sustainability, cooperation with local communities and innovation and research. The events at Expo dealt with Eni projects and initiatives in favour of African nations.

1 Nigeria - Farmers Day and Green River Project, agricultural development in the Niger River Delta.

2 Congo - Sustainability in African territories, projects: Hinda and improved cooking stoves for preparing local foods.

3 Mozambique - Theatre So Good project.

Socio-economic development

Eni has invested for decades in building long-term partnerships with the Countries of presence. This allowed a broader and more diversified local development in support of sustainable economic activities, even in areas not directly connected to oil & gas business. It also contributed to the creation of value for people and local businesses.

Local procurement in 2015 by Country

% procurement on the local market

0-25% - Algeria, Canada, Cyprus, Denmark, Ghana, Iran, Ireland, Libya, Netherlands

26-49% - Myanmar

50-74% - Angola, China, Republic of Congo, Egypt, Iraq, Mozambique, Pakistan, Russia, Slovakia, Tunisia, Turkmenistan, Venezuela

75-100% - Australia, Austria, Belgium, Croatia, Ecuador, France, Gabon, Germany, Great Britain, Hungary, Indonesia, Italy, Kazakhstan, Nigeria, Norway, Slovenia, Spain, United States, Switzerland, Ukraine, Vietnam
In Nigeria, the Green River Project (GRP), an integrated entrepreneurial development program for farmers in the Niger River Delta, was founded in 1987. The objective of such program was to transfer technology through vocational guidance and training in order to increase food availability, multiply employment and earning opportunities and facilitate access to social services.

Main results of the Green River Project in 2015

- **4,000 km²**: current extension of the GRP intervention area
- **235 cooperatives currently assisted by GRP**
- **3,750 young people and women educated from 1999 to date**
- **35,000 farmers involved**
- **500,000 indirect beneficiaries in 120 communities**


In the scope of Protocollo di Intesa (Memorandum of Understanding) for the Gela Area, Eni has carried out a technical feasibility study of an industrial plant for the production of 5,000 tons/year of natural rubber latex, from the guayule tree through the development of a local agricultural chain.

Education

Commitment to educational initiatives includes actions to support the entire learning process, from primary school to the university, and from professional training to on-the-job training.

In Mozambique, the Eni Junior Professor (JP) project, initiated in 2014, envisages the education of 8 future oil&gas engineering instructors at the University of Mondlane in Maputo. Moreover, an agreement with the Provincial Department for Education and Culture of Mozambique, along with the City of Pemba and the Community Council of Paquiteque, provided for the construction of a primary school, the supply of scholastic materials and the conducting of awareness-raising activities that promote social and environmental themes.

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In Basilicata, support for school projects continues in collaboration with the Eni Enrico Mattei Foundation, through innovative educational programs, including: “little schools”, a project dedicated to the primary school in Pergola with the objective of preventing its shut down, through an intensive use of technologies and putting the school online with other Italian schools and putting the school online with other Italian schools; the scholastic tourism project that in 2015 allowed 1,200 students in Basilicata to explore the wealth of energy present in their territory; NECTS (A New Energy Culture: Sustainability and Territories), a strategic partnership project financed by the European Commission as part of the Erasmus Plus program, involving Lucan students and three high schools in Norway, Croatia and The Netherlands to promote the exchange of good practices among academic, scholastic and entrepreneurial sectors, based on themes linked to energy and sustainability.

In Angola, the capacity building project for medical and paramedical personnel was founded based on a collaboration between Eni and the Hospital Divina Providencia, involving 5 hospitals and 16 health centers.

In this regard, integrated projects for water supply and usage are foreseen, promoting access to water resources and favouring better hygienic and sanitary conditions.

The first results of the “Water wells project” were recorded in Palma, Mozambique during the year 2015. The project, which initiated in 2014, aims to improve the living, health & safety conditions of approximately 4,000 people in the area of Palma, thanks to safe and enduring access to potable water. In 2015 a small water distribution network was created with three public dispensing points.

In Mozambique:

- 4,000 people now have access to drinking water

Eni promotes projects to protect and enhance environmental and local resources in harmony with local communities.

Population in the province of Luanda potentially benefiting from the capacity building project: 6.5 million

- 22 educators
- 85 doctors
- 235 nurses
- 18 community agents

Protection and valorization of resources
Safety

Eni considers safety to be one of the most relevant themes for sustainability in a company, and promotes actions in the areas of both process and personal behaviour, in addition to actions to improve emergency training and response. Over the last years, one of the priorities has been to increase safety along the supply chain.

The structural review project in vendor management has enabled a reassessment of the operating model and processes for supplier management and qualification.

The improvement trend in injury rates continued in 2015. The number of injuries decreased by over 46% compared to 2014 and by over 88% compared to 2006, reducing events from 440 to 50 in 2015.

Despite these positive results, 1 fatal accident was recorded in 2015, involving a contractor in Nigeria.

Total Recordable Injury Rate (TRIR)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Total Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractors</td>
<td>0.90</td>
<td>0.75</td>
<td>0.43</td>
<td>0.34</td>
</tr>
<tr>
<td>Employees</td>
<td>0.43</td>
<td>0.35</td>
<td>0.34</td>
<td>0.40</td>
</tr>
</tbody>
</table>

TRIR Compared with 2014

-2.8% of employees

-42.7% of contractors

-35% of the total workforce
Safety culture

For three years, Eni has been organizing the ‘Safety Road Show’ at industrial sites in Italy and abroad: it is a series of top managers’ meetings with employees and contractors, aimed at increasing awareness about safety. The meetings include the participation of different corporate departments, not only those directly effected by HSEQ issues, but also those related to procurement and human resources. Eni CEO Claudio Descalzi attended some of the 2015 road show stops in Italy. Another event that promotes awareness of Eni personnel about safety issues, is Safety Day. It is the day where safety results and objectives are presented by corporate top management, celebrating best behaviours through awards and recognitions.

Safety Competence Center - SCC

In 2015, Eni instituted the Safety Competence Center - SCC in Gela: a center of expertise in the safety sector at the service of all Group’s operational units. The center is a pole of excellence on Safety and constitutes a part of the actions foreseen under the Memorandum of Understanding, signed with the Ministry of Economic Development. Under his Memorandum, and thanks to an investment plan of 2.2 billion euro, Eni aims at creating the conditions for a sustainable and long-term recovery in economic activities, ensuring solid employment prospects such as the conversion of the existing refinery into modern biorefinery, the upstream development activities and environmental rehabilitation activities. The SCC provides professional services both in Italy and abroad, and is distinguished by its ability to offer a tailored service on-site specific features. The Center also offers standard management methodologies for activities with the support of specific softwares, as well as other tools that combine commitment and involvement: notably the “safety pact” established with contracted companies.

In parallel, a center for technical professional training was set up: the Safety Training Center (STC), using ‘field tests’ of the Gela Refinery. The STC is equipped with systems and structures that are useful for training in fire fighting, first aid and toxic gas. The STC, operative as of the first half of 2016, will provide its first fire fighting, first aid and specific risk training courses.
OHSAS 18001⁵

Certification program OHSAS 18001 at 98% in 2015 with completion scheduled for 2016.

Investments and spending on safety
Million euro

+67.5% safety expenditures compared to 2014

239 million euro in expenditures and investments in safety

Emergency prevention and management

To maintain the highest levels of preparation in response to emergencies, over 130 drills of different levels of complexity were conducted in 2015. In particular, these included the simulation of: rupture of the ammonia pipes at an industrial site, a hydrogeological event, a collision between a holding tanker and gas platform with spillage of gasoline.

Three national drills were also conducted in coordination with the DPC* regarding the international tsunami: “early warning system in the Mediterranean Sea basin”.

⁵) Occupational Health & Safety Accountability Standard is an international standard for worker safety and health management.

* Civil Protection Department.
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Simulation of: rupture of the ammonia pipes at an industrial site, a hydrogeological event, a collision between a holding tanker and gas platform with spillage of gasoline.

* Civil Protection Department.
People

Eni promotes a culture guided by integrity values and equal opportunity policy, fostering aware and responsible behaviours and creating initiatives that enhance diversity and professional development pathways.

Eni people

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29,176</td>
<td>28,597</td>
<td>28,246</td>
<td></td>
</tr>
</tbody>
</table>

Employees by geographic area

- **America**: 1,297
  - **4.59%**
- **Italy**: 16,287
  - **57.66%**
- **Africa**: 3,612
  - **12.79%**
- **Rest of Europe**: 4,370
  - **15.47%**
- **Asia**: 2,545
  - **9.01%**
- **Australia and Oceania**: 135
  - **0.48%**

Development of an integrity culture

To disseminate the values of integrity at all organization levels, in Italy and abroad, the project ‘Responsible Leadership’ was extended to the training of 5,000 people through webinars in 2015.

In reference to ‘non discrimination’, and with the collaboration of the ILO (International Labour Organization), a webinar was organized for managers, senior managers and Human Resources Departments, with an overall participation of 10,000 people, 8,500 people in 2015 and 1,500 in 2014, an informative/formative webinar is also accessible to all Eni people on the intranet site.
Equal opportunity for people

Women in management positions (%)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>4.59%</td>
<td>7,504</td>
<td>7,370</td>
</tr>
<tr>
<td>America</td>
<td>12.79%</td>
<td>16,287</td>
<td>21,227</td>
</tr>
<tr>
<td>Asia</td>
<td>9.01%</td>
<td>135</td>
<td>23.76%</td>
</tr>
<tr>
<td>Australia and Oceania</td>
<td>57.66%</td>
<td>1,297</td>
<td>29,176</td>
</tr>
<tr>
<td>Europe</td>
<td>23.52%</td>
<td>3,612</td>
<td>4,370</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>0.48%</td>
<td>10,000</td>
<td>20,992</td>
</tr>
</tbody>
</table>

Actions for the promotion of equal opportunities for people

- **Attracting female employees**
  - Organization of events at universities, schools and job fairs dedicated to female students/graduates
  - Enhancement of the ‘work with us’ section on the eni.com website with testimonials from female professionals

- **Equal treatment**
  - Monitoring of female population
  - Training and mentorship/counselling for supporting personal and professional development
  - Control of the salary equity situation

- **Worklife balance**
  - Worldwide application of the Convention ILO 183, for maternity leave and compensation
  - Consolidation of initiatives to support employees with children (summer camps, study abroad, etc.)
  - Feasibility study for the creation of a Second company nursery

- **Female presence in the Board**
  - 31.7% presence of women in the Boards of Directors of subsidiaries reached (Eni designated assignments) in Italy
  - Gender representation with 25% female appointments, extended also in foreign boards

The protection of the right to maternity represents a fundamental value for Eni. For this reason, a study was carried out to identify any divergences from the standard ILO – Convention 183 – that governs maternity and the laws/corporate policies of the Countries of presence. In light of the results emerged from the study, a procedure was adopted in 2015 to guarantee application of the minimum standards set forth in the ILO convention to all the women of Eni around the world.

Eni supports, through dedicated policies, the integration of people into the social context of the Countries where it operates, and promotes actions in favour of the development of local people. For this purpose:

- a new HR computer system was developed to handle planning and recruitment processes to achieve a greater management uniformity at a global level;
- collaborations with international universities were reinforced – in particular in Angola, Ghana and Mozambique. The aim is to select young graduates and support local content in Countries, creating a pole of excellence for strategic Upstream subjects, by training internal instructors at the Mondlane University of Maputo;
- initiatives directed at high
In 2015 Eni followed three directives: to standardize the repertoire of professional skills, the definition of a step-by-step approach aimed at identifying initiatives designed for the development of long-distance training have been promoted, with the support of the most advanced technological platforms.

### Local employees abroad by professional category

<table>
<thead>
<tr>
<th>Professional Category</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue collar workers</td>
<td>2,414</td>
<td>2,295</td>
<td>2,133</td>
</tr>
<tr>
<td>White collar workers</td>
<td>6,150</td>
<td>6,181</td>
<td>5,902</td>
</tr>
<tr>
<td>Managers</td>
<td>1,849</td>
<td>1,883</td>
<td>1,869</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>97</td>
<td>83</td>
<td>71</td>
</tr>
<tr>
<td>Total</td>
<td>10,510</td>
<td>10,442</td>
<td>9,975</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>100-115</th>
<th>116-130</th>
<th>131-150</th>
<th>151-180</th>
<th>&gt;180</th>
<th>Global Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy, Belgium, France, Germany, Holland, Spain</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€159</td>
</tr>
<tr>
<td>United Kingdom, Angola</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Libya, Norway, Russia, United States</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia, Venezuela</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Algeria, China, Egypt, India, Indonesia, Kazakhstan</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Skill enhancement

In 2015 Eni followed three directives: to standardize the repertoire of professional skills, the definition of a step-by-step approach aimed at identifying Knowledge owners with technical vocation. Furthermore, initiatives designed for the development of long-distance training have been promoted, with the support of the most advanced technological platforms.

- Eni supports, through dedicated policies, the integration of people into the social context of the Countries where it operates, and promotes actions in favour of the development of local people.
- For this purpose:
  - a new HR computer system was developed to handle select young graduates and support local content in Countries, creating a pole of excellence for strategic Upstream subjects, by training internal instructors at the Mondlane University of Maputo;
  - initiatives directed at high planning and recruitment processes to achieve a greater management uniformity at a global level;
  - collaborations with international universities were reinforced – in particular in Angola, Ghana and Mozambique. The aim is to schools students were launched in Ghana and Mozambique, to promote awareness about energy and environment issues;
  - during the ‘Global Business Network for Social Protection Floors’, practices were shared with multinationals related to social security (pensions, maternity, paternity, disability compensation, etc.).
Eni considers environmental protection to be an essential component of sustainable development for the realization of its industrial projects, and is committed to integrating this objective in all of its activities for the entire life cycle of its plants and in all of the operating sites where it operates. Management of environmental issues is based on the adoption of an environmental management system (SGA). Such system is integrated with health and safety aspects, in line with sustainability and integrity principles, set forth in the respective Eni policies. Sustainability and performance objectives are monitored and managed on a six-month basis.

**ISO 14001 certification program at 98% in 2015 with completion scheduled for 2016**

**Environmental Management System activities**

- Identification of significant environmental aspects
- Management and mitigation of environmental impacts
- Adoption of the best technologies
- Prevention of adverse environmental events
- Assessments and action plans for the protection of biodiversity

**Water withdrawals**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sea Water</th>
<th>Fresh Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>61 Mm³</td>
<td>1,027 Mm³</td>
</tr>
<tr>
<td>2014</td>
<td>59 Mm³</td>
<td>859 Mm³</td>
</tr>
<tr>
<td>2015</td>
<td>58 Mm³</td>
<td>859 Mm³</td>
</tr>
</tbody>
</table>

Compared to 2014:
- Fresh water: -1.7%
- Sea water: -17.3%

Total water withdrawals (fresh and sea water):

- 1,175 Mm³ in 2013
- 1,027 Mm³ in 2014
- 859 Mm³ in 2015
Efficient use of water

The efficient use of water and the use of the best technologies for treatment of wastewater are the principles applied by Eni in all of the operating sites. Eni performs an annual mapping and monitoring of water risks and drought scenarios to define long-term actions, to prevent and mitigate the effects of climate change as well.

All the new projects include water risk analyses that take into consideration current and future scenarios.

In 2015, less than 20% of the plants are in areas of water stress for fresh water withdrawal equal to 5% of the total.

In the sites with the greatest consumption, local plans were initiated for the management of water. In particular, in 2015, the water withdrawal reduction objectives were reached in Algeria and Egypt defined as areas subject to water stress. Eni guarantees the priority of minimizing waste by committing to reuse and recycle extracted raw petroleum that are reinjected into the reservoir, contributing to sustaining oil production by maintaining high pressure in the reservoir.

This practice is the chosen method as an international standard aimed at reinjecting the reservoir waters into their original geological formations.

In the Downstream sector, reclamation waters are re-evaluated for use by the subsidiary company Syndial, making large volumes of water available through its groundwater treatment plants (TAF): over the next 4 years, these volumes of water will comprehensively increase from 3.5 to 5.5 Mm³/year.

Efficient use of water for industrial purposes, especially in areas with scarce water resources. These actions are designed to guarantee protection and monitoring of underground and surface waters. In the Upstream sector, a program has been underway, since 2006 to increase the percentage of fossil waters (water separated from the
Eni pursues oil spill prevention activities with direct interventions on assets and progressive replacement of tanks and pipelines.

Eni’s commitment to preventing and limiting the effects of sabotage along its network of pipeline continues. In 2015, 158 sabotage/theft events occurred along the 3,000 km of managed pipeline in Nigeria. Despite the fact that the number of events has decreased significantly (284 in 2014), the relative volumes of the spills have grown (10,530 barrels in 2015 in respect to 6,610 in 2014).

In Italy the number of sabotage events is significantly increasing compared to last year, though it is also characterized by a significant reduction in volumes spilled, which is a proof of a growing ability to react and intervene. Numerous preventive activities have been implemented, paying a particular attention to advanced technologies related to pipelines’ active safety, such as sophisticated systems of video surveillance. Activities designed to improve velocity and quality of the response continue: for example, the implementation of the eVPMS system’ (Eni Vibroacoustic Pipeline Monitoring System) by 2016, along the entire national network of operating pipelines, and the completion of the pilot phase of the “Support for oil pipeline emergency spill network” project (completion scheduled by April 2016).

Improvement in the management of emergencies is also being pursued through participation in several international initiatives to coordinate response to possible spills. One example is the advancement of the “COSPIP Project” (Coastal Oil Spill Preparedness Improvement Programme) focused on the critical area of the Barents Sea. Another example is the “Oil Spill Response Joint Industry Programme” by IPIECA-IOGP.

Managing oil spills

In 2015, 35 million euro invested in oil spill prevention, +19% compared to 2014
Eni pursues oil spill prevention activities with direct interventions on assets and progressive replacement of tanks and pipelines.

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Reporting principles and criteria

Reporting system

In 2015, Eni drew up Integrated Annual Report in accordance with the principles of the International Integrated Reporting Council’s (IIRC) framework. In order to provide a more in-depth and comprehensive view of the mechanisms used to create value, and the contribution made to achieving the global development goals, Eni decided in 2015 to produce “Eni for 2015 - Sustainability Report” (hereinafter “Eni for 2015”). The document is prepared in accordance with the new "G4 Sustainability Reporting Guidelines and Oil & Gas Sector Disclosures" issued by the Global Reporting Initiative (GRI) with a self-declared level of compliance ‘in accordance - core’ and taking into consideration the “Oil & Gas industry guidance on voluntary sustainability reporting” contents produced by IPIECA/API/OGP.

The contents of Eni for 2015 are also in line with the Advanced Level of the Differentiation Programme and with the additional sustainability aspects provided by the Blueprint for Corporate Sustainability Leadership of the UN Global Compact. Lastly, eni.com provides further information on sustainability issues in order to supplement the information provided in its reports.

Materiality, boundary and quality principles

Materiality is the result of a process of identification, evaluation and prioritization of sustainability issues that significantly impact on the Company’s capacity to create value in the short, medium and long-term (please see pag. 8 Materiality Analysis). The process involves an analysis aimed at identifying the boundary of the various aspects in relation to the potential impact both inside and outside Eni. In the coming years Eni will focus on the identification and implementation of specific actions aimed at expanding the scope of the material aspects collection and reporting.

The performance indicators are related to the period 2013-2015 issued by Eni SpA and its consolidated subsidiaries. The consolidation perimeter is the same as that for the 2015 consolidated financial statements, with the exception of certain data expressly mentioned in the text. Data are presented for the three-year period net of Saipem, due to the sale of 12.503% of Saipem SpA to the Fondo Strategico Italiano SpA in January 2016, and net of Versalis, as the sale agreement related to a portion of control was still underway on 31 December 2015. The HSE data are defined according to the operations control criterion. Data related to people refer only to consolidated companies based on the line method. The detection of the information and data is structured in a way to ensure the comparability of data across years. The Report was subject to a limited assurance engagement by an independent company, auditor of Eni Group’s consolidated financial statement as of 31 December, 2015. The audited data and information are marked with the “External Assurance” label in the ‘GRI Content Index’ (see Annex “GRI Content Index”).

<table>
<thead>
<tr>
<th>Aspect Boundary</th>
<th>Inside</th>
<th>Outside</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic performance</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Market presence</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Indirect economic impact</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Procurement practices</td>
<td>● S</td>
<td>RNES</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Effluents, Biodiversity</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Emissions</td>
<td>● S,C</td>
<td>RPES</td>
<td></td>
</tr>
<tr>
<td>Occupational health and safety</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Training and education</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Security practices</td>
<td>● LSF</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Supplier Human Rights Assessment</td>
<td>● S</td>
<td>RNES</td>
<td></td>
</tr>
<tr>
<td>Supplier Environmental Assessment</td>
<td>● S</td>
<td>RNES</td>
<td></td>
</tr>
<tr>
<td>Supplier Assessment for Labor Practices</td>
<td>● S</td>
<td>RNES</td>
<td></td>
</tr>
<tr>
<td>Local communities</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Anti-Corruption</td>
<td>● S</td>
<td>RPES</td>
<td></td>
</tr>
<tr>
<td>Asset Integrity and Process Safety (sector disclosure)</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Fossil fuel substitutes (sector disclosure)</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
</tbody>
</table>

Legenda: C = Customers; S = Suppliers; LSF = Local Security Forces; RNES = Reporting not extended to suppliers; RPES = Reporting partially extended to suppliers.
Independent Auditors’ Report

-EY-
Building a better working world

independent auditors’ report on “Eni for 2015 - Sustainability Report”
(Translation from the original Italian text)

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

We have carried out a limited assurance engagement of “Eni for 2015 - Sustainability Report” (hereinafter also the “Report”) of Eni S.p.A. and its subsidiaries (hereinafter “Eni Group”) as of December 31, 2015.

Directors’ responsibility on the Report

The Directors are responsible for the preparation of the Report in accordance with the “G4 Sustainability Reporting Guidelines” and “Oil & Gas Sector Disclosures”, issued in 2013 by GRI - Global Reporting Initiative, that are detailed in the paragraph “Reporting principles and criteria” of the Report, as well as for that part of internal control that they consider necessary in order to allow the preparation of a Report that is free from material misstatements, even caused by frauds or not-intentional behaviors or events. The Directors are also responsible for defining the Eni Group’s commitments regarding the sustainability performance and for the reporting of the achieved results, as well as for the identification of the stakeholders end of the significant matters to report.

Auditors’ responsibility

It is our responsibility the preparation of this report on the basis of the procedures carried out. Our work has been conducted in accordance with the criteria established by the principle “International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information” (“ISAE 3000”), issued by the International Auditing and Assurance Standards Board for the engagements that consist in a limited assurance. This principle requires the respect of relevant ethical principles, including those related to independence, as well as the planning and the execution of our work in order to obtain a limited assurance that the Report is free from material misstatements. These procedures included inquiries, primarily with company’s personnel responsible for the preparation of the information included in the Report, documents analysis, recalculations and in other procedures in order to obtain evidences considered appropriate.
The procedures performed on the Report were related to the compliance with the principles for defining report content and quality, as articulated in the “G4 Sustainability Reporting Guidelines”, and are summarized below:

a. Comparison of the economic and financial data and information included in the Report with those included in the Eni Group’s consolidated financial statements as of December 31, 2015 on which we issued our audit report, pursuant to art. 14 and 16 of Legislative Decree dated January 27, 2010, n.35, on April 12, 2016;

b. Analysis, through interviews, of the governance system and management process of the issues related to sustainable development regarding Eni Group’s strategy and operations;

c. Analysis of the process relating to the definition of material aspects included in the Report, with reference to the identification modalities in terms of their priority for the different stakeholders’ categories and to the internal validation of the process outcome;

d. Analysis of the operation of the processes that support the generation, recording and management of the quantitative data reported in the Report. In particular, we have carried out the following procedures:

- Interviews and discussions with personnel of the Corporate and Business Units of Eni S.p.A., and of the subsidiary Eni Angola Production BV, to obtain an understanding about the information, accounting and reporting system in use for the preparation of the Report, as well as about the internal control processes and procedures supporting the collection, aggregation, data processing and transmission of data and information to the department responsible for preparation of the Report;
- On-site verifications at Livorno Refinery and Ocean Rig’s Drilling Rig Poseidon (Angola);
- Analysis on a sample basis of the documentation supporting the compilation of the Report, in order to confirm the processes in use, their adequacy and the operation of the internal control for the correct reliability of data and information in relation to the objectives described in the Report;

e. Analysis of the compliance and internal consistency of the qualitative information included in the Report to the guidelines identified in paragraph “Directors’ responsibility on the Report” of the present report;

f. Analysis of the process relating to the stakeholders engagement, with reference to the procedures applied, through the review of summary minutes or any other existing documentation relating to the main topics emerged from discussions with them;

g. Obtaining of the representation letter, signed by the legal representative of Eni S.p.A., relating to the compliance of the Report with the guidelines indicated in paragraph “Directors’ responsibility on the Report”, as well as to the reliability and completeness of the information and data presented in the Report.
The data and information which are subject to the limited assurance are reported, in compliance with "G4 Sustainability Reporting Guidelines", in the table "GRI: Content Index" of the Report.

No procedures have been performed on data and information reported in the Annex "Eni for Transparency" of the Report.

Our examination has entailed a lower extension of work compared to the work to be performed for a reasonable assurance engagement in accordance with ISAE 3000 and, as consequence, we may not have become aware of all the significant events and circumstances which we could have identified had we performed a reasonable assurance engagement.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that "Eni for 2015 - Sustainability Report" of Eni Group as of December 31, 2015 is not in compliance, in all material aspects, with the guidelines "G4 Sustainability Reporting Guidelines" and "Oil & Gas Sector Disclosures" issued in 2013 by the GRI - Global Reporting Initiative, as stated in the paragraph "Reporting principles and criteria" of the Report.

Rome, May 3rd, 2016

Reconta Ernst & Young S.p.A.
Signed by: Massimo Antonelli, Partner

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