

eni for
2012



Mission

We are a major integrated energy company, committed to growth in the activities of finding, producing, transporting, transforming and marketing oil and gas.

eni men and women have a passion for challenges, continuous improvement, excellence and particularly value people, the environment and integrity.

eni for 2012

eni for 2012 and the on-line reporting together make up the UN Global Compact Communication on Progress



eni confirms its inclusion in the main sustainability indexes



Message to our stakeholders



Looking at the results for this year, we can be optimistic by conviction and not by necessity. We are here, as an Italian company in a difficult European situation, because **eni** is an international company and because of the passion and skills that our men and women put into their work.

eni grew during 2012. It grew because it is a global company, which operates in Countries which have been able to benefit from the growth that was lacking in Europe.

But to explain our success in exploration and production, our increased strength in the face of the crisis in refining and our renewed commitment in the chemicals sector, something more is needed.

eni is capable of investing in its people, bringing skills and excellence into its projects.

It is able to be concrete in its innovation and to seize opportunities before others do, even when this relates to mature sectors, difficult resources and sensitive environments. **eni** has always stood by Countries at difficult moments in their history, because it plays its part in their growth without compromises on transparency, good management and, above all, people's safety.

eni's stakeholders, governments, local communities and individual citizens, know that these strengths of ours are placed at the service of creating value for all.

We consider this our primary objective, on which the licence to operate and guide **eni** is based. It is a relationship based on trust, to be looked after carefully, the underlying basis on which we can build today's optimism and tomorrow's success.

Paolo Scaroni

*The Chief Executive Officer
and Chief Operating Officer*

A handwritten signature in black ink that reads "Paolo Scaroni".

eni for 2012

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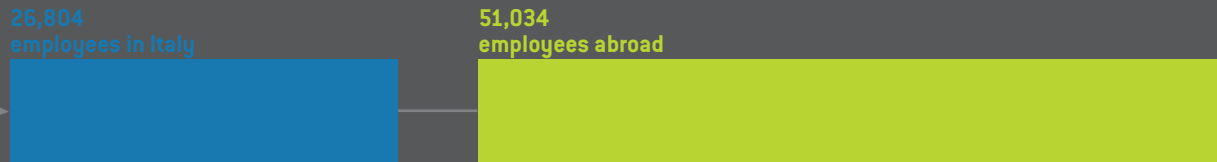
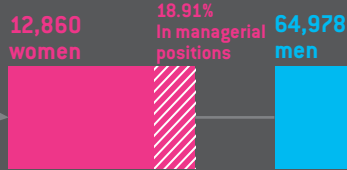
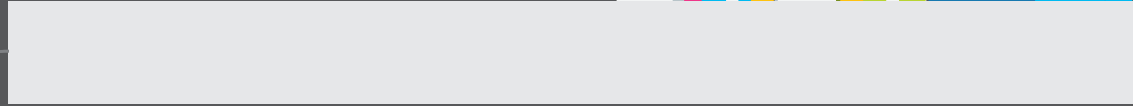
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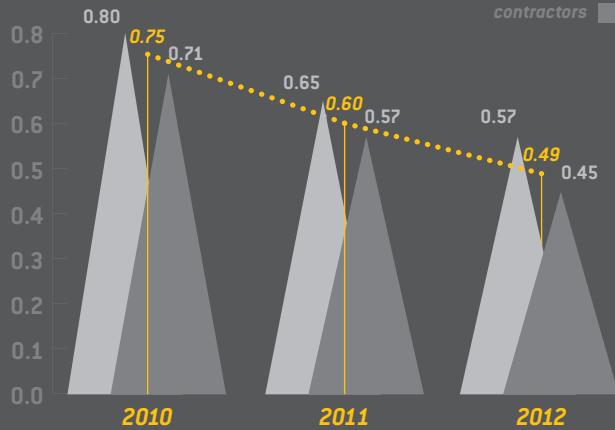
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eni's identity card

77,838
persons

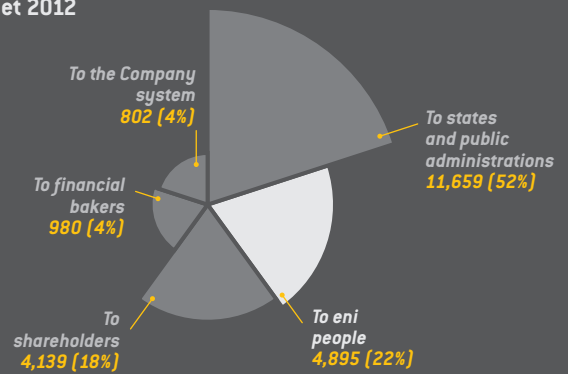


INJURY FREQUENCY RATE (Injuries/Million of hours worked)



ADDED VALUE (Million euro)

€ 22,475 Million
net 2012



INVESTMENTS AND TRAINING

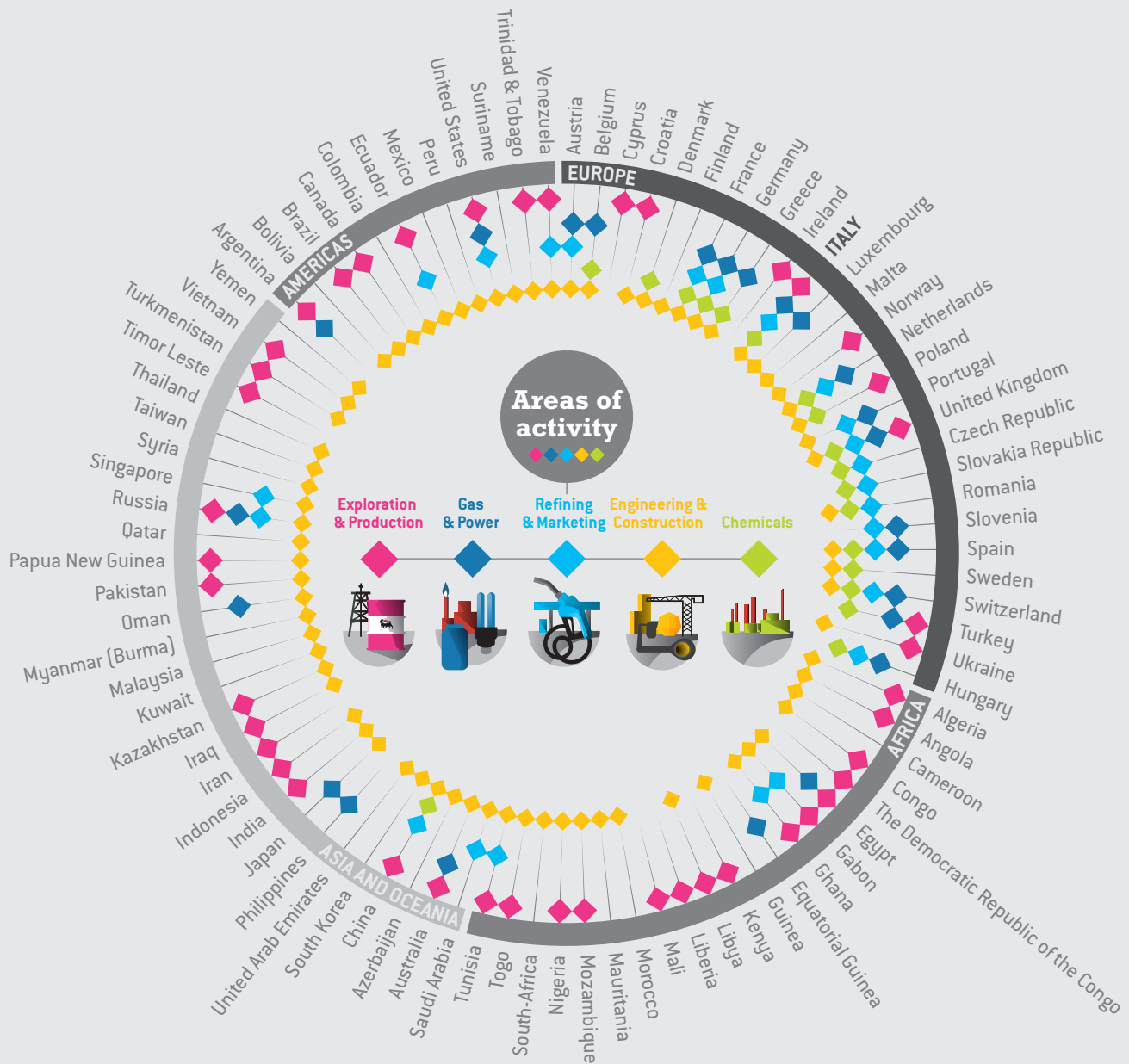
€ 91 Million
Territory expenditures
and investments



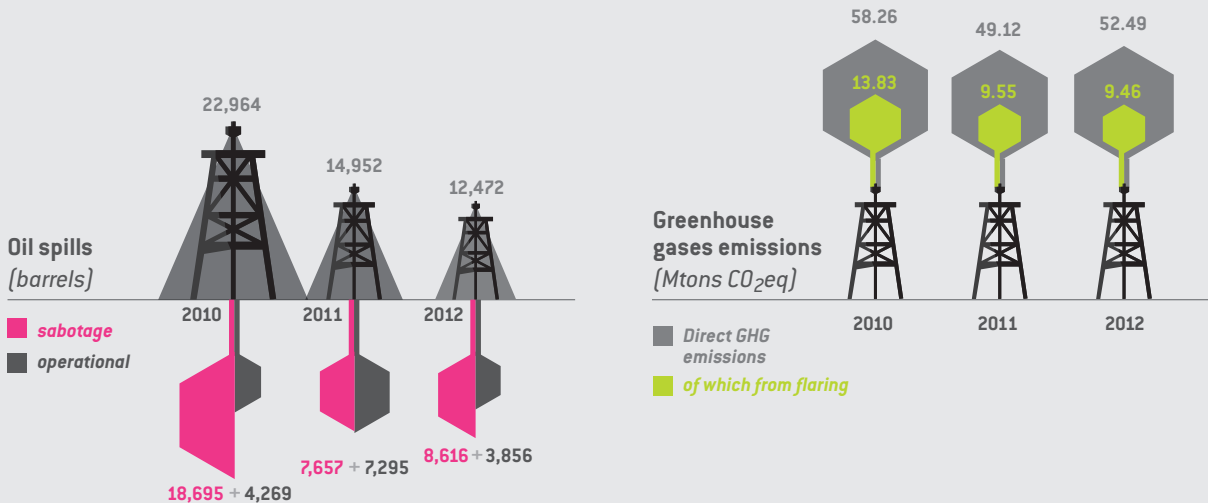
€ 211 Million
R&D expenditures



3,132,350
Hours of training



ENVIRONMENT



In 2010 and 2011 for the E&P sector only oil spills of more than one barrel are considered, from 2012 data also include oil spills of less than one barrel (equal to 3,684 barrels).

Due to the 2011 limited production in Libya, caused by the political situation of the Country, the comparison of GHG emissions between the years 2010 and 2012 is considered to be more representative.

eni and the international partnerships for sustainable development

Achieving Sustainable Energy for All is not only possible, but necessary. It is the golden thread that connects development, social inclusion and environmental protection. [...] An unprecedented level of effort is needed to make the world's energy systems more accessible, more efficient and cleaner. There are three interlinked and complementary goals which we must achieve by 2030: ensuring universal access to modern forms of energy, doubling the rate of energy efficiency and doubling the share of renewables in the global energy mix. Working together, we can provide solutions that drive economic growth, expand equity and reduce the risks of climate change.

Ban Ki-moon, Secretary General of the United Nations, on the Sustainable Energy for All Initiative, UN Sustainable Development Conference, Rio de Janeiro, 2012.

eni has always operated in the conviction that working together – with governments, local communities, international institutions and other stakeholders – is essential in order to find solutions for the complex problems faced by modern societies. 2012 was an important step on the way, because the company's participation in the business events at the United Nations Sustainable Development Conference in Rio de Janeiro allowed it to consolidate a commitment launched two years before, during another United Nations event: the one on access to energy.

While eni, in 2010, announced its intention to contribute to the building of a future based on sustainable energy during the Global Compact Leaders Summit in New York, in 2012 at the Rio de Janeiro Conference eni registered a series of public and formal commitments linked to precise targets.

The commitments recorded on the Conference site related to the strategy of reducing flaring, reducing emissions of greenhouse gases, transparency, supporting for investment in energy infrastructure in developing Countries and green chemistry: elements which give concreteness to the company's commitment to access to energy for all and which rely on cooperation with institutional stakeholders and Non-Governmental Organizations (NGOs).

During the period between these two steps on the path, in fact, eni built up a network of dialogue and relationships around sustainable development capable of supporting and extending its everyday achievements in these areas as part of its work. A helpful context for this work is provided by the United Nations Global Compact, which eni joined, as the first Italian company to do so, in 2001.



eni has been part of the Global Compact LEAD Programme, that includes only the leading companies in sustainable development, since

it was set up and sits on the Steering Committee. It supports the initiative "Caring for Climate" and takes part in the "Post-2015 Development Agenda", "LEAD Board Programme", "UN-Business Partnerships", "Creating Long-term Value for Companies and Investors", "Social Entrepreneurship Action Hub" and "Shaping the Future of Reporting" projects.



eni has above all been one of the promoters within the LEAD Programme of the collective action Sustainable Energy for All, which

then has contributed to channel the business contribution to the UN initiative of the same name.

Also at a domestic level, eni is part of the Global Compact Italian Network, participates in the working groups that this organizes. eni is one of the founding members of the newly Foundation for Global Compact Network Italia, together with the Eni Enrico Mattei Foundation, which will provide the new organization with its headquarters and operational base.

Between 2010 and 2012 a strategic partnership has taken root between eni and The Earth Institute of Columbia University, a research institute on sustainable development headed by Emeritus Professor Jeffrey David Sachs.

J.D. Sachs, in addition to being the Director of The Earth Institute, is also a long-time assistant to the General

Secretariat of the United Nations. The UN Secretary General Ban Ki-moon gave him a mandate to identify and share practical solutions to the sustainable development challenges and to contribute to the definition of the post 2015 development agenda through the cooperation between institutions, companies and NGOs, with the aim of identifying concrete responses to the global priorities of growth, equality and wellbeing.



This gave rise in 2012 to the UN Sustainable Development Solutions Network, an informal structure which the leaders of the companies most committed to sustainability at a global level were invited to participate in. The Chief Executive Officer of eni, Paolo Scaroni, was invited to take part in the Leadership Council to lead an initiative on access to energy in Sub-Saharan Africa.



The strategic partnership with The Earth Institute is aimed at strengthening the systems for planning, monitoring and evaluating eni's investments to assist local communities and encourage local development, including energy access projects. As part of the agreement, the two organizations are working together on a broad integrated development project in Congo, called "Hinda", in order to provide concrete and innovative solutions for off-grid energy access which are the subject matters of studies by the Research Department of Columbia University. The route outlined by eni to promote its own sustainable business objectives under the aegis of the United Nations is an example of a way of operating which is open to dialogue with stakeholders and based on the cooperation principle, which is reflected in all relevant issues management. Because encouraging access to opportunities and creating shared value requires everyone to work together.

ORGANIZATION/INITIATIVE	ACTIVITIES
 World Business Council for Sustainable Development	Participation in working groups, drafting of guidelines and pilot projects. Contribution to the preparation of "Business solutions to enable energy access for all" and of "Ecosystem services and biodiversity tools". Work with the WBCSD for the Business Day held at the UN Conference "Rio+20".
 IPIECA -The O&G association for environmental and social issues	Participation in working groups, two of which with chairmanship, and vicechairmanship of the Executive Committee.
 The Danish Institute for Human Rights	Work on the eni Human Rights Project as part of the IPIECA task force on human rights impact assessment.
 UN Working Group on Business and Human Rights	Participation in the Community of Practice for the integration of human rights into risk management systems. Participation in the first Annual Forum on Business and Human Rights.
 United Nations Environment Programme	Participation in the Proteus partnership on the accessibility and quality of information at a global level on protected areas and areas of biodiversity importance.
 Global Gas Flaring Reduction Partnership	Participation in the public-private partnership led by the World Bank.
 Global Environmental Management Initiative	Participation in the initiatives focused on sustainable management of water resources.
 Extractive Industries Transparency Initiative	Support for the initiative at an international level and promotion in Countries where the company operates.
 Global Reporting Initiative	Participation in the review of GHG and anti-corruption indicators.
 International Integrated Reporting Council	Participation in the Pilot Programme launched by the IIRC to test the integrated reporting principles and develop an international framework.

Human rights principles, guidelines and partnerships

eni's commitment is above all focused on preventing the risk of violation of human rights or complicity in abuses committed by others. In addition to this basic action, **eni** promotes people's access to fundamental human rights, in particular for those living in the communities within which it operates.

The International Human Rights Charter and the ILO Declaration on Fundamental Principles and Rights at Work are the cornerstones of the international human rights framework. The principles contained in these documents were broken down for enterprises first by the United Nations Global Compact and then, at the end of an extensive consultation and research process, with the adoption in 2011 of the Guiding Principles on Business and Human Rights. These are the reference documents used by **eni** for its activities.

In 2012 **eni** completed its self assessment on human rights protection, involving representatives from the associates and functional areas most directly concerned in a series of thematic workshops, with the support of the Danish Institute for Human Rights. The results of the self assessment formed the subject matter of the work carried out by the internal Working Group, which has responsibility for ensuring that the company operates in line with the Guiding Principles on Business and Human Rights.

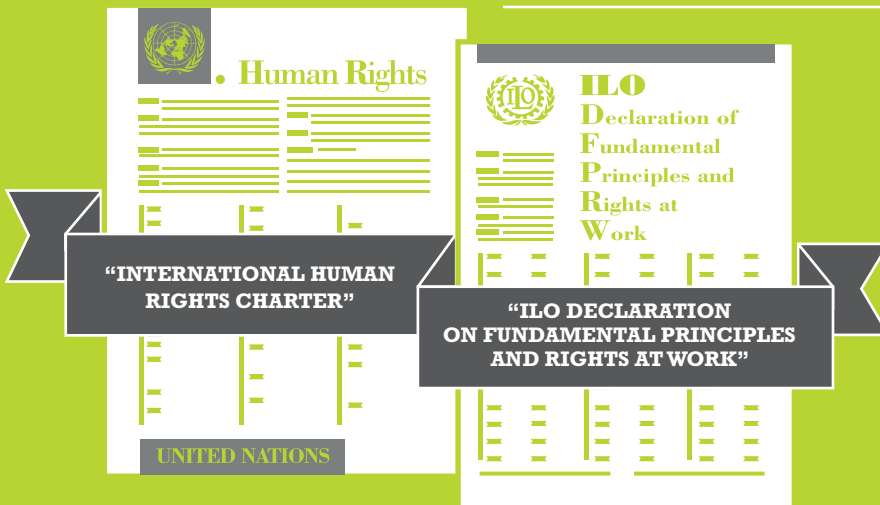
eni took part in a series of discussions and activities at an international level designed to achieve concrete application of the principles.

In particular, **eni** took part:

- in the consultation held by the European Commission for the drafting of a Guideline for businesses in the oil and gas sector on the implementation of the United Nations Guiding Principles on Business and Human Rights;
- in the Community of Practice promoted by the UN Working Group on Business and Human Rights for

the identification of implementation procedures for the due diligence requirements contained in the United Nations Guiding Principles, with particular reference to risk management systems;

- in the Business and Human Rights Conference held by the Danish presidency of European Commission (7-8 May) and the first Annual Forum on Human Rights and Business (3-4 December) organized by the United Nations Human Rights Council to discuss the implementation of the Guiding Principles and to promote their dissemination;
- in IPIECA Business and Human Rights Project, in particular on the preparation of two guidelines for management and control processes and for the integration of human rights into impact assessments respectively;
- in the consultations held by the Institute for Human Rights and Business aimed at defining guidelines for the protection of human rights when acquiring land.

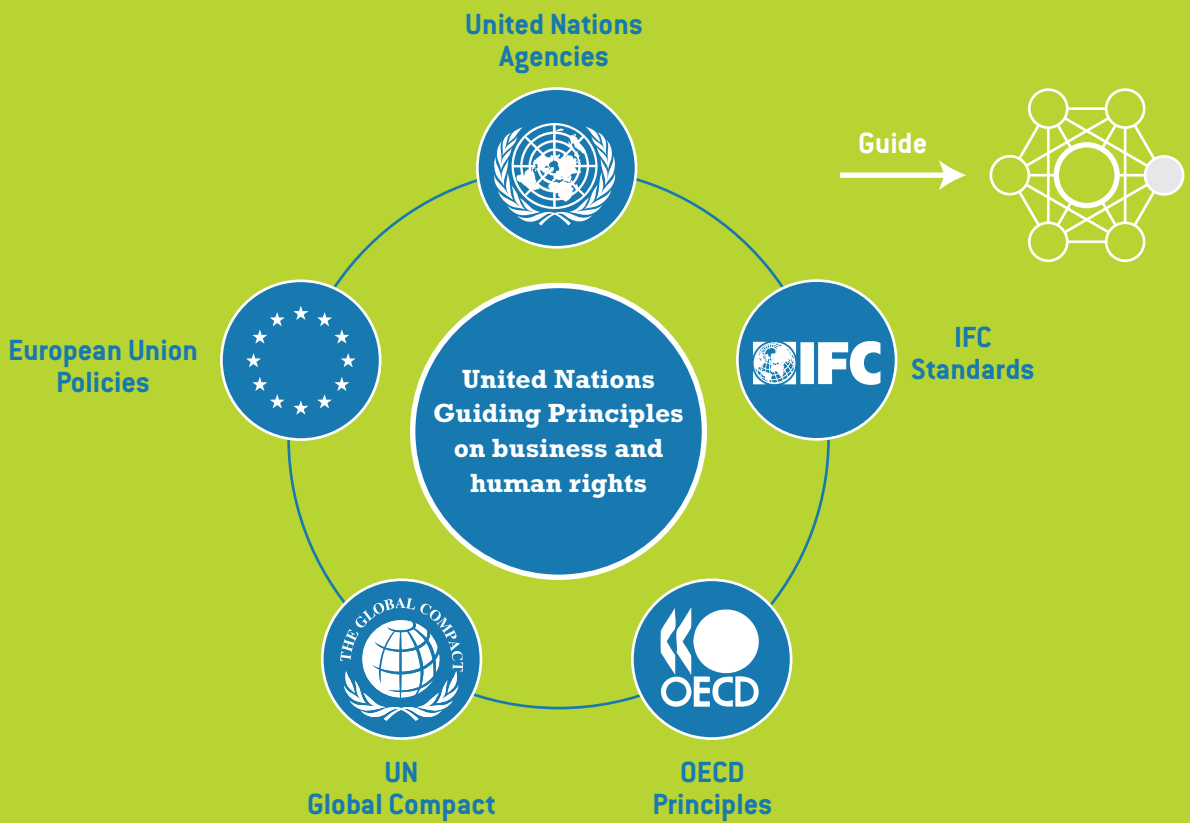


The International Human Rights Charter is composed of:

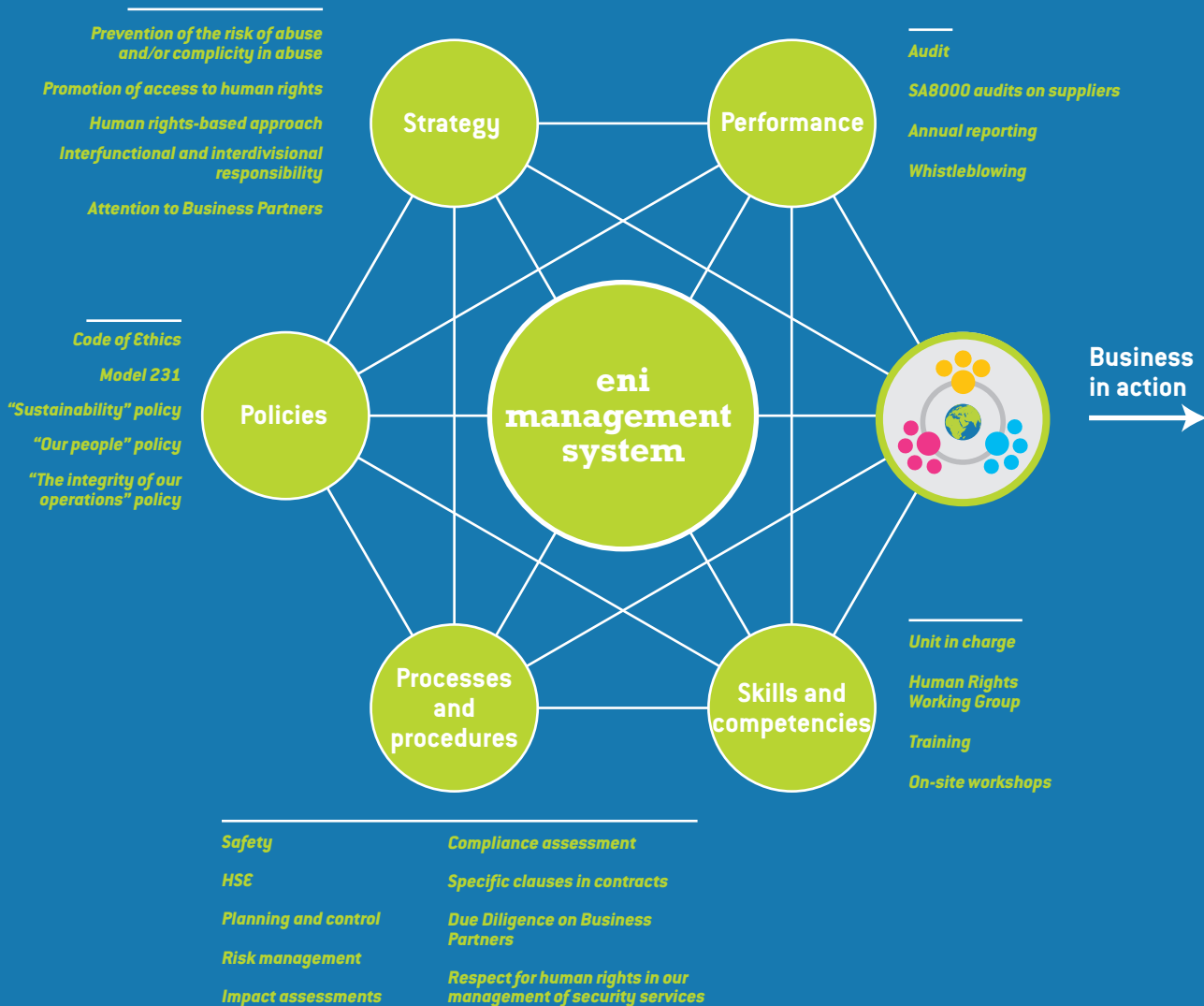
The Universal Declaration of Human Rights, adopted in 1948, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights (1966).

In addition there is the 1998 Declaration of the International Labour Organization.

These are the essential references for eni's action on human rights issues.



Protection and promotion of human rights



2012 results

Human Rights and Security Training delivered to Security Forces (public and private) in Congo, Angola and Pakistan covering a total of 1,088 persons.

SA8000 Audits in Australia/Timor Leste and Ecuador.

Participation in the consultation held by the European Commission for the preparation of Guidance for the Oil and Gas Sector.

Implementation of United Nations Guiding Principles on Business and Human Rights.

Participation in the IPIECA task force for the integration of human rights into impact assessments.

Participation in the Community of Practice of the UN Working Group on Business and Human Rights.

MAIN STAKEHOLDERS

- EMPLOYEES - ♠
- WOMEN - ♥
- SUPPLIER WORKERS - ♦
- CONSUMERS - ♪
- LOCAL PEOPLE - ●
- INDIGENOUS PEOPLES - ♣

Liberty

- ♦ Standard sharing
- ♦ Contractual clauses

Life

- ♠♥♦♪♣ Health and safety protection
- ♠♥♦♪♣ Safety culture

Security

- Security management system integrating the protection of human rights ♠♦●
- Training on Human Rights and Security to public and private security forces ♦●
- Prevention from accident risk ♦♠♣♣

Human Rights

BODILY INTEGRITY

Assembly association

- Collective agreements ♠
- Freedom of association with trade unions ♠
- International agreements at a European and global level ♠

Food

- ♥♣ Development of intergrated agricultural systems
- ♥♣ Training courses
- ♣ Cultures management support
- ♥♣ Cooperation support

Water

- ♣ Construction of water infrastructures
- ♣ Resource management support
- ♥♣ Health prevention

Health

- ♥♣ Epidemiological surveillance
- ♥♣ Courses for health operators
- ♠♥♣ Prevention programs
- ♣ Freshwater and energy supply

BASIC NEEDS

Education

- ♣ Upgrading school facilities
- ♣ Education in primary and secondary schools
- ♠♣ Professional training
- ♣ Promotion of education

CIVIL LIBERTIES

Non discrimination

- Respecting differences ♠♥●
- Enhancement of individual contributions ♠
- Work life balance ♠

Thought

- Opportunity to send also anonymous grievances ♠♥♦♪♣
- Measurement of people satisfaction ♠♪
- Transparency ♣♣
- Prior and informed consultation of local and indigenous peoples ♣♣

Progress

Provisions on the protection of human rights included in 65% of contracts with suppliers of security services.

Drafting of an eni procedure on the protection of human rights in the land acquisition.

Inclusion of human rights related elements in the due diligence of Business Partners.

Participation in the pilot project of IPIECA on the grievance mechanism.

Targets to 2016

Alignment of the internal processes to the United Nations Guiding Principles on business and human rights.

Finalization of the procedure related to land acquisition.

Implementation of training courses on human rights and security in two foreign Countries.

Extension of the SA8000 audit program.



eni and its sustainable business throughout the world

When we talk about oil, and oil in developing Countries and African Countries in particular, the first thing that we must remember is that it is their oil, not ours. And we, as an international company, have the right to exploit it on a contractual basis, but we are not the owners of the resources.

Only by remembering that we are not the owners of the resources we can have the flexibility and the capacity to renegotiate our contracts that can enable the Country at all times to extract from this wealth the maximum benefit for its population.

We have first class technologies and a very efficient organization staffed by well motivated people. We have the financial strength to invest billions and billions of euro each year in high risk Countries. The other distinctive point of our approach, inherited from Mattei, is the phenomenal development of local skills which has always accompanied our presence.

In each Country in which we operate, our priority is to address in an innovative way the social and economic development issues and the environment. We are sure, for example, that development cannot take place without supply of electricity. While the essential element for life is water, for the development of civil society it's energy.

Paolo Scaroni, eni's Chief Executive Officer, "The Planet's resources: division or sharing?", Rimini Meeting August 20, 2012.

For sustainable growth companies must be bearers of opportunities for the societies and Countries involved, in order to overcome the social and economic inequalities in the world.

For **eni**, 2012 was a year of strong growth in its international presence, thanks to several exploration successes, its entry into new Countries and management of activities where the company has a historical presence.

At the basis of these results is an approach based on a culture of operational excellence, but also the careful attention paid by **eni** to the specific nature of the Countries in which it operates.

Starting from an assessment of the potential of the Countries, **eni** promotes **partnerships with local communities** to guarantee access to various opportunities.

First of all **eni** works hard to offer local people opportunities for human and professional growth. This is an incentive for development in Countries where we only have a recent presence, such as in Mozambique, but also in situations where we have a historical presence, such as Pakistan. In each of these Countries, our target is to create **quality work**, with a particular focus on local talents and equal opportunities.



“Not only are politics, economy and societies worldwide changing, but also the environment itself, at a faster rate than has ever happened in the past history of mankind and each year we collect even greater evidence of this change. Above all, we need more energy because the demand for energy is growing throughout the world, to improve standards of living, to put an end to poverty, to cultivate and have more food, to address the problem of climate change, to resolve the water crisis. At the same time, we have to reinvent the way in which we use and produce energy because, as we well know, the most widely used technologies contribute to worsening the environmental crisis and this is an example of the great challenges which await us”.

Professor Jeffrey David Sachs, Director of The Earth Institute, Columbia University, “The Planet’s resources: division or sharing?”, Rimini Meeting, August 20, 2012.

Where necessary, we contribute to building the conditions for this development, in particular taking action to ensure access to health care and primary school education.

When looking at the different Countries, **eni** has a “double citizenship”: the one of the Country in which it works, for which it is a reliable partner, and the one “of the world” which allows it to make itself the bearer of a system of governance in line with the best international practices. This means establishing long-lasting relationships, based on trust, even in particularly difficult environments, such as Libya, in which thanks to a deep understanding of the needs of the Country it was possible to resume activities as quickly as possible in 2012.

An approach based on cooperation and listening also allows us to operate effectively in favour of **the safety of our own people and of the local community**.

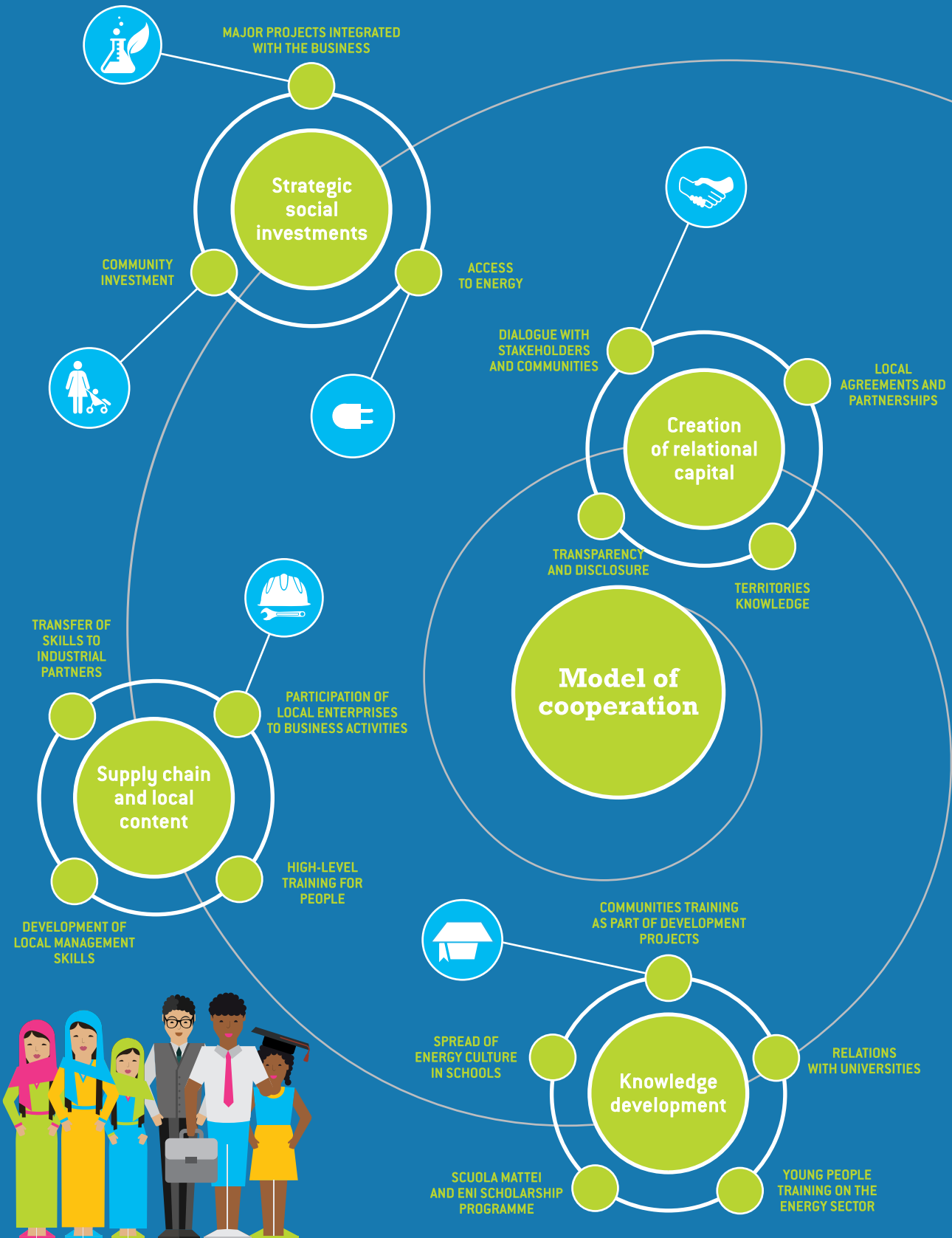
Nigeria is a good example of this approach: **eni** has always been at the Country’s side on a development path which has often been difficult and which continues to be so, although the intensification of incidents of sabotage which put people and environment at risk has made it necessary to interrupt operations in a specific area. Arctic exploration, with the Goliath project, and the opening up

of areas which are particularly sensitive from an environmental point of view, are the result of **eni**’s vocation for development and application of **new technologies** which are capable of adapting themselves to local environments.

As an integral part of its development model, **eni** is committed to proposing modern and functional energy sources. To do it, **eni** first of all fights against energy poverty, in particular in Sub-Saharan Africa, with support aimed at the development of technologies locally based, but also at reducing related waste where the infrastructure is already in place. This commitment on **access to energy** has been renewed by **eni** in 2012 during the United Nations Conference on Sustainable Development, Rio+20.

In Europe, and especially in Italy, contributing to energy access means industrial reconversion and the capacity to innovate in sectors currently in difficulty. Both the experience with green chemistry and bio-refining are examples of our ability to stand by the territory, maintaining employment and ensuring development in new and often more sustainable ways, also from an environmental point of view.

Contribution to local development





ENI FOUNDATION

Support to territories and philanthropy

DONATIONS TO TERRITORIES

SPONSORSHIP



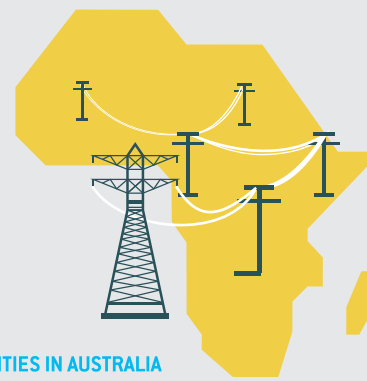
UN SYSTEM

International partnerships for development

NGOs

PRIVATE SECTOR ASSOCIATIONS

UNIVERSITIES AND RESEARCH



2012 projects



RESPECT FOR INDIGENOUS COMMUNITIES IN AUSTRALIA

Plans and tools for managing relations with the indigenous community in Wadeye, Australia, and protecting their rights.



YOUNG PEOPLE TRAINING IN MOZAMBIQUE

Collaboration with the Mondlane University in Maputo to create job opportunities for young local graduates, and to support the business.



LOCAL CONTENT IN BASILICATA

"Memorandum of understanding for the promotion of initiatives in the geo-minerals sector aimed at regional development, protection of health and safety and local employment" in Basilicata.



BHIT RURAL SUPPORT PROGRAMME

Programme to improve access to basic services for local communities in Pakistan, particularly for women.



ENERGY INFRASTRUCTURE IN CONGO

Continuation of the integrated project to improve access to energy in the Republic of Congo.



GREEN CHEMISTRY PROJECT

Project to develop in Porto Torres a large-scale industrial complex for the production of bio-monomers and biopolymers.



HEALTH SUPPORT

The Kento Mwana and Salissa Mwana projects in Congo to support the health of the local communities.



SUSTAINABLE ENERGY FOR ALL (SEFA)

Commitment on the topic of access to energy in SEFA and in the Sustainable Development Solutions Network (SDSN).

2012 results

Total spending on the territories amounted to over €90 million and includes community investments, donations, membership fees for associations, sponsorship and contributions to the Fondazione Eni Enrico Mattei.

Spending on community projects resulting from local agreements and conventions amounted to around 63 million euros, of which more than 94% was spent as part of exploration and production activities.

Positive trend, growing since 2010, in investments in the African continent: in 2012 about €28 million was spent, over €23 million of which was in Sub-Saharan Africa. More than 32 thousand suppliers worked for eni worldwide, of which 20% were in the African continent.

The share of procurement from local markets was higher than 50% in Countries such as Congo (50%), Gabon (62%), Egypt (70%), Saudi Arabia (71%), Pakistan (72%) and Tunisia (72%), with peaks of over 80% in various Countries including Nigeria, India and Indonesia (90%, 82% and 83% respectively of local procurement in 2012).

Targets to 2016

Continuation of the electrification projects in Congo and Nigeria.

New operating proposals to improve access to energy in Sub-Saharan Africa.

Continuation of commitments with SDSN and UN SEFA.

Start of a system for monitoring and evaluating social investments as part of the integrated Hinda project in Congo, in partnership with the Earth Institute, in line with the MDGs.

Implementation of the Strategic Social Investment Plan in Mozambique defined on the basis of identified local needs.

Improvement in access to health care in Countries where eni is present, particularly in Africa.

Governance, safety and Countries' development

Some Countries where eni has a historical presence have experienced political and social events in recent years which in some cases have led to a block on activities and in others to a slowdown, with consequences both for eni's people and local communities.

Support to these Countries even in difficult situations and adoption of a transparent approach with all the stakeholders have favoured solid and long-lasting relationships.

Also in the management of activities in complex environments, **eni** defines projects aimed at encouraging community development, implemented in synergy with local stakeholders, creating value in an inclusive manner and from a long-term viewpoint, in strict correlation with the investment plans of the company.

The cost for the implementation of these projects in 2012 amounted to €63 million, more than 94% of which was

spent in the area of exploration and production.

Overall there has been a positive trend in investments in the African continent where €28 million was spent in 2012, €23 million of which in the region of Sub-Saharan Africa. All the actions in favour of local communities are identified, defined and implemented by **eni** together with local people, with the aim of promoting and encouraging autonomous and sustainable growth paths for the territory.

COMMUNITY INVESTMENT PROJECTS IN 2012



Regarding the intervention area of the initiatives for the communities, in 2012 professional training and coaching activities grew significantly with spending of around €10 million, thanks also to interventions in Mozambique, Kazakhstan, Gabon and Egypt. €3.9 million was invested in community health, also thanks to the increase in commitments in Libya, Angola, Congo, Ecuador and Togo.

Alongside the local nature of the operations there is also the identity of a major international company which, as such, has clear rules on governance, a flexible system of controls and an approach to transparency based on respect for international guidelines.

This also acts as a guarantee for the host Country, another reason for being chosen, which comes before and not after technological or economic capacity. This also formed a basis for the recovery of activities in Libya, which saw eni ahead in time compared to other international companies.

 **Community investment projects in 2012 amounted to €63 million.**


COMMUNITY INVESTMENT PROJECTS IN 2012 BY COUNTRY	THOUSANDS OF EURO
Angola	2,276
Congo	2,606
Gabon	1,156
Ghana	635
Mozambique	2,032
Nigeria	13,317
Togo	856
Democratic Republic of Congo	369
Sub-Saharan Africa	23,247
Libya	1,972
Egypt	2,150
Iraq	828
Tunisia	111
North Africa and the Middle East	5,061
Australia	374
Indonesia	207
India	9
Kazakhstan	16,886
Pakistan	1,203
Timor Leste	31
Turkmenistan	381
Asia, the Far East and the Pacific	19,091
Ukraine	35
Poland	52
Norway	236
Italy	9,430
France	18
Belgium	3
Europe	9,774
Peru	106
Ecuador	3,970
United States	832
Venezuela	686
America	5,594

Operations management in Nigeria

Nigeria is a Country where eni has been present for a long time but it's also a complex Country from a social and political viewpoint.

In Nigeria eni is taking forward an extraordinary commitment determined by a local situation which does not have any equivalent in other parts of the world. Nigeria is a resource-rich Country but it's also marked by profound contradictions.

The level of poverty, ethnic fragmentation, absence of adequate infrastructure and internal conflicts result in a complex situation which requires extraordinary measures. eni was the first company to create a joint venture with the national oil and gas company and has worked, in more than 50 years of local presence, to pursue every opportunity, committing itself to a reduction in gas flaring. As examples there are the reinjection of gas at Akri-Oguta in 1977, at Ob-Ob in 1985 and at Kwale in 1987. There are also the gas export projects at Bonny, Okpai and Omoku.

 **Thanks to investments in power stations, gas pipelines and GNL terminals, eni can today boast a level of utilization of associated gas of more than 90%.**

In 2012 a new flaring down project was completed at Idu. Many other projects were completed in the last decade, among them the most important was the construction of the Kwale Okpai power station in 2005 and the "Eloch gas recovery" project which led to the reduction of flaring at the station in 2010. The power station at Okpai has an installed capacity of 480 MW, if we consider the total annual average consumption for the population with access to energy the power plant could cover the needs of about 10 million users.

At a local level, eni has applied a model of local relations and investment on partnerships with the local communities in the area of the Niger Delta, as demonstrated by the large number of Memorandum of

The Green River Project fosters sustainable agricultural and food production system.

Understanding signed over the years. Thanks to this working method, results have been achieved across a wide spectrum of areas of intervention: growth of the agricultural sector, creation of opportunities for young people through training, better access to health services, drinking water and energy, accompanied by capacity building and social support.

The basis for these results are the shared interests between local communities and the company, based on an integrated and long-term approach. An important example of this approach is the Green River Project, a rural development programme which promotes the development of the agricultural sector of the Country

and is aimed at the communities in the states of Rivers, Bayelsa, Imo and Delta, with a total of 500,000 persons distributed across an area of 4,000 km².

The Green River Project is aimed at the creation of a sustainable agricultural and food production system to promote the social and economic wellbeing of the rural populations of the Niger Delta. The activities include:

- the introduction of new management practices into local farming, with the distribution of seeds designed to maximize production based on the advice of local research institutes working on the project;
- a training programme to transfer skills on innovative systems of cultivation (Skill Acquisition Scheme);
- the creation of agricultural cooperatives to ensure that the techniques and systems of cultivation learnt are put into practice;
- facilitation of access to micro credit;
- involving women in the transfer and spread of knowledge in the field of nutrition, health and hygiene.

In the four year period 2009-2012, thanks to the Green River Project, 1,751 persons were able to benefit from the micro-credit programme. As part of the Skill Acquisition Scheme, 2,200 young people learnt the basic notions for the

FOCUS

Nigeria

Despite the rapid economic growth, in which the oil and gas sector contributes to 30% of the national GDP, Nigeria is still facing political and social challenges.

The growth in the Human Development Index shows significant progress in the Country, increasing from 0.453 to 0.471 in five years. However the internal rates of instability, which have contributed to a decrease of the Global Peace Index for Nigeria (2.801 in 2012), cannot pass unobserved. According to the official website of the Nigerian government, the economy of the Country is not yet sufficiently diversified: the agricultural sector is often based on subsistence agriculture, which is unable to meet the needs of a rapidly growing population. It is therefore important that the huge economic resources arising from the farming of natural resources contribute to more comprehensive development of the Country, within a framework increasingly free from economic and social inequalities.



160

MILLION PERSONS

2,221

PER CAPITA GDP (PPP US \$, 2005)

0.471

HUMAN DEVELOPMENT INDEX

COMPARED TO

0.694

WORLD HUMAN DEVELOPMENT INDEX

52.3 years

LIFE EXPECTANCY AT BIRTH

pursuit of professional activities needed by the community. Together with the training activities, "business start-up packages" were provided to help the young entrepreneurs to create and stabilize their own businesses.

Through the Green River Project, **eni** has built up solid relationships with local stakeholders, above all with more than 350 communities which live in the area, but also with the Institutions (at a federal and local level), the national and international research institutes, the universities, development organizations and NGOs. The Green River Project operates at a national level within the development framework defined by the National Economic Empowerment Development Strategy, the Small and Medium Enterprise Development Association of Nigeria and the National Empowerment Programmes, as well as the framework defined by the Millennium Objectives of the United Nations. **eni** is also working to improve access to energy in Nigeria, where 49% of the population does not currently have access to a public energy supply.

YOU MAY ALSO BE INTERESTED IN:

Access to energy and new industrial development (page 31)

eni has also started an important programme to improve community health and reduce the rates of maternal and infant mortality in a district of the Niger Delta - Southern Ijaw. In 2012 a feasibility study was carried out on access to prevention and treatment services for pregnancy and birth, which will be started in 2013. The activities relate to the different stages: gestation, birth, and the first months of neonatal care. The programme also includes the building of units to manage emergencies, including an obstetric and neonatal emergency unit.

YOU MAY ALSO BE INTERESTED IN:

The guarantee of safety and wellbeing (page 48)

Despite the intense efforts to contribute to development made by **eni** over the years, there are difficult conditions which also have repercussions for **eni**'s activities in the Country.

154

THOUSANDS OF BOE/DAY
ENI PRODUCTION IN NIGERIA

9.2%

ENI PRODUCTION IN
NIGERIA/ENI TOTAL

4,862

EMPLOYEES IN NIGERIA

4,268

LOCAL EMPLOYEES

Local conditions and political and social instability have resulted in an increase in the theft of oil (bunkering) which has reached significant dimensions in recent years: the Nigerian government believes that millions of barrels of oil a month are illegally extracted, with a loss of billions of dollars per year and serious damage to the environment and to people.

Despite the fact that **eni** has spent more than 200 million dollars in the last 5 years to guarantee the integrity of the assets, resorting also to alternative measures to make up for the resulting situation, the persistence of risks for people's safety and the environment has led to the decision to stop, in the first months of 2013, all onshore activities in the so-called Swamp Area, situated in the state of Bayelsa in Nigeria, where almost all the acts of sabotage take place. As recently stated also by other oil and gas companies working in the area, **eni** considers that the private sector cannot deal with this situation on its own and that first of all action is needed by the Nigerian government to take charge of this problem, but also by the local population and the international community to stop oil illegal trade which damages everybody. In the next few years **eni** will continue to invest in safety, adopting mechanical barriers, double sealed oil pipes, replacing about 15 km of damaged pipeline and building a new pipeline (Ogbainbiri - Obama) for an estimated cost of about 270 million dollars, but all this will not be enough without successful cooperation from other local and international players.

YOU MAY ALSO BE INTERESTED IN:

Commitment to transparency and integrity (page 44)

Good management and Country support in Libya

eni was the first company to remove the state of force majeure in Libya last December and to resume exploration activity in February 2012.

In December 2012 **eni** started a programme of onshore drilling which marks a further step forward for the

resumption of **eni**'s work in the country. New activities are also expected for 2013.

eni's approach to the complex socio-political events which affected the Libyan community in 2011 is based on a model of dialogue with the authorities of the Country which

provides for intervention and actions to benefit the Country. Closeness to local communities has been one of the keys to **eni's** success.

Even at times of uncertainty, **eni** has guaranteed continuity of the commitments undertaken in response to local populations' needs. An example is given by the plan for intervention in the health sector: **eni** has continued its work on the construction of hospital infrastructures and to guarantee relevant services to increase access to health care and improve the quality of life of the population.

Through the construction of an emergency clinic at Jalo, close to the site of **eni's** activities and those of the Mellitah Oil & Gas Company, **eni** is facilitating access both to health services for the local community and emergency treatment for people working for **eni** and the partner company. The clinic will be a point of reference for 25,000 inhabitants and will become part of the National Health Service as a representative of best practice for the structures already present and being newly built in the Country.

Training activities have been carried out to make the most of and strengthen the skills of medical staff and to guarantee an improved and safe health service. The total investment to date is more than 11 million dollars. The project is at the end, infrastructures are complete and the health supplies have been organized. To assist with the

258

THOUSANDS OF BOE/DAY
ENI PRODUCTION IN LIBYA

15.5%

ENI PRODUCTION
IN LIBYA/ENI TOTAL

309

EMPLOYEES IN LIBYA

235

LOCAL EMPLOYEES

handover of the unit management to local institutions, a plan to obtain people is underway in cooperation with the local Ministry of Health.

A pilot project for the management of hospital waste was completed in the town of Zawjia in September 2012, as a possible reference model for other cities.

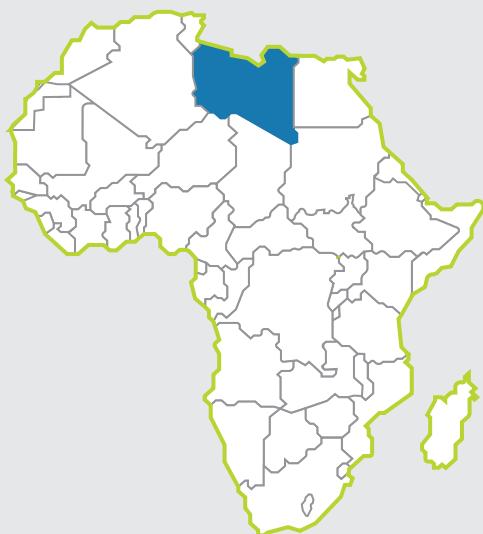
Other projects have been undertaken in the cultural sector and have included the completion of a series of interventions at the archaeological area of Leptis Magna. These include the construction of a new museum pavilion, the restoration of a Roman mosaic, the restoration of the pre-existing museum and the production of scientific publications in the field of archaeology.

FOCUS

Libya

After the Declaration of Liberation of October 23, 2012, which sanctioned the end of a political regime which had lasted forty-two years and following a difficult transition, Libya continues to be one of the most complex Countries on the African Continent.

The major challenges that this Country faces relate to the security of the local population and those working in the Country, as well as the transition underway in politics and public administration. The high Global Peace Index shows a still marked level of social hardship, which requires a response from political representatives, local authorities and companies which are the key players in Libya's economic growth. This requires not only competence and professionalism, but above all sticking to transparency policies and governance structures, and commitment to the ongoing creation of value for the Country.



6.12

MILLION PERSONS

15,361

PER CAPITA GDP
(PPP US \$, 2005)

0.769

HUMAN DEVELOPMENT
INDEX

COMPARED TO

0.652

HUMAN DEVELOPMENT
INDEX FOR NORTH
AFRICAN COUNTRIES

75 years

LIFE EXPECTANCY
AT BIRTH

The growth of local people

Among the reasons for eni's success in 2012 and the basis for its ability to be "chosen" by the Countries in which it operates is the desire to create growth opportunities for local people. eni promotes a model of cooperation which uses the high human potential of the areas in which it works to stimulate independent and ongoing growth in the Country.

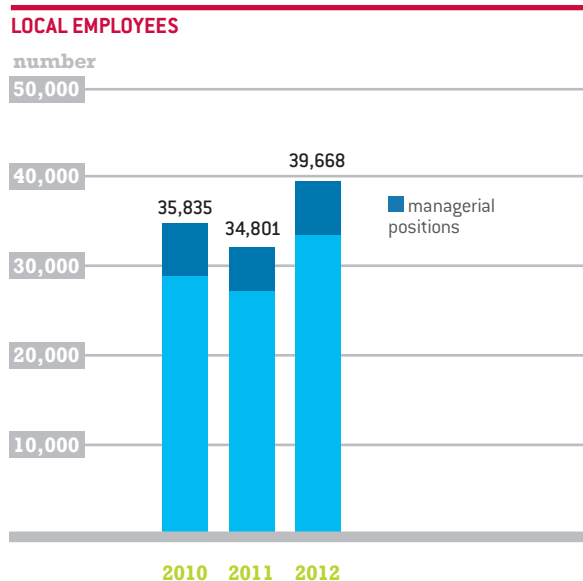
Investing in strategic skills for the business

For eni supporting local development also means promoting the professional growth of the people in the Countries in which it operates. The strategy adopted is that of local people training so that they can gradually undertake more important roles within the company or go on in time to gradually form part of the Country leadership.

Through the Scuola Mattei (Mattei School), part of Eni Corporate University, eni offers training programmes which are characterized by their international and interdisciplinary nature and their orientation towards the topics of energy and the environment. The numerous students that have attended the School and, in particular, the MEDEA Master in "Management and Economics of Energy and the Environment" have, in many cases, gone on to high level careers in their own Countries, becoming well known managers, academics and professionals. High level training also translates into a competitive advantage for eni.

The oil and gas sector requires specific skills, such as geology, to enable the formulation of long-term strategies in the study of new oil and gas reservoirs. It is in eni's strategic interest to internally develop these skills, through "insourcing". Equally important from a strategic viewpoint are project management skills, which enable better control to be maintained over reservoirs and which are developed through a continuous dialogue with local management.

 In 2012 the local employees working in Countries where eni had an operating presence reached 50% of eni's people.



Thanks to the strategies aimed at the local staff growth in managerial positions, the 10% of these are in responsibility positions. The local people development in their home Countries is a key to success in terms of integrating the company within the Countries cultural and social reality and achieving a fruitful exchange of professional and cultural values. In 2012, in the E&P Division, in all the foreign associates an extensive evaluation of local and international professional resources involved 1,836 persons including new graduates and senior staff/managers.

This was followed by focused development programmes. In addition to the direct involvement of local people in its activities, **eni** has also encouraged the satellite activities growth in the Countries in which it operates by purchasing local goods and services. In 2012, 32 thousand suppliers worked with **eni** throughout the world, more than 20% of which were in the African continent. The share of procurement from local markets was higher than 50% in Countries such as Congo (50%), Gabon (62%), Egypt (70%), Saudi Arabia (71%), Pakistan (72%) and Tunisia (72%), with peaks of over 80% in various Countries including Nigeria, India and Indonesia (90%, 82% and 83% respectively of local procurement in 2012).

177 **63**

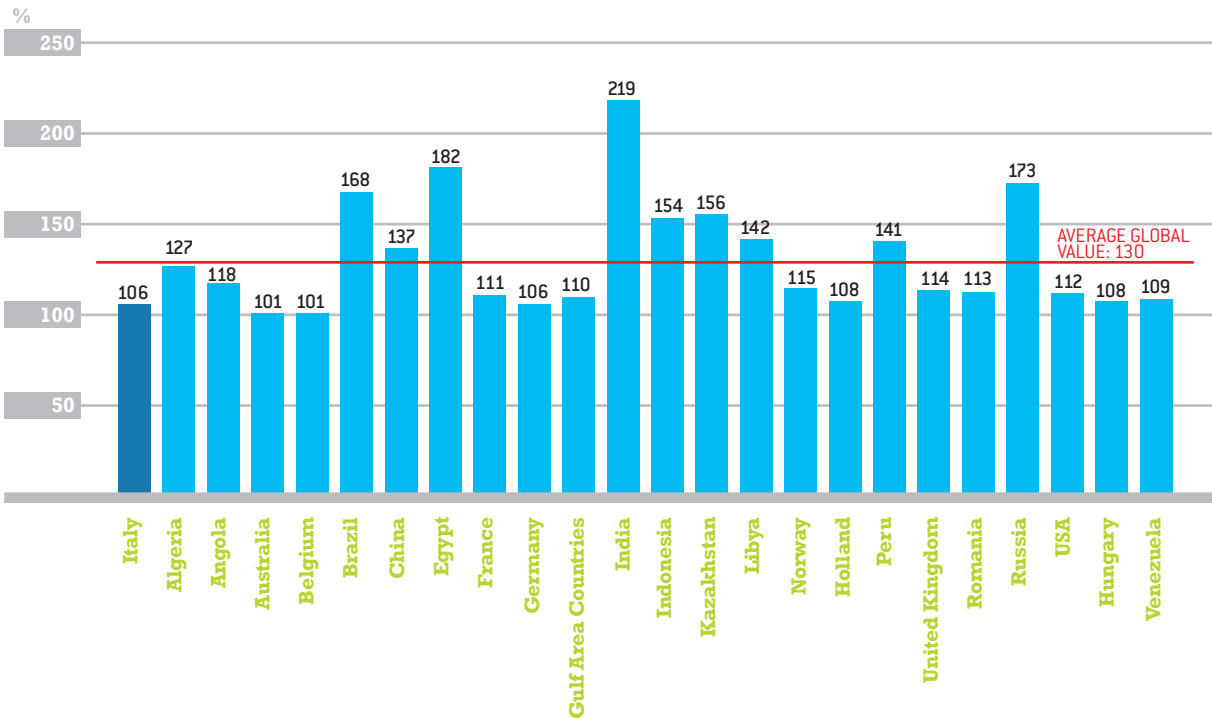
OWNERS OF KEY KNOWLEDGE

COMMUNITIES OF PRACTICE

4,732

PARTICIPANTS IN COMMUNITIES OF PRACTICE

RATIO BETWEEN THE ENI MINIMUM SALARY AND THE MARKET MINIMUM SALARY



The development of local people in Mozambique

In Mozambique **eni** gives life to the most concrete expression of the principle which forms the basis for one of its worldwide competitive advantages: investing in skills from the perspective of increased growth not only for the company but also for the Country. **eni** works on a daily basis on the development of technical and professional skills and capabilities which serve not only to “do things properly” but also to motivate people and get them to participate, to make them grow and to be influential in their work.

The successes of 2012

2012 proved to be a year of great exploration success in Mozambique, where **eni** has been operating since 2006. Over the years **eni** has reached a record of 3.64 billion barrels of resources discovered, equivalent to six times the production for the financial year. The estimated exploration potential in Mozambique is at least 2,115 billion cubic metres of gas, a gas reservoir which alone could satisfy

European consumption for almost four years. **eni** can boast consolidated experience in the market for LNG which goes back to the 70s, and now, thanks to the significant discoveries made in this rich energy basin, represents one of the main players on the international market. In 2012 an agreement was also signed with Anadarko Petroleum Corporation which provides for a coordinated development programme of offshore activities common to Area 4, operated by **eni**, and Area 1, operated by Anadarko,

which includes the joint design and construction of onshore plant for LNG production in the north of the Country.

f The estimated exploration potential in Mozambique could satisfy European gas consumption for the next 4 years.

FOCUS

Mozambique

In 1990 the peace talks opened in Rome put an end to the civil war which carried on through the 80s, with a terrible human and economic cost.

Today the Country, although still in difficulty, is one of the "lions" of the African economy, with a growth rate better than the already high growth rate of the continent, thanks to the use of the natural resources available in the nation.

Mozambique is still a Country in difficulty from a social and economic point of view: its Human Development Index at 0.327 in 2012 places it below the Sub-Saharan Africa average and puts it in 185th place at a global level. Nevertheless, the Global Peace Index sees Mozambique in forty-eight place, only ten places behind Italy. Social and political stability and the openness of the economic system to the market have created a favourable environment, above all for foreign investments, which are concentrated on mineral resources, oil and gas exploration, agriculture and transport.



24.5

MILLION PERSONS

OF WHICH

50%

IS BELOW THE AGE OF 18

60%

LIVES ON LESS THAN 1 DOLLAR A DAY

56%

LITERACY RATE

1 year

OF SCHOOLING PER CAPITA ON AVERAGE OVER 25 YEAR OLD

Source: UNDP Human Development Indicators.

Access to skills and quality work

In this context, to guarantee the development of managerial figures and local experts, a significant recruitment and training programme has been started – in various disciplines relevant to the oil&gas industry (Petroleum Sector Training Program) to Mozambique new graduates. Forty-five people

were trained in 2012, and in November of the same year a second selection campaign was started. The training project will take in a total of 200 new graduates from the main universities in Mozambique (Maputo, Pemba and Nampula). The initiative will continue until 2016.

Access to opportunities in Pakistan: a focus on gender

Eni's activities in the Country

eni has a historical presence in Pakistan, where it's the first international operator and it has recently discovered significant gas resources in the Bhadra area. Considering the difficulties the area is facing as regards energy supply, eni has agreed with the Pakistani regulatory body and its joint venture to accelerate discovery through a long-term production test. The process aims to foster gas sale and marketing and thus reduce the energy shortage in the Country.

Alongside these results regarding the business, it is necessary to contribute to the solution of some of the major problems which afflict the Country.

In this area of activity eni has always contributed to community development, particularly in terms of education, health and welfare and infrastructure. All these actions have been taken in strict cooperation with the local authorities as part of the agreements reached.

FOCUS

Pakistan

Despite constant growth in recent years, Pakistan is still a Country which presents critical issues in terms of social and economic development, with disparity between its various regions and marked inequality among the population.

According to the Global Gender Gap Report 2012, Pakistan, with a rate of inequality of 0.56, is one of the Countries with the highest gender discrimination at an international level. Greater access to opportunities for women, ranging from health and education, could empower Pakistan and foster its opportunity to achieve the country sustainable development agenda.



180

MILLION PERSONS

65 years

LIFE EXPECTANCY AT BIRTH

9%

THE DIFFERENCE BETWEEN MALE AND FEMALE OUT OF SCHOOL STUDENTS (GENDERINDEX.ORG)

87 in 1,000

INFANT MORTALITY RATE (BASED ON TOTAL LIVE AT BIRTH)

26%

OF WOMEN CAN READ

Source: UNDP Human Development Indicators.

Gender equality and sustainable development

Gender equality is recognized as one of the factors capable of reducing poverty and guaranteeing genuinely inclusive development.

Pakistan is facing major challenges to achieve the Millennium Development Goals (MDGs): the rate of maternal mortality has reduced in these years from 400 per 100,000 in 2004-05 to 276 per 100,000 in 2006-07 but the target identified as part of the MDGs is still far off.

Efforts, from a gender development viewpoint, must start from the creation of certain basic conditions, that is access for the population to services and infrastructures that cater for the right to health and primary education, in particular for women and children. **eni** has started the Bhit Rural Sustainability Programme (BRSP) in the area of Kirthar – Sindh province – to manage activities to support local development in the areas in which operating activities are concentrated, aimed at reducing the percentage of the population under the poverty threshold and contributing to the achievement of MDGs through targeted actions in the community health sector, education, and access to good quality water.

The province in which **eni** operates is one of the poorest in the Country, with a high rate of maternal and infant mortality.

Based on the scenario and the results of analyses carried out, health has been identified as the most urgent sector in which to intervene.

eni Pakistan with the BRSP has invested in health sector through the construction of the Mother&Child Health Centre (MCHC) and the Community Health Centres (CHCS) with the aim of ensuring better care for women and children in the local communities and reducing the rate of infant and maternal mortality. The centers serve more than 20,000 inhabitants and represent the only points of reference points in terms of health for the women of about 149 villages adjacent to Bhit and Badhra. When **eni**'s activities in Pakistan started in the area of the gas reservoirs at Bhit and Badhra, the health services available were supplied exclusively by the Rural Health Centre of Jhangara, equipped only with basic equipment and very difficult to reach for the local population. In a situation characterized by serious infant malnutrition, precarious conditions of health and a lack of health structures with high rates of infant and maternal mortality, it was necessary to intervene with a specific focus on services dedicated to pre and post natal assistance. Both the MCHC and the CHC are multifunctional units equipped with qualified doctors and paramedics as well as essential medicines. In addition, in both units, great importance is given to health education as an integral part of services offered.

As of today, community health interventions in the Bhit and Badhra area have contributed to a reduction in the rate of infant mortality to 90 per 1,000, a significant data if compared to that recorded at a provincial level: according

57

THOUSANDS OF BOE/DAY
ENI PRODUCTION
IN PAKISTAN

3.4%

ENI PRODUCTION
IN PAKISTAN/ENI TOTAL

443

EMPLOYEES
IN PAKISTAN

417

LOCAL EMPLOYEES

to the latest estimates available, this is 101 per 1,000 children, the highest rate in the whole Country.

In the Sindh province the recorded rate of access to education is 25.73%. In addition, the school buildings in the area are in a poor state due to serious damages caused by frequent floods.

At the beginning of the project, more than half the villages in the area were totally without a school. The approach adopted by **eni** is based on a short to medium term objective of reaching 60% of the target age range of 5-12 years by setting up schools in the eight main villages in the area. The target for 2012 has been achieved. The results for 2012, compared to 2011, show a reduction in the rate of out of school students of 25% and an improvement in the rate of school enrolment of 8% for girls and 10% for boys.

Since 2013 **eni** has been going through the process of redefining activities aimed at supporting the target of increasing access to basic education towards improving the quality of education provided.

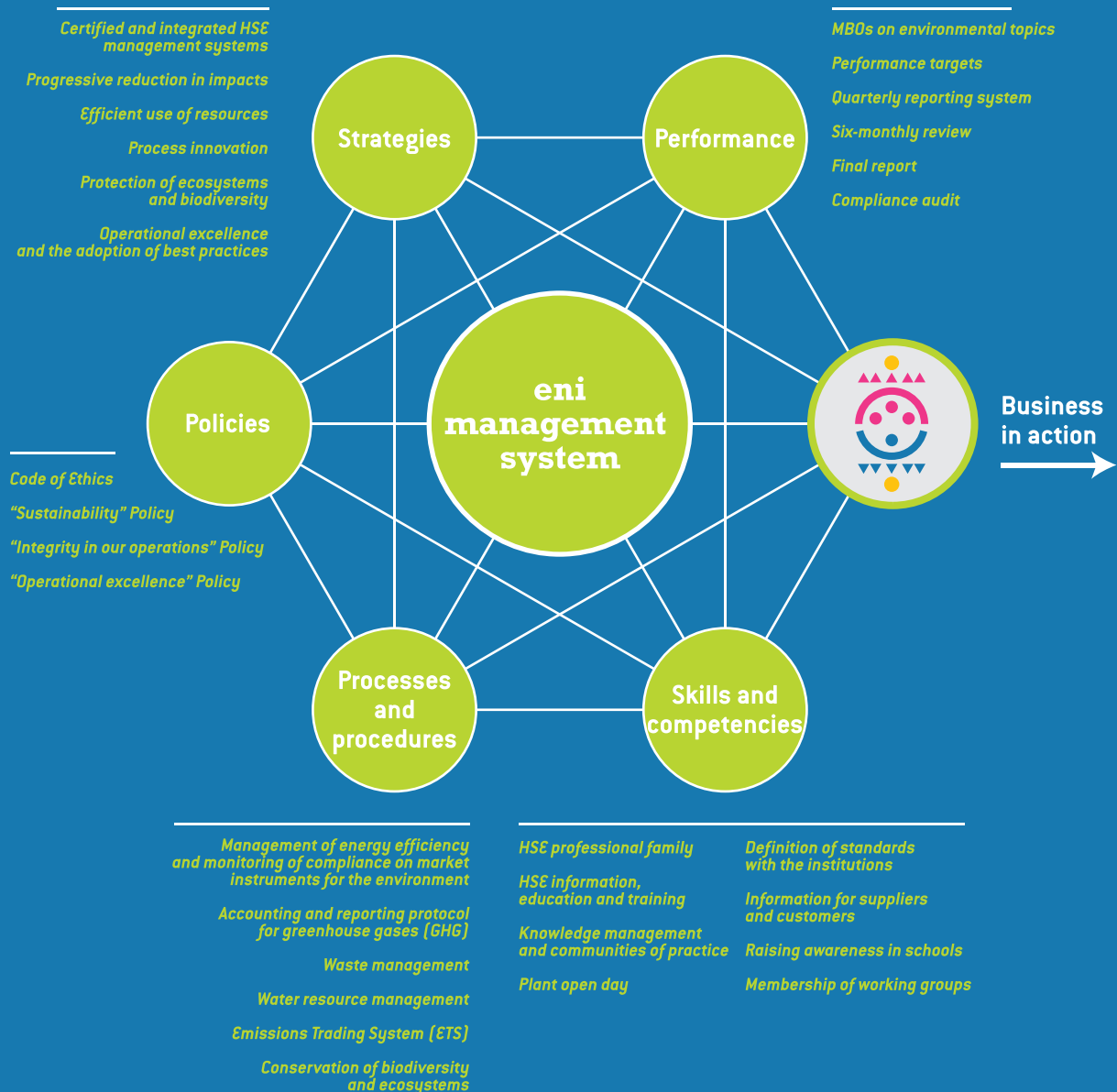
Great attention has been paid to female participation in the decision making processes for the project. In particular School Management Committees (SMC) have been set up, an instrument for improving the efficiency and effectiveness of education, which compares the results of students and teachers.

Access to water has been improved thanks to the building of various infrastructures which have reduced the scarcity of drinking water. Before **eni**'s intervention the shortest distance to reach the water supply was about 40 km. Today, thanks to the construction of 181 wells (compared to the 18 wells available at the beginning of the project), the local population, and in particular women, have not only had access to an essential good for health and personal hygiene, but have also benefited from a significant time saving to increase the quality of their life.

YOU MAY ALSO BE INTERESTED IN:

Access to energy and new industrial development (page 31)
People-based development (page 56)

Management and protection of the environment



2012 results

10% reduction in the CO₂eq emissions from flaring per produced toe compared to 2011 [-28% compared to 2010] and reduction in the carbon intensity index for refining sector and electricity generation.

Number of blow-outs per drilled wells equal to zero for the last 8 years.

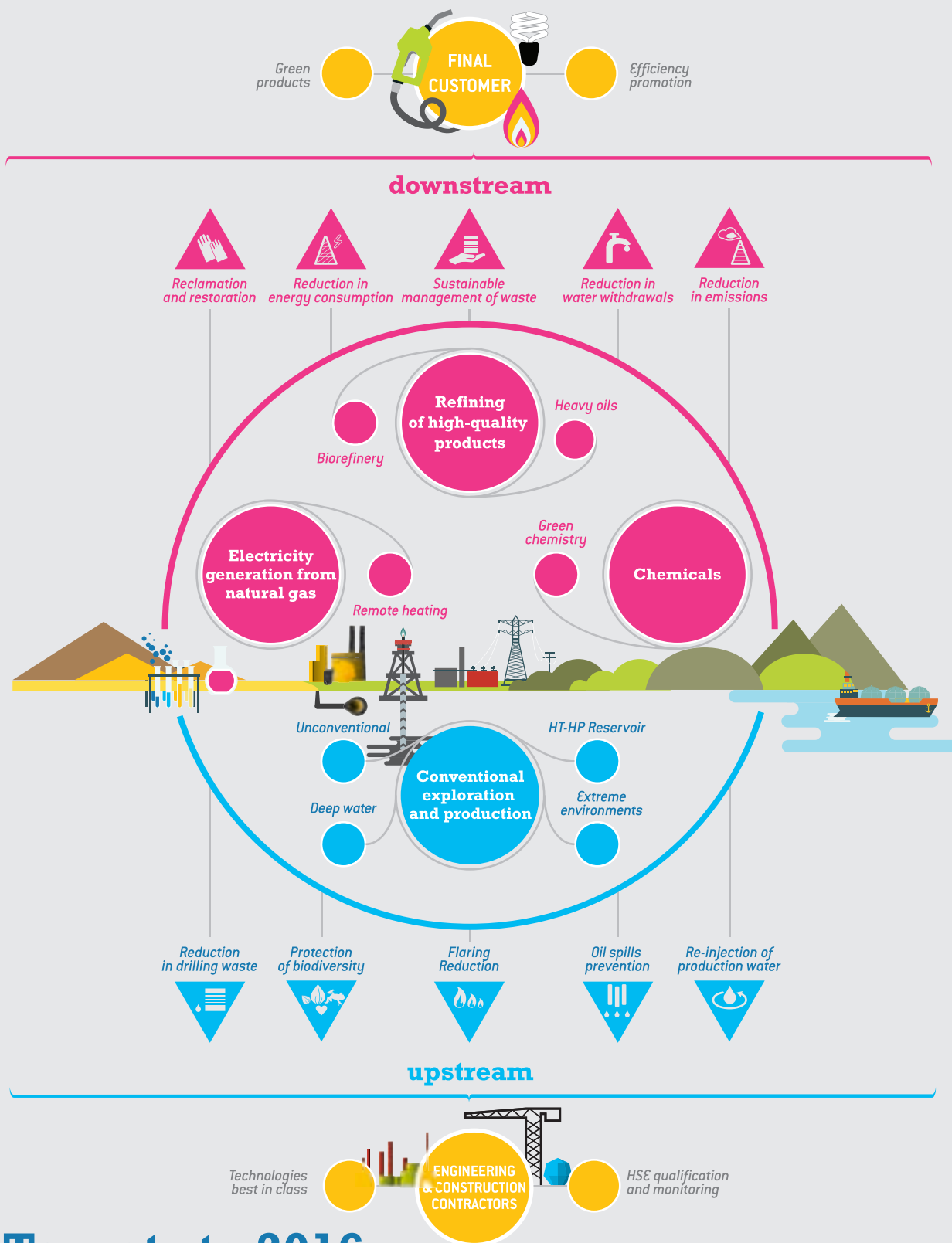
4% reduction in the volume of oil spills from operational activities per million boe compared to 2011 [-15% compared to 2010].

270 thousand toe/year of energy saving over the five year period 2008-12 [-780 ktCO₂/year] for downstream activities.

26.4% reduction in SO_x emissions compared to 2011 in refining.

New "Matrîca" research center in operation at Porto Torres since February 2013.

Achieved 49% re-injection into reservoir of produced water.



Targets to 2016

30% reduction in the GHG emissions per operated hydrocarbon gross production in 2016 compared to 2010 and zero gas flaring target for 2017.

Up to 65% increase in the re-injection of formation water in the E&P sector and 22 million m³ reduction in fresh water consumption in the downstream activities.

Reduction in operational oil spills from 3.3 to 2.4 boe per gross operated Mboe produced in the next four years.

Continuation of Energy saving projects with further emissions reductions by over 500 kton CO₂/year by 2016 for the downstream sector. Implementation of the Biorefinery in Venice by 2015.

Technology for resources and the environment

eni is reinforcing its presence at a global level and is reaching even the more sensitive areas from an environmental viewpoint thanks to the use of advanced technology and innovative methods which enable the development of activities even in difficult situations, guaranteeing environment conservation and protecting ecosystems.

Investing in research and development

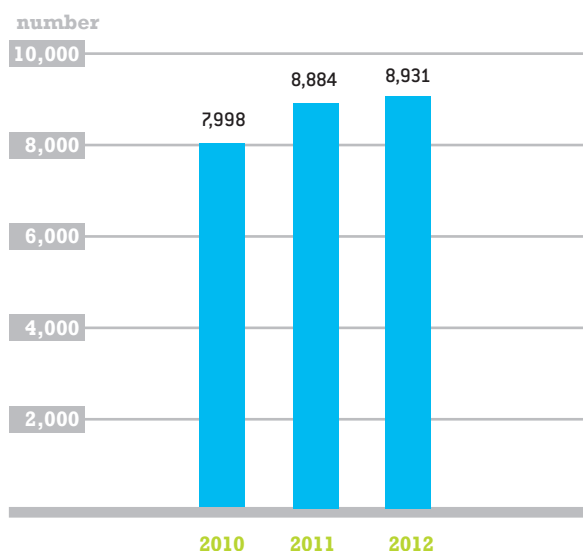
Developing technology for hydrocarbons exploration and production in extreme environments and difficult situations means not only increasing the availability of resources to satisfy energy demand, but also stimulating the oil and gas industry to expand the portfolio of options and available technologies.

eni's strategic objective is to achieve operating excellence in new reservoirs with these characteristics – deep water, arctic zones, complex geological structures and sensitive areas – focusing on the maximum level of sustainability of the operations. Minimizing eni's environmental footprint is an essential condition for access to highly vulnerable areas.

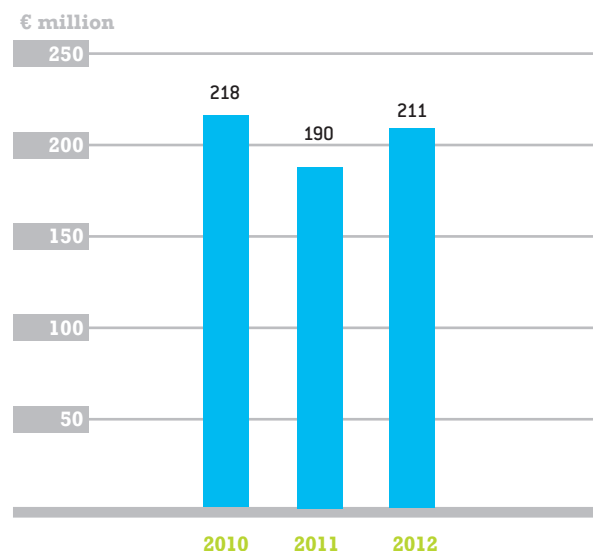
This means operating with greater accuracy in seismic techniques, drilling less exploration wells, ensuring greater drilling efficiency and reducing the time and space required.

eni is developing a structured programme of research and development initiatives to reduce the environmental impact and increase the sustainability of its activities, also in advance of operational needs, for example in scenarios typical of frontier environments such as the Arctic and ultra deep water. The issues addressed also include monitoring of the integrity of pipelines and infrastructure, including those under the sea.

PATENTS



R&D EXPENDITURES



Our commitment to the development of scientific and technological research which enables us to identify solutions focused on present and future energy challenges is demonstrated not only by the financial budget forecast for the next four years, with an overall investment in R&D of more than €1 billion, but also in the development of a new model for the management and full exploitation of its own technological know-how.

The portfolio of patents held overall by eni amounts to about 8,900 including patents and patent applications, which protect over 1,000 inventions.

975

EMPLOYEES ENGAGED
IN R&D ACTIVITIES

8.86

YEARS
AVERAGE AGE OF PATENTS

1,006

MILLIONS OF EURO
TANGIBLE VALUE GENERATED
BY R&D ACTIVITIES

SUBJECT AREAS OF THE 44 PATENT APPLICATIONS FILED BY CORPORATE AND THE DIVISIONS IN 2012

11% NEW TECHNOLOGICAL SOLUTIONS FOR ENVIRONMENT PROTECTION AND INDUSTRIAL SAFETY

16% IMPORTANT TECHNOLOGIES SUCH AS GTL, EST AND SCT-CPO

48% INNOVATIVE SOLUTIONS IN THE FIELD OF RENEWABLE ENERGY
(NEW FUELS FROM BIOMASS, EXPLOITATION OF SOLAR ENERGY)

25% INNOVATION IN THE AREAS OF EXPLORATION FOR NEW RESOURCES, MAXIMIZATION OF RECOVERY FACTORS,
TRANSPORT AND PRODUCTS/PROCESSES FOR DOWNSTREAM OIL


Operating in the Arctic: the Goliath Project

The first oil field to be developed in the Barents sea is Goliath, which sets the industry standard through the adoption of technologies and the construction of equipment specially designed for the Arctic. The discovery of the field took place in 2000 with the first exploration well, becoming one of the great technological successes of eni. In January 2012 eni strengthened its leadership in the area, announcing the discovery of the Havis oil and gas reservoir situated at around 200 kilometers from the Norwegian coast and obtaining the new exploration license. Drilling is continuing in another five wells and the start-up of production is expected by the end of 2014. Goliath consists of two main reservoirs – the Kobbe formation and the Realgrunnen group. Both contain oil and a surface

formation of gas. It is expected that the site will remain active for fifteen years, with the possibility of extension if new discoveries are made in the nearby area.

The Arctic

Operating in the Arctic means working in a very complex context from an environmental point of view, given the richness of the biodiversity and the exposure to serious risks of environmental impact and climate change. It is therefore necessary for companies operating in these areas to manage properly the environmental dimension, allowing them to control as accurately as possible the various types of associated risk, including not only operational and regulatory risk but also risks for the company's reputation. The capacity of eni to address certain issues of an environmental nature is assessed by the main stakeholders as an element of "solidity" for the company itself.

 eni is the only company,
together with Statoil, to be
present in the three discoveries
of oil in the Barents Sea.

The characteristics of the Project

The Project utilizes advanced technologies with low for the environment and the people employed, while taking into account the extreme conditions that characterize the area: the Arctic winter, with very low temperatures and long months of darkness, the changing and at times terrible sea conditions, the fragile ecosystem and the construction of undersea plants. Attention has been paid to the reduction of emissions, discharges and risks of pollution: for each decision on the structures all the possible technical solutions were compared, with the aim of selecting the one capable of minimizing the risks for the surrounding environment.

For this project a unique floating operating platform is under construction, the Sevan 1000 FPSO. Conceived as a production plant in a singular cylindrical form, it allows hydrocarbons to be loaded onto special shuttle craft even in extreme climatic and sea conditions. The platform, which is able to store as many as 1 million barrels of oil, will have half of its electricity requirements met from dry land thanks to the installation of the longest undersea cable in the world of this type: this solution will reduce CO₂ emissions by 50%. The associated gas will not be burnt but will be reinjected directly into the reservoir (up to 1 billion cubic meters per year) like the water extracted together with the hydrocarbons. The Goliath production field, already active, uses advanced wells and pipelines, with innovative monitoring systems which are capable of intercepting and limiting any spill directly in the vicinity of the event so as to avoid any impact on the coast.

To better understand and respond to the critical environmental issues **eni** has had a partnership in place with Statoil since 2006, based on a MoU and R&D activities, thanks to which as many as 30 research and development products have been set up based on strategic, logistical, industrial, mechanical and non mechanical ways of preventing and managing oil spills in the Goliath area.

The projects have involved Norwegian universities and research institutes, consultancy companies and local communities. In addition a coordinated system has been developed to respond to emergencies known as the Coastal Oil Spill Preparedness Improvement Programme (COSPIP) with an investment of 25 million NOK (Norwegian crowns) in the 2006-2013 period, which

126

THOUSANDS OF BOE/DAY
ENI PRODUCTION IN NORWAY

47

MILLIONS OF CUBIC METRES
OF POTENTIAL NATURAL GAS

7.6%

ENI PRODUCTION IN
NORWAY/ ENI TOTAL

81

BILLIONS OF POTENTIAL
BARRELS OF OIL

will be used as the reference standard for future fields in the Barents Sea.

The studies conducted also include the Arctic Sea Biodiversity Project which has made it possible to expand our scientific knowledge of the Norwegian Arctic. Based on this knowledge specific actions have been drawn up to safeguard and if necessary restore local biodiversity.

www.eninorge.com / www.arcticbiodiversity.com

Another project worth reporting is the "BioSea- Environmental Risk Management of E&P Operations in the Barents Sea", a Joint Industry Project led by **eni** and Total, which has allowed to define a series of environmental monitoring tools for offshore areas and to contribute new knowledge on the sensitivity of Arctic species to dispersed oil and production water.

The Goliath Project, thanks to the methods and technologies developed in recent years for application in the area of the Barents Sea, demonstrates **eni's** capability to work in apparently hostile contexts and seize the opportunities offered by them.

 **The Goliath Project has been recognized by the Norwegian authorities as the standard of reference for all future development projects in the Norwegian sector of the Barents Sea.**

Access to energy and new industrial development

As an integrated energy company, eni supports the governments of producer Countries to plan solutions which cover the local energy systems development, supporting national companies with the production of energy sources and developing infrastructure which will enable its use and full exploitation.

In developing Countries contributing to energy development means promoting activities which enable primary access to energy. In other contexts, such as the European and Italian one, this translates into innovative projects which enable the development and reconversion of chemicals and refining. Access to energy is also the central theme around which eni's

partnerships have been developed within the United Nations framework, including a significant presence at the International Conference on Sustainable Development in Rio in 2012 (Rio+20).

YOU MAY ALSO BE INTERESTED IN:

eni and its international partnerships for sustainable growth (page 8)

Access to energy in Africa: eni's commitment

eni was the first international energy company to invest in energy production in Africa using gas previously flared. Today, the power stations in Nigeria and Congo produce respectively 20% and 60% of national electricity production, with a significant reduction of gas flaring in both Countries.

In the Republic of Congo, the onshore field of M'Boundi is an example of integrated investment on a large scale. Since 2007 eni has worked in synergy with the local government to transform the gas excess into electricity supply for the urban centers. The project has seen the construction of the Centrale Electrique du Congo (300 MW, completed in 2010) and the renovation of the Centrale Electrique de Djeno (50 MW, fully operational in 2009), for a total of 350 MW of installed power, both of which are fuelled by associated gas. Today, thanks to the commissioning of systems for the treatment and transport of associated gas and the development of a gas and condensates field, the associated gas from M'Boundi is sent to Pointe-Noire and used to fuel the Centrale Electrique du Congo (CEC). From here there are 10 medium voltage connections which reach 70 medium to low voltage transformation cabins, more than 50 of which were already in service at the end of 2012. From these cabins the system branches out using aerial low voltage lines, which supply the civil utilities and public lighting. The whole project was developed and completed by eni Congo. The new electricity grid covers about 40% of Pointe-

Energy activates development. It allows the quality of existing services to be improved and opens the way to new accessible services for even the poorest people. Energy reduces waste of resources, fatigue and unnecessary effort. It has an essential role in improving efficiency and the quality of health, education, public institutions and infrastructures. It is estimated that a billion people do not have access to health facilities equipped with electricity. In Africa more than thirty percent of health facilities, which serve more than 255 million people, are without electricity.

Africa has the highest production of natural gas, one of the energy sources with the best characteristics for the purposes of sustainable development. Our efforts in this sector are directed towards guaranteeing access to resources, to contribute to the economic progress of the Country. Alongside this commitment is the attention paid to reducing waste due to combustion, the cause of significant impact on the environment and on its inhabitants.

Practical Action (2013) Poor people's energy outlook 2013: Energy for community services.

Noire and reaches 350 thousand inhabitants who up till now had no access to energy, except for minimal access through private generators.

In the city of Pointe-Noire the new electricity grid covers about 40% of the town, reaching 350 thousand inhabitants.

In 2012 a new project was also developed in the Kouakouala field. The gas, which up to a few months ago was flared, is now conveyed towards a system of gas generators which supplies electricity to two villages situated near the field, supplying power among other things for the water well pumps, schools, health centers and public lighting. These villages, which contain around 4 thousand inhabitants, never had access to electricity before.

In Nigeria, as part of the Gas Master Plan agreed with the Federal Government, **eni** is responding to the problem of access to energy through the supply of electricity and natural gas through three types of intervention:

- supply of electricity and natural gas through the Independent Power Projects;
- supply of energy to the community through the construction of networks connected to industrial plants;
- supply of electricity through off-grid systems.

As regards to the Independent Power Projects, the Okpai

power station, inaugurated by **eni** in 2005, has installed power of 480 MW, sufficient to cover the needs of about 10 million users; in addition to the gas sent to Okpai, **eni** supplies gas to the power station of the Rivers State Government, with installed power of 150 MW equal to cover the needs of 1 million users. **eni** contributes to access to electricity of communities both through the development of grids connected to industrial plants (28 communities, 26.5 MW of installed power, about 200 thousand people served) and through off-grid electricity systems for a total of 32 communities, 6.5 MW of installed power and 63.5 thousand beneficiaries. In Nigeria in 2012 various Memorandum of Understanding (MoU) were also signed, taking forward the company's commitment to contributing to the development of local communities of the Country. Among the agreements signed, those relating to electrification projects were particularly significant.

A MoU was signed between **eni** and the government of the Ahoada West area in Rivers State to supply electricity to seven communities and another between **eni** and the Ndokwa-West government in Delta State to align actions to benefit local communities on the electricity front.

In order to supply sustainable energy to the communities in the states of Delta, Rivers, Imo and Bayelsa the installation and restructuring of the infrastructure for electricity distribution was completed, to the benefit of seventeen communities in the four States. In 2012, 9 electrification projects were completed and others are being completed.

The relaunch of chemicals and Green Chemistry



A SECTOR SUBJECT TO SIGNIFICANT CHANGE: CHEMICALS IN EUROPE

The European chemicals industry operates in a highly complex environment which in recent years has seen critical problems due to the entry of new competitors, heavy relocation towards the Asian Countries and volatility in the prices of raw materials and energy. The industrial policy of the sector is

increasingly oriented towards global and environmentally sustainable scenarios, which require high levels of innovation to develop technologically advanced and eco-compatible products. The reconversion of the European chemical industry is also a significant social and economic

issue, both due to the impact that it has and has had in the past in the areas where the plants are located, and because petrochemicals are an important economic factor, which guarantees work and satellite activities in the communities involved.

Solid know-how and a prestigious history in chemicals, research, innovation and new and significant partnerships: thanks to these "levers" and to an innovative project, **eni** is ready to seize the opportunities offered by the "Green inclusive economy".

Through its subsidiary Versalis **eni** has focused on the integration between traditional chemicals and chemicals from renewable feedstock, to create a development model based on innovation, taking advantage of the great potential of Green Chemistry.

By developing Green Chemistry **eni** will be able to achieve a double objective in the long term: on the one hand diversifying its activities into production sectors with high potential, offering low environmental impact products in Countries which need to develop capacity in chemicals, particularly in South-East Asia; on the other, resolving the problem of industrial sites which are no longer competitive, above all in Europe, requalifying them and making them competitive and thus guaranteeing good quality local employment and the development of new induced activity.

Green Chemistry at Porto Torres

Green Chemistry is integrated in the framework of the requalification of the industrial hub of Porto Torres (Sardinia, Italy), which is being transformed into an integrated industrial complex, devoted to the production of bio-intermediates, bio-lubricants, bio-additives and bio-plastics. The aim is to convert the traditional activities on the site into others with good future development prospects: developing products from raw materials obtained from renewable sources.

Matrica – in Sardinian dialect it means “mother” – has set up a joint venture controlled by Novamont and Versalis, formed in June 2011.

Thanks to the “Green Chemistry” project Porto Torres is being transformed into a large-scale industrial complex devoted to production of bio-intermediates, bio-lubricants bio-additives and bio-plastics.

The project, for a total investment of €500 million, provides for the construction of seven new plants and will be completed in the next six years.

The Green Hub will be a model for the entire sector, with a total installed capacity of 350 thousands tons per year of bio-products and may boast an essential distinctive element: the full integration of the plant with the territory through the promotion of the local agricultural chain, thanks to the presence of extensive unused agricultural fields and of the thistle, and in particular a selected genotype which grows in the area.

A “virtuous cycle” as Daniele Ferrari, the Chief Executive Officer of Versalis defined it, based on innovation, technology, research and sustainability which has become a model to be replicated in Italy and abroad.

350

THOUSANDS OF TONS/YEAR
OF BIOPRODUCTS

6,090

THOUSANDS OF TONS
PRODUCTION OF
PETROCHEMICAL PRODUCTS

500

MILLIONS OF EURO
INVESTMENTS IN THE
MATRICA PROJECT

The research center

Already operational since February 13, 2012, the Research Center currently covers an area of 700 square meters and shortly, with the start-up of the pilot plant section, will be extended to occupy an area of over 3,500 square meters. The laboratory is divided into two operating areas: the analysis room, used for the chemical, physical and instrumental characterization needed for process management; and the trial room, where the preliminary tests are carried out for pilot projects and distillation trials, including trials under vacuum conditions.

The Research Center will have a fundamental role in the development of extensor oils from renewable raw materials and for the development of technologically innovative products. Its main activities are: optimization of the agricultural chain and the development of technologies which will be industrialized; processes derived from technologies which aim to improve profitability and create an increasingly integrated Green Hub.

Currently the Matrica research unit employs about ten resources which will be significantly increased in 2013.

Green Chemistry: the path to continuous innovation

Again within the Green Chemistry framework, a joint venture has been set up between Versalis and Genomatica (the leading American company in the biotechnology field) for the development of an innovative process for the production of butadiene, the raw material for the production of elastomers, from renewable sources. The process starts from the selection of lignocellulose biomass and provides for its transformation into second generation sugars and the reconversion of these sugars – through the presence of special micro organisms – into butadiene. The new technology, following the research programme, will make it possible to separate the production of butadiene from petrochemical processes fed by petroleum by-products.

The new industrial process must be competitive, from the viewpoint of overall production costs, with conventional production technologies.

In January 2013 Versalis signed with Yulex Corporation, an American company which produces agriculture-based biomaterials, a strategic partnership for the production of natural rubber from guayule, and for the construction of an industrial production complex in Southern Europe. The agreement covers the entire production chain, from cultivation of the guayule plant through to extraction of the natural rubber and up to the construction of a biomass electrical power station. Versalis will develop material for various applications: after an initial focus on the large consumption markets and the

medical sector, the aim is to optimize the production process to reach the tyre industry.

A partnership has also been signed with Pirelli for the start-up of an important joint research project on the use of natural rubber from guayule in tyre production. The project will last 3 years during which Versalis will supply samples of natural rubber, extracted from the guayule plant, which will be tested by Pirelli to assess their suitability for improving the quality and performance of their tyres.

The partnership fits within the framework of the agreement between Versalis and Yulex.

YOU MAY ALSO BE INTERESTED IN:
People-based development (page 56)

The new bio-refining project



THE REFINING CRISIS IN EUROPE

In 2012, the demand for oil and gas products suffered a strong slowdown, down 10% in Italy and 3% in Europe. In 2009, 11 refineries were closed in Europe with a total capacity of 1.4

mmboe/d and another 15 risk closure in the next few years. The Green Refinery projects are encouraged by the European scenario for bio-fuels, strongly linked to the environmental

policy of the European Union aimed at the reduction of greenhouse gases, outlined in the "Fuel Quality" Directive 1998/70/CE and the "Renewable Energy" Directive 2009/28/CE.

The Green Refinery Project

The Green Refinery Project is a highly innovative idea, which will transform the traditional layout of the Venice Refinery into a "green" cycle, for the production of high quality bio-fuels from low cost oily biomass.

In the second half of 2013 the first phase of the project will begin, leading to the conversion of the Venice Refinery into a "bio-refinery" for the production of innovative high quality bio-fuels.



The "Green Refinery" project, thanks to an investment of about €100 million, will transform the Venice Refinery into an innovative "bio-refinery".

The solutions identified for the "Green Refinery" in Venice provide for a solid investment plan, estimated at about €100 million, which will allow production of bio-fuels to be started on January 1, 2014. Production will grow progressively with the commissioning of new plants which will be developed as part of the project and which will be completed in the first six months of 2015.

The entire conversion phase will be completed based on the ECOFINING™ innovative technology, patented and developed by eni with the United States company UOP, which makes it possible to start up an industrial activity which is economically sustainable in the long term and which has a low environmental impact.

The possibility of using Ecofining technology to reposition eni in the refining area arose from the integration of research and development with the business.

Having an organizational structure which puts technological innovation close to plants design and construction is surely one of the distinctive factors which enables **eni** to be the vehicle of change and which makes it more competitive.

360

THOUSANDS OF TONS/YEAR
PRODUCTION OF BIO-FUELS
STARTING FROM 2014

100

MILLIONS OF EURO
INVESTMENTS IN THE
GREEN REFINERY PROJECT

The benefits of the ecofining technology

Thanks to the application of the ecofining technology it will be possible to produce high quality bio-fuels (diesel, petrol, LPG and jet-fuel) which overcome the technical limits of normal bio-diesel, making it possible to mix up to 30% of bio-fuel with traditional diesel against a maximum of 7% for existing bio-fuels.

In order to satisfy the prescriptions of the European Directives, each year **eni** uses almost 1 million tons of bio-fuels (FAME, ethanol and bioETBE) currently entirely purchased on the market. Thanks to this project, **eni** will autonomously produce about half of its own need for bio-fuels.



To satisfy the requirements of the European Directives, each year **eni** uses almost 1 million tons of bio-fuels (FAME, ethanol and bio ETBE).

With the bio-fuel produced, it is possible to obtain not only a better quality of product, but also a reduction in CO₂, SO₂ and NO_x emissions from the refining process: the picture in terms of emissions for a bio-refinery is clearly better than that of a conventional refinery considering the same amount of fuel production. In the short term the "bio" cycle of the new Venice Refinery will involve the use of oily biomass, e.g. the palm oil type, or the FAME currently available on the market. **eni** has undertaken a careful selection process to find suppliers which can guarantee palm oil supplies. Only plantations which have been in existence for from 25 to 50 years (25 years is the life cycle of the plants), certified in accordance with sustainability criteria, will be used.

Ecofining, compared to other bio-refining processes, represents a competitive advantage in terms of the ability to produce bio-fuels also from second generation raw materials such as used vegetable oils and animal fats considered as waste material and not in competition with the food chain. No further investments will be necessary to modify the refining process and to use these materials once the market is able to make available appropriate quantities with continuity and regularity. Attention is directed instead to the search of technological solutions to exploit the value of the organic component of solid urban waste and of sludge produced by urban waste water treatment plants.

eni and a new relationship with the citizen

We are living in a period of great transition and undergoing a paradigm shift: I often ask myself what changes are coming and how we can anticipate them. There will be new rules, but above the way we do things will change completely, as much at work as in our personal lives.

Our house is increasingly made of glass because information dynamics are now removing every barrier to transparency and every form of protection. The world of information is becoming flat, common and horizontal; it mobilizes opinion and exposes you to all. There is only one way to manage this: the most complete transparency, and above all credibility.

Our challenge is to adapt to this new environment, to be among the best with these new rules of the game, learning to recognize new opportunities and face new risks. We must stand steel on our skills, our credibility and our reputation.

Credibility is not an abstract concept: it counts a lot in the calculations of investors, in the markets which lend us money, in the Countries which entrust us the development of their resources. Let's make sure we are as good as our word.

We know the international markets and we know that they won't accept any excuses.

We know that our culture and our ambition is to want to be the best. The best in research, in technology and in engineering. The best in exploration and management. The best in training, communication and relationships, the best in terms of the trust that we inspire in our counterparts: governments, suppliers and citizens. In a climate of widespread and general disillusionment, transparency and credibility constitute our main competitive advantage.

Above all we sell our reliability and our reputation.

Giuseppe Recchi, eni's Chairman, Meeting with the top management, April 2013.

eni is aware of the changes that are taking place and lives them daily through the experience of the men and women who work in each Country and are in contact with the "new citizen".

Above all, people want companies to let them know about more than just the sustainability of the product and the service.

This means attention to aspects such as the ability to guarantee quality employment, a relationship with the company's surroundings which respects the environment and the health of the communities, products which can help money and energy saving, as well as a new approach to communication and service.

Long-term wellbeing is a central need. This comes above all through **health** and **safety**, for this and for future generations, with consequent attention to the **environmental** aspects of the business.



Companies that listen in a changing world

In a world that is changing at a giddy pace, people and companies are at the center of a revolution: the transformation of supply and loss of faith in many of the traditional social “mediators” have made companies the main stakeholders. If Companies really want to take on board the change that is happening, they must take charge of critical issues and guarantee continuity and development for their own business; they cannot limit themselves to conserving their traditional relationship with the individual and the territory. They must acquire knowledge and listening skills on the one hand, know how to present themselves overall and how to evolve to respond to new expectations on the other hand.

The “new citizens” are ready to be jointly responsible – together with companies and Governments – for the path towards sustainability. Emphasis is given to the intangible and non-individual aspects of goods and consumption: solidarity, public ethics, social cohesion, protection of the environment and of the artistic and cultural heritage are increasingly important and the commitment on these issues “counts” in terms of acceptability, consumption attitude and choices.

This is a change which involves the whole world, but which is also resonant here in Italy. Among the main factors which have given birth to this transformation are the increase in the quality and amount of citizens education rate.

The new culture is accompanied by a renewed critical sense, which allows consumers to take an increasingly active role in economic decisions and to place themselves alongside companies.

The same phenomenon is also being reflected in the emerging economies, where social development is leading to the formation of an increasingly strong middle class, with a more advanced culture in terms of consumption than previous generations in the same Countries.

At an international level the interactive media, from Web 2.0 onwards, has given voice to the thinking of a citizen who no longer wants to be part of the “mass”, but an active part of a proactive community, oriented towards change. The new forms of communication bring with them a need for information which translates straight away into a demand for transparency and communication between companies and citizens, not only on products, but on the essence of the company itself.

*From the speech by **Remo Lucchi** and **Giuseppe Minoia**, Honorary Chairmen of GfK-Eurisko, at the Seminar “Creation of shared value: towards a new relationship with the consumer citizen”, F&EM, April 5, 2013.*

The way a company relates to the people who work within it is considered to be one of the main indicators of its conduct: the offering **quality work** is therefore an essential requirement which bears witness to the commitment of the firm to the **Country** and the communities within which it operates. **eni**'s people are the front line ambassadors for the company, while all this must be translated into initiatives which demonstrate an agreement between the company and the **consumer**, based on listening to the consumer's needs. **Transparency, consistency** and **credibility** are the values which have enabled **eni** to reach its position in Italy and in the world, including Countries with historical, political

and environmental difficulties.

Today it is becoming even more important to transfer these principles and these values to our relations with people, within the company first of all, and within the community and with our customers, to reach the new consumer citizens, understand them and maintain with them the relationship of trust which **eni** has always been able to establish.

Communication on the sustainable business run by **eni**: this is one of the ways in which we can deal with change, generate good corporate practice and, at the same time, good news for citizens in a changing world.

Corporate citizenship with the territories

The new consumption dynamics correspond to a new type of citizenship which places at the center of the relationship between companies and people the ability of the former to play an active part in the Countries and regions in which they operate. **eni**, above and beyond its contribution to local development, manages its relationships through information, involvement and transparent communication.

The involvement of the citizen in Italy and throughout the world

The relationship between **eni** and the Countries in which it operates is distinguished by its willingness to work alongside and never against governments, people and communities, seeking to work together with other parties

and involving stakeholders in its decisions and activities. This allows a long-term presence in several areas and guarantees a solid and positive reputation.

BEYOND THE CRISIS, A PACT BETWEEN COMPANIES AND CITIZENS

The global economic crisis which western Countries have now been undergoing for some years requires companies to pay constant attention to long-term strategies and responsible and ethically exemplary conduct. Citizens are increasingly conscious and well-informed and, in the

growing climate of mistrust towards traditional social mediators, they evaluate companies on the basis of new elements compared to the past, such as their ability to build an alliance with the territory, investment in research and innovation, flexibility and attention

to environmental aspects. To have the right of citizenship in any operating territory, companies must earn trust through consistent and “measurable” behaviour, which above all allows its people to bear witness to the intrinsic quality of the company’s products and processes.

The example of **eni** in Basilicata

Basilicata is the top Italian region in terms of hydrocarbon production. In 2012 **eni** recorded a production level of about 83 k barrels/day of oil and 3.8 mmm³/day of gas there. Strategies involving relations with the region are based on prior identification of potential problem areas, involvement of the key players at various stages of the activities and

the definition and realization of common commitments for **eni** and for the main stakeholders. The topics of industrial development, the environment and the region are addressed by inter-institutional working groups, involving local communities and promoting direct provision of information through public meetings on key aspects such as business plans and environmental monitoring.

ff Basilicata has the biggest land-based oil and gas reservoir in Europe; eni currently produces 83 k barrels/day of oil and 3.8 mmm³/day of gas there.

The creation of development opportunities for the local population is founded on the conclusion of agreements and conventions, which the various players in the region, local bodies, industrial and trade associations and social interest groups help to define.

An important step has been taken with the signing of an agreement for the development of “local content”, that is, local procurement of goods and services needed for the development of the business. On October 5, 2012 **eni** signed, together with the Regional Government of Basilicata, CGIL, CISL and UIL, Confindustria, Alleanza delle cooperative (the Italian cooperative organization) the Italy-Basilicata company network and Confapi, the “Memorandum of Understanding for the promotion of regional development initiatives in the geo-mineral sector, the protection of health and safety and local employment”.

This partnership has arisen from the constantly growing demand from the region of “Lucania” (Basilicata) to safeguard employment levels and develop local companies. The Memorandum of Understanding aims to define the principles for cooperation between the signatories and the actions required to promote the communication of programmes of action in relation to development, procurement procedures, improvement and protection of employment, involvement of small and medium-sized companies and the professional bodies and representatives present in the region. These are the planks on which **eni** is committed to building an investment of at least €500 million. The priority topics include the transparency of business activities, aimed at maximizing the participation of local companies. **eni** is also committed to implementing measures to support the qualification of local suppliers and promote the transfer of knowledge and professional skills, to support continuous improvement and guarantee uniform levels of safety to workers and to the companies working close to the **eni** plants in the Val d’Agri.

96.95 **77.26**

MILLIONS OF EURO
ROYALTIES TO THE
GOVERNMENT

MILLIONS OF EURO
ROYALTIES TO THE
BASILICATA REGION

320 **184.1**

EMPLOYEES
IN BASILICATA

MILLION OF EURO MEMORANDUM
OF UNDERSTANDING BETWEEN
ENI AND THE BASILICATA REGION
1998

The example of Norway

eni Norge has developed a plan to involve stakeholders in the north of the Country in parallel with the development of the Goliath Project. The project involves a direct investment of 28 billion Norwegian crowns, which is in addition to about a billion a year in operating expenditure. About a third of this amount, according to estimates, will directly benefit the local and regional economy.

Goliath is being implemented within a particularly delicate and complex ecosystem. It has therefore been necessary to establish and maintain a positive relationship with all the stakeholders, both institutional and non institutional in nature, to ensure widespread knowledge of the ability on the part of **eni** to operate in a positive way, creating value for all and respecting the sensitivity of the local environment.

ff eni Norge is a perfect example of the company’s commitment to building a structured relationship with the territory.

The plan to engage and involve local players provides above all the sharing of technical solutions for the development of the project, often of an innovative nature, through meetings with organizations and citizens and the provision of direct updates on the work on a dedicated website. There is also constant work together with the indigenous Sami population and the fishing community, aimed above all at creating virtuous circles – of a social and economic nature – at a local, regional and national level. The plan is completed with constant information to the media and systematic involvement of stakeholders to guarantee people information.

Special attention has been paid to information, with particular regard to employment and local content. One of the main interests of **eni** Norge is to get in touch with the workers and suppliers in the region. The recruitment processes include working with organizations to attract talents and promote training and development. Through cooperation with networks and organizations like PetroArctic, Lofoten and Vesterålen Petro, **eni** Norge is trying to involve as much as possible local and regional companies in all of the development processes for the Goliath operations. Together with these stakeholders, **eni** Norge is committed on an ongoing basis to providing companies with information on upcoming contracts so as to encourage increased awareness and participation.

YOU MAY ALSO BE INTERESTED IN:

Technology for resources and the environment (page 28)

Stakeholder's involvement in Australia

eni provides the necessary tools and adopts policies to protect the rights of indigenous populations and to give due consideration to their expectations in its business decisions.

In Australia eni adopts policies for the protection of the rights of the indigenous peoples.

The Blacktip Onshore Gas Plant, 100% operated by eni since 2005, is located 12 km from Wadeye, one of the most important aboriginal communities in Australia. The location of this plant has led to the signing of an agreement, the Blacktip Land Agreement, between eni and the Northern Land Council to confirm sustainable use of the land and the related financial compensations. The agreement covers various points, including access to aboriginal lands, protection of sacred places, the management and reduction of environmental impact, decommissioning and restoration of facilities and training and recruitment of members of the indigenous peoples.

In addition an office dedicated to community relations has been established. This will carry out activities designed to ensure stakeholder engagement on a continuous basis. The people from this office will make weekly visits to the plant and to the community of Wadeye. Their role is to act as a focal point between the business

37

THOUSANDS OF BOE/DAY
ENI PRODUCTION IN
AUSTRALIA

2.2%

ENI PRODUCTION IN
AUSTRALIA/TOTAL ENI

1,119

EMPLOYEES IN
AUSTRALIA

and the indigenous communities, ensuring their involvement in company decision-making processes, monitoring the compliance of the operations with the agreement on land management, ensuring adequate provision of information and transparency and acting as a link to ensure integration between eni and the local communities.

eni is also involved in the Thamarrurr Regional Aboriginal Authority Committee and the Thamarrurr Regional Authority Aboriginal Corporation, authorities for dialogue with the community and with the government agencies operating in the area.

An Indigenous Peoples Policy has been drawn up, to confirm the company's responsibility for the protection of the rights of indigenous peoples and its duty to pay attention to their expectations.

A channel has also been established to collect any complaints or notifications, the Grievance Mechanism Project, which includes a dedicated line and a process for analyzing and resolving the reports received.

Response to consumer needs

NEW NEEDS, NEW CONSUMPTION PATTERNS

From researches conducted in 2012, a picture emerges of a citizen who is a better informed consumer, more inclined to play a part in the development of sustainability together with the companies that he chooses. According to the research in the last 12 months 67% of Italians have turned to more "responsible" products and brands

as part of their purchasing decisions. This corresponds to a demand for companies to be more "concrete" in managing these aspects. Above all, people want to see a commitment to reducing consumption and to more efficient management of environmental aspects. The main expectations from a social viewpoint

relate to transparency, attention to the health, safety, equitable treatment and training of the company's people and respect for the local communities and areas in which the company operates. The desire for participation is leading to an increased demand for the essential information needed to take joint responsibility for development projects.

Fuel saving

The sales range offered by eni has been designed to take account of the perspective of its stakeholders and to

respond to their needs. Against a background of reducing fuel consumption and falling margins in the sector, eni has consolidated its strategy for recovering market share through sales and marketing activities designed to encourage

consumption. An essentially traditional marketing operation, that is, a discount on the price of petrol valid for weekends between June 18 and September 2, effectively satisfied two of people's needs: to save money, given the ongoing impact of the economic crisis on families, and to take a summer break. Simple and effective communication of the initiative guaranteed the achievement of significant results not only in terms of acquisition of market share, but also and above all in strengthening the relationship of trust and loyalty between **eni** and Italian consumers. According to the Social Climate and Consumption study carried out by Eurisko, Italians evaluated the initiative as important and effective in terms of supporting citizens with their management of the crisis. Also thanks to this initiative, the customer satisfaction score of R&M customers increased from 7.74 in 2011 to 7.90 in 2012.

An integrated answer to get closer to customers

The integration of the company translates into value for its customers, because it enables **eni** to offer a single solution for electricity, gas and fuel. In the second half of 2012, **eni** promoted a series of sales and marketing initiatives to facilitate access to products and services and guarantee significant financial savings.

The new "eni3" package brings together gas, electricity and fuel to provide financial savings on all three fronts. The offer not only guarantees a fixed discount for three years on electricity and gas, but also offers a reduction on the price of fuel of 6 cents/liter on 500 liters over two years, at you&eni sales points. People's response has been good: awareness of **eni** as the supplier of an integrated energy solution has grown, as propensity to consume. Following the campaign, levels of spontaneous brand awareness reached 51% and total awareness reached 82.2% compared to pre-campaign data of 44.4% and 79.3%.

Since September 2012, **eni** has also started to unify its channels of contact (the "call center") into a single number, which people can call for information and support for all services, including gas, electricity and fuel.

In December 2012 **eni** launched the new you&eni prepaid card, a loyalty card which is also a payment card, and can be used for any type of purchase, anywhere in the world (more than 3.5 million stores). Each purchase is converted into an amount of free fuel. This initiative is also a success in terms of technological innovation. The numbers bear witness to the success of the initiative: 360 thousand cards in a few months and more than 4,500 cards a day.

In 2012 **eni** service stations were enriched with a wider range of services: the offer of a Wi-fi connection in 363 eni cafés, "eni shop 24" automatic vending machines and eniwash carwashes open 24 hours a day.

In addition, owners of electric vehicles can recharge the battery of their vehicle in eni stations.

The European Union has in fact acknowledged that the main obstacle to the development of the market in electric vehicles is the lack of infrastructures for recharging the vehicles and has set each member state a minimum level of infrastructures which must be in place by 2020. For Italy this involves 125 thousand recharging points for electric vehicles. **eni** and Enel Distribuzione have decided to experiment a super fast recharging infrastructure for electric vehicles in **eni** service stations, which will enable batteries to be recharged in less than 30 minutes. With the "quick recharge" and its spread to include non-urban areas, it will be possible for car owners to use their electric vehicles even out of town.

New market shares in Europe

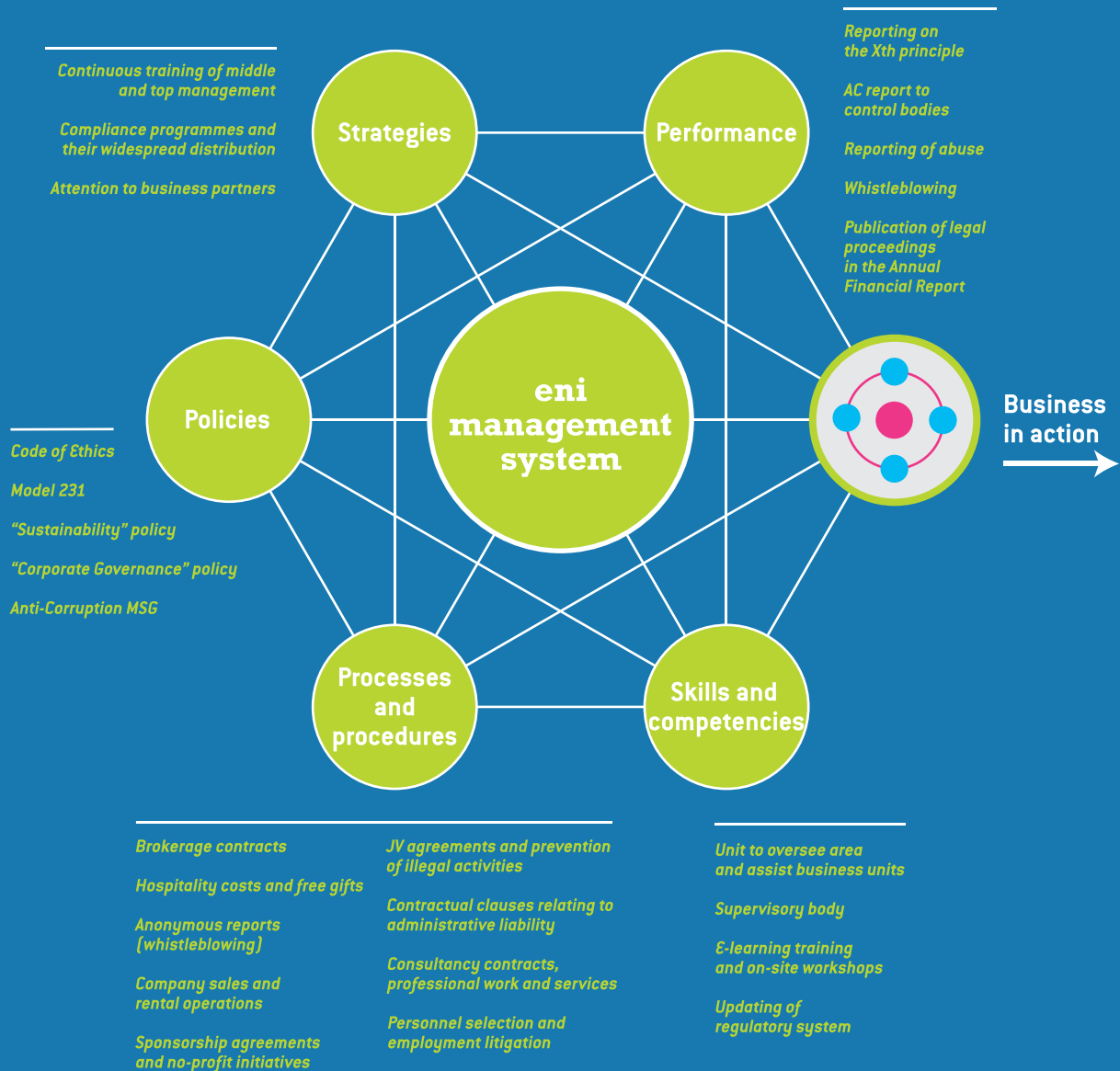
In 2012, **eni** also strengthened its brand presence in European gas markets, especially in Belgium and France. In addition to control of Distrigas, held since 2008, in 2012 **eni** completed its acquisition of Nuon Belgium NV and Nuon Power Generation Wallon NV. Last November Nuon Belgium and Distrigas merged, and currently operate as a sole supplier in the Belgium gas and electricity market under the **eni** brand name. The aim is to strengthen activities in favour of families and small and medium-sized companies.

eni is strengthening its presence in Belgium and France.

The customer base in the Country has increased by 20% compared to 2011. In the last three months of 2012 (coinciding with the transfer to **eni**) the company realized 44% of its total acquisitions for the year. The two companies acquired also have the capacity to produce electricity not only from natural gas, but also from renewable sources: an important element in a Europe which is increasingly attentive to variety in the mix of energy sources used.

Since October, eni has been selling gas under its own brand name also in the French market with the aim of becoming one of the major industry operators in the Country, where it has had an active presence since 2003. The results have been positive from the outset: with this operation, **eni** has acquired 25 thousand customers, allowing it to close the 2012 year up +48% compared to 2011 and thus becoming the fourth biggest operator in France.

Transparency and the fight against corruption



2012 results

The request of the Department of Justice to give up the criminal proceedings in relation to supposed unlawful payments by the TSKJ consortium in favour of Nigerian public officials was accepted.

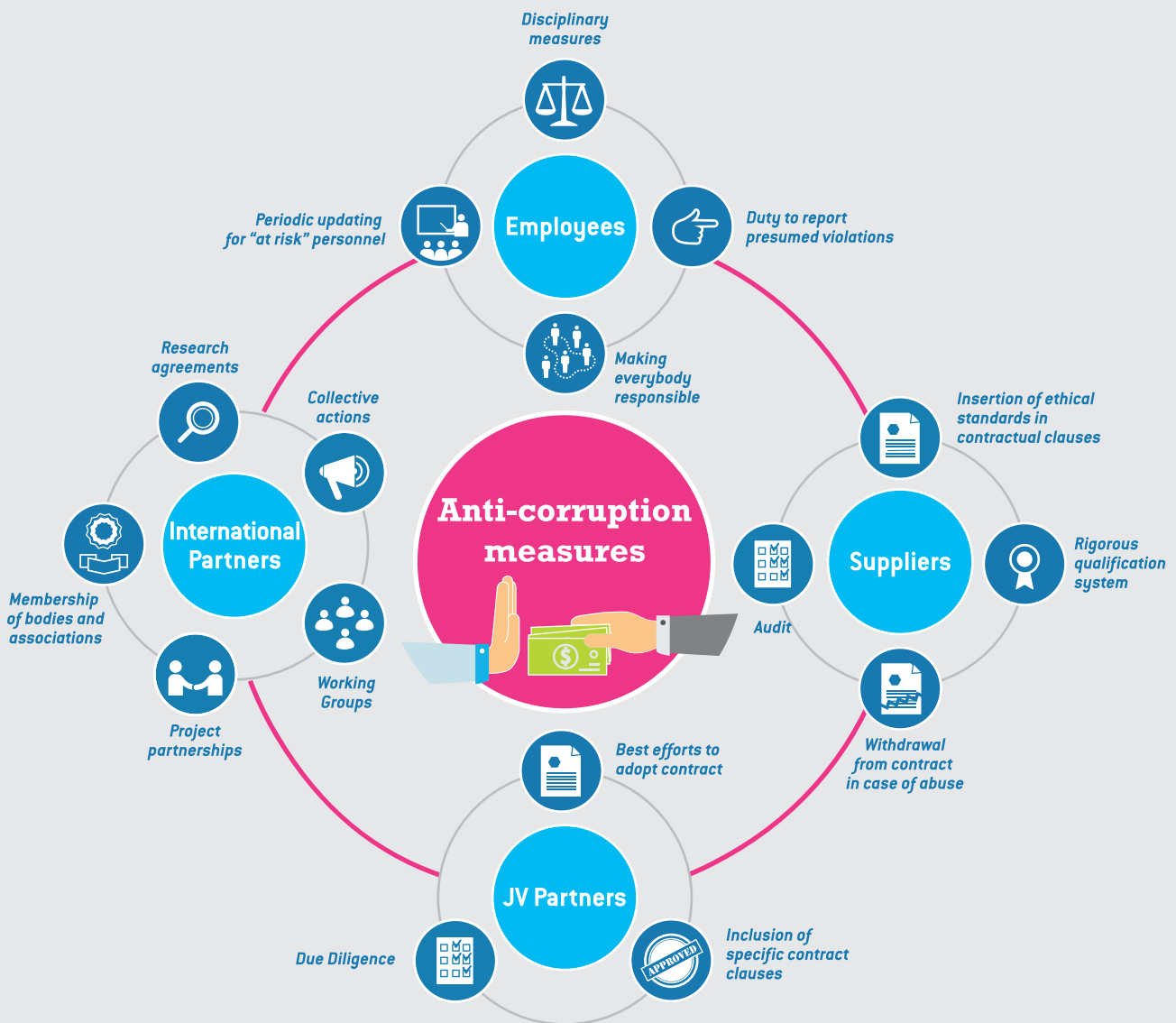
Cooperation with the Judicial Authorities, changes in management and administration and the start of internal investigations, with reference to the possible crime of international corruption with regard to the activities of the Saipem Group in Algeria.

Adhesion to the "Partnering Against Corruption Initiative (PACI)" and appointment of a Board representative for the Initiative.

Recording of anti-corruption commitments at the United Nations Conference on Sustainable Development (UNCSD or RIO+20).

Conference on the topic "International Strategies Against Corruption: Public-Private Partnership and Criminal Policies" with representatives of UNODC and the OECD, the Italian institutions and private sector professionals.

Transparency of the anti-corruption programmes assessed as above average by Transparency International (92% compared to the average of 68%).



Progress

First cycle of e-learning delivered and new cycle set up, started in 2013. 6,370 resources trained in the three-year period 2010-2012, 62 workshops held.

Two new training initiatives targeted at managers, personnel and contractors on the main operating sites.

eni is active in 12 EITI countries and is taking part in an experimental pilot project in Australia.

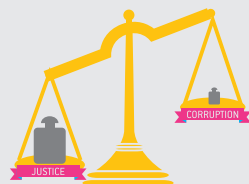
Targets to 2016

Enhancement of the anti-corruption training programme through:

- Web Training Seminar ("WTS") to complete the on-line training of newly appointed key officers and updating of the WTS following changes to international regulations and internal procedures.

- Workshops and other events planned in Italy and abroad which take into account the requests from the company.

Co-presidency of the B20 "transparency and anti-corruption" task force for the next B20-G20 in Russia.



Commitment to transparency and integrity

In carrying out its business activities, eni activates a flow of resources which can be crucial elements of growth for the economy. Only firm rules on integrity and the promotion of transparency, in particular as regards payments to producer countries, can provide shelter from the risk of corruption and form the basis for a responsible use of these resources.

The fight against corruption

"If we didn't bet on our skills, taking calculated business risks, we wouldn't be eni. But if any of you in this room crosses the line in terms of integrity, we will all be compromised. And it's not a grey area. It's either black or white, there is no level of acceptable error. eni is a zero tolerance company as far as integrity goes".

Giuseppe Recchi, eni's Chairman,
Meeting with the top management April 2013.


eni has decided to extend its anti-corruption programme to all the companies of the group present in the various Countries.

Starting from the zero tolerance of corruption expressed in the Code of Ethics, in November 2009, the company voluntarily developed its own anti-corruption compliance programme and adopted specific internal regulations. In 2011, eni's anti-corruption framework was further modified to adapt to the requirements of the UK Bribery Act, in force since July 2011, which introduced the topic of corruption between private parties. Training, a necessary condition for the adequacy and effectiveness of any anti-corruption programme,

represents a fundamental part of the company's commitment. Training is mandatory and extends to all employees "at risk" (based on the role covered) in Italy and abroad. The aim of the programme is to outline and illustrate for recipients the anti-corruption laws and eni's anti-corruption programme, providing the basic knowledge and tools to recognize conduct which might constitute a crime, the actions to take, the risks, responsibilities and the sanctions which may result, in order to prevent and combat instances of corruption.

The training was delivered through online courses and classroom sessions. In 2012, linked workshops were carried out in Pakistan (Karachi), China (Peking), Austria (Vienna) and Poland, Venezuela (Caracas), Kazakhstan (Aksai and Astana), Iraq (Bardjazia and Bassora), as well as at eni's offices in Rome, Milan and London.

In 2012 another e-learning session was delivered and a new cycle prepared, which will be held in 2013, to take into account the changes which have taken place in international regulations and standards and internal procedures.

 **As part of the fight against corruption eni asks its suppliers to meet specific anti-corruption standards and qualification requirements.**

eni's commitment against corruption is also evident from its management of relations with suppliers, which must meet specific standards and qualification requirements, as well as with its industrial and commercial partners. In fact, all those who work for eni or who are likely to have either one-off or regular contact with Public Officials are required to conduct their activities with integrity, an ethical and lawful approach, honesty, transparency and in compliance with laws and regulations, as per the relevant internal regulations.

ANTI-CORRUPTION TRAINING
IN THE THREE-YEAR PERIOD 2010-2012

6,370

RESOURCES TRAINED

6,750

HOURS DELIVERED IN 62 WORKSHOPS

22,044

HOURS OF E-LEARNING

Transparency of payments to Governments

THE NEW REGULATIONS ON TRANSPARENCY

During the first months of 2013 an agreement was reached by all the EU institutions on the text of the Accounting Directive, Chapter 9 of which relates to the transparency of extractive industry payments to the governments of Countries with mineral resources. The text is due

to be finally approved in the plenary session of the European Parliament in June.

The decision was welcomed by the civil society. "We thank the European Union for choosing rules and laws against corruption, for transparency against opacity."

Citizens from Iraq to Indonesia will be able to find out how much their governments receive from the use of their Country's natural resources and to ask how these sums are used", affirmed Daniel Kaufmann, President of Revenue Watch.

eni welcomed the achievement of an agreement between the European Council and the European Parliament on the Accounting Directive. Starting from this regulatory experiment, from that in the United States (the Frank Dodd Act) and the Extractive Industries Transparency Initiative (EITI), eni hopes for the definition of a global standard on the reporting of payments for the extractive industry, to increase their transparency and encourage the sustainable use of resources all over the world.

The publication of payments to governments and transparency on the use made of these resources will contribute to strengthening reliability and good government in producer Countries, reducing the potential for corruption and at the same time promoting the adoption of paths towards sustainable development for the benefit of all citizens.

eni continues to support the EITI, contributing to the adoption and application of its principles in the Countries that adhere to it and supporting, also financially, the

work of the international secretariat for the initiative.

eni also works with the Italian Foreign Ministry and the Ministry for Economic Development to support the initiative.

In its Annual Report, eni publishes the taxes paid broken by geographical area and the detailed payments to Nigeria, Republic of Congo, Norway, Timor Est, Mozambique, Kazakhstan, Iraq, Togo and Gabon.

 eni hopes for the definition
of a global standard on reporting
of extractive industry payments.

In Countries like the Republic of Congo, Timor Est and, up until 2011, Norway, **eni** is directly involved in the Multistakeholder Working Groups which lead the implementation of the initiative.

In other Countries, like Kazakhstan, Mozambique and Nigeria, **eni** is represented by industrial sector associations. It is also following the development of EITI in Australia, the USA, Trinidad and Tobago, Indonesia, Ghana and the

Democratic Republic of Congo.

More detailed information on the progress of implementation by Country is given on the **eni** website.

www.eni.com

YOU MAY ALSO BE INTERESTED IN:

Governance, safety and development in the Countries **(page 16)**

PAYMENTS TO PRODUCER COUNTRIES ADHERING TO THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI)

COUNTRIES	Year ^(a)	Local currency	Payments in local currency (thousands)	Payments in USD (thousands)	Total payments in USD (thousands)
Norway	2011	NOK	9,406,804	-	1,680,133
Profit Taxes ^(b)			9,309,843		1,662,815
Fees ^(c)			88,200	1,890	15,753
Other significant benefits to government agreed by MSWG			8,761	4,725	1,565
Nigeria	2011		-	1,650,573	1,650,573
Profit Taxes ^(b)				1,073,957	1,073,957
Royalties				488,050	488,050
Fees ^(c)				305	305
Other significant benefits to government agreed by MSWG				88,261	88,261
Timor Leste	2011		-	401,269	401,269
Host government's production entitlement (e.g. Profit oil)				205,826	205,826
Profit Taxes ^(b)				169,821	169,821
Royalties				2,757	2,757
Fees ^(c)				410	410
Other significant benefits to government agreed by MSWG				22,455	22,455
Kazakhstan	2011	KZT	9,432,211	1,194,496	1,258,823
Host government's production entitlement (e.g. Profit oil)				417,705	417,705
Profit Taxes ^(b)			953,183	723,850	730,351
Bonuses ^(d)				52,941	52,941
Other significant benefits to government agreed by MSWG			8,479,028		57,826
Republic of Congo ^(e)	2011	CFA	7,017,103	96,625	111,515
Profit Taxes ^(b)			7,005,503		14,866
Other significant benefits to government agreed by MSWG			11,600	96,625	96,649
Mozambique	2010	MZN	55,325	450	2,129
Profit Taxes ^(b)			50,117		1,521
Other significant benefits to government agreed by MSWG			5,209	450	608
Iraq	2010			43,750	43,750
Bonuses ^(d)				43,750	43,750
Togo	2011	XOF	1,107,796	500	2,851
Profit Taxes ^(b)			1,107,796		2,351
Other significant benefits to government agreed by MSWG				500	500
Gabon	2010		-	25	25
Fees ^(c)				25	25

(a) Last local tax year which data refer to and in which the EITI was made.

(b) Income taxes and other taxes on production.

(c) Royalties for licenses and concessions.

(d) Bonuses for signature, discovery and production.

(e) In addition to the amount shown in the table, part of the transfers made by **eni** in Congo is made in "kind" for a total of 16,860 kboe which relates to the share of oil profits and royalties due to the Republic of Congo as well as marketing agreements in existence between **eni**, the Republic of Congo and the SNPC (Société Nationale des Pétroles du Congo).

ROYALTIES PAID IN THE FINANCIAL YEARS 2010-2012 IN ITALY		2010	2011	2012
Royalties paid ^(a)	(thousands of euro)	142,228	203,886	237,517
- of which to the State		64,465	97,682	96,948
- of which to the Regions		62,052	83,730	109,949
- of which to the Basilicata region		35,440	53,516	77,255
- of which to the Municipalities		15,711	22,474	30,619

(a) The value includes Enimed, Società Adriatica Idrocarburi and Società Ionica Gas.

Collective actions

Corruption is a phenomenon which involves various sectors of society and has economic, political and social roots. **eni** works with several entities at a national level, but above all at an international level to contribute to the creation of a shared culture of integrity which reduces the incidence of corruption.

These partnerships, or collective actions, involve the companies committed among themselves, together with governments and civil society, on particular topics or in specific geographical areas in order to create conditions for healthy competition and to minimizing opportunities for and risks of corruption.

These initiatives include **eni**'s adhesion to the Partnering Against Corruption Initiative (PACI), promoted by the World Economic Forum, which brings together about 80 companies throughout the world. The initiative, aimed at maximizing the impact of the private sector in combating corruption, is also aimed at facilitating high level dialogue between business and governments about the main problem areas.

Within B20, in 2012, **eni** participated in the anti-corruption working group with the aim of developing recommendations on the subject for the G20 heads of state and governments. The company will, in addition, be one of the three co-leaders of the B20 working group for the next B20-G20 in 2013 in Russia.


eni is active at the heart of the Global Compact, in the national and international working groups, on the topic of anti-corruption (tenth principle of the Global Compact). As part of this, **eni** has contributed to the establishment of a Working Group for the oil&gas sector, and has done in-depth work on the topic of anti-corruption due diligence, proposing the creation of common guidelines.

During the fringe meetings at the Rio+20 Conference there was discussion about the state of progress of the initiative and **eni** recorded specific anti-corruption commitments in the register set up at the Conference.

The research agreement on corporate anti-corruption

programmes signed by **eni** under the aegis of the United Nations Office on Drugs and Crime (UNODC), with the International Scientific and Professional Advisory Council of the United Nations Crime Prevention and Criminal Justice Programme (ISPAC) was also very important. This international initiative, which encourages cooperation between the public and private sectors in relation to the prevention of corruption, will conclude with the creation of an anti-corruption compliance programme which can act as a reference standard for the multinationals in the energy sector. The first results of this research were discussed, in December 2012, at the conference on "International anti-corruption strategies: crime policy and public-private partnerships" which involved representatives from international organizations such as UNODC and the Organization for Economic and Social Development (OECD), the Italian institutions and private sector professionals.

eni has been working since 2011 on the "Anti-Corruption Strategy for the Legal Profession" project of the International Bar Association in cooperation with the OECD and UNODC. As part of this project, in March **eni** organized a workshop in Rome aimed at a selected number of professional lawyers belonging to the most important legal firms in Italy. The workshop was focused on the national and international picture in terms of the battle against corruption and related risks involved in legal work, with the aim of strengthening knowledge in the profession of the significant negative consequences that may result from committing such crimes and promoting better standards of compliance to prevent corruption.

 In 2013 eni will participate in the B20 working groups as co-chairman of the transparency and anti-corruption task force.

Guaranteeing safety and wellbeing

People require that attention is paid to their health and safety, environment and territory protection, with respect for their own work. eni responds to the desire for sustainable growth with management and control tools and measures to prevent and reduce the risk of impact on the environment and on the health of the community, adopting the best technologies and engaging people who are constantly trained and prepared.

The safety of eni's people

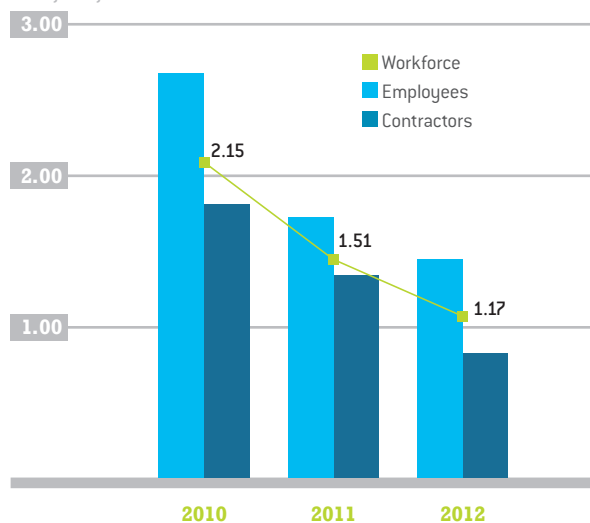
The safety of citizens and communities is closely related with that of eni's people. The achievement of good results in terms of safety is not however the result of a not well planned activity, and it does not depend on mere observance of national legislative standards, which differ, often greatly, between one another.

eni has based its strategy on three basic elements. The first is the commitment of top company management:

safety is the first objective in each strategic instruction and payment of production bonuses is linked to continuous improvement of performance in this area. The second element is the adoption of the best technologies and management and prevention systems during operations: in process safety and asset integrity issues, the highest standards of emergency prevention are used; operational control is aimed at the clear identification of management responsibilities of employees and contractors. With communication, training and preparation, health and safety topics always come in first place in terms of number of hours of training provided, which will exceed 2 millions in 2016; specific safety campaigns, bonuses and payments are an integral part of company life.

TRIR

(total recordable injuries/hours worked)
x 1,000,000



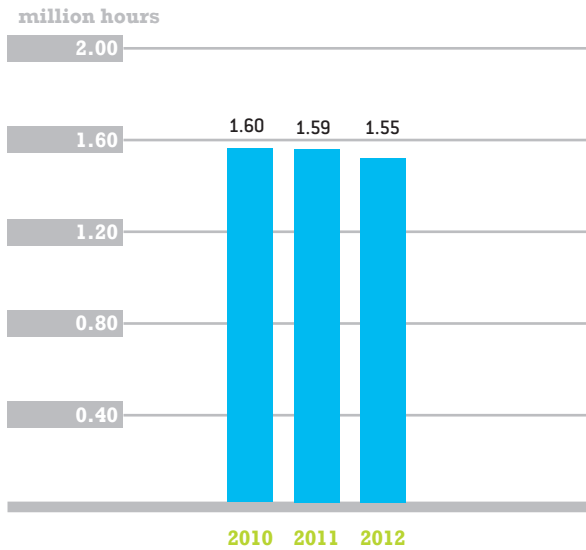
1,259,228

HOURS OF SAFETY TRAINING

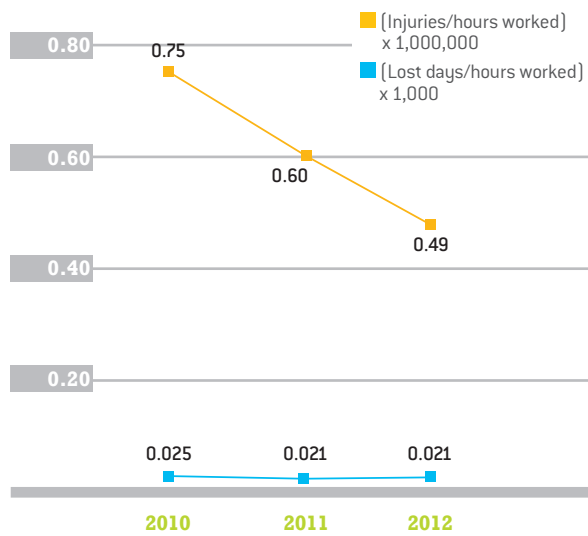
370.6

MILLION EURO
SAFETY SPENDING AND INVESTMENTS

HOURS OF HSE AND QUALITY TRAINING



INJURIES RATES



Over the last seven years the number of injuries at work has halved, dropping from 759 to 313.

Our determination with respect to safety issues has brought very significant results, even against the increase in production volumes. Over the last seven years, in fact, the number of injuries at work has halved, dropping from 759 to 313. In spite of the 43% reduction in the fatality index compared to 2011, seven fatalities were recorded in 2012. The level of attention to safety remains high in all areas of activity, with the aim of reaching the target of zero fatalities as soon as possible. Accordingly specific initiatives have been started to address the problem:

- the “eni in safety” programme, with the involvement of

about 20,000 employees over three years, provides for an intense information and training campaign to strengthen the safety culture within eni;

- the safety road show has the main objective to accelerate cultural change through a communication exercise by company executives (Business, HR, Procurement, Legal and HSEQ) involving employers and contractors on operating sites. During 2012, 700 employees and 400 contractors were involved. The campaign will continue in 2013 with meetings scheduled both in Italy and abroad;
- the “zero fatalities” project aims to implement targeted measures, including operational ones, to tackle the main causes of serious and fatal events. The project will focus on falls from height, crushings and road accidents.

Safe activities for people and the environment

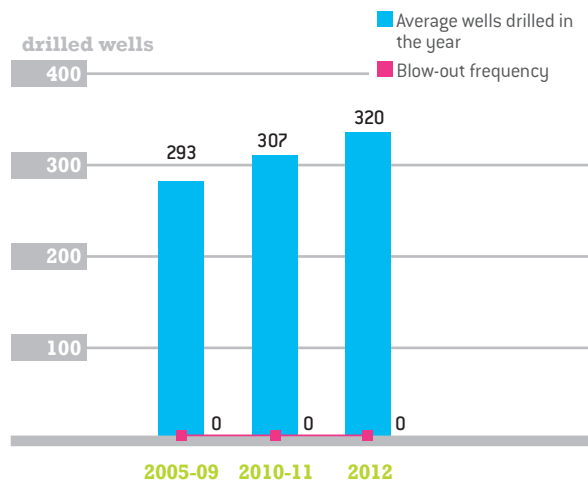
The safe management of plants and minimization of risks are prerequisites for the prevention of potential negative effects on the environment and people.

The use of more than 40 patented forms of drilling technologies, employed also in deep water wells (which represent 12% of the total), remote monitoring, redundant safety systems and well barriers ensures that all operations are carried out in complete safety.

The fact that eni has recorded zero blow-outs in the last nine years, in spite of an increase of operated wells, bears witness to this.

This approach, based on the most advanced asset integrity methodologies for reservoir development and production, is applied not only to operations but also to the exploration

ZERO BLOW-OUT



programme for the next four years, especially in frontier areas (for example high-pressure, high-temperature deepwater wells or activities in the Arctic) through the development of infrastructures and technologies suitable for the specific climatic/environmental and reservoir conditions.

3,856 **9.46**

BARRELS FROM OPERATIONAL OIL SPILLS

MM TON CO₂eq EMISSIONS FROM FLARING

743.2 **49%**

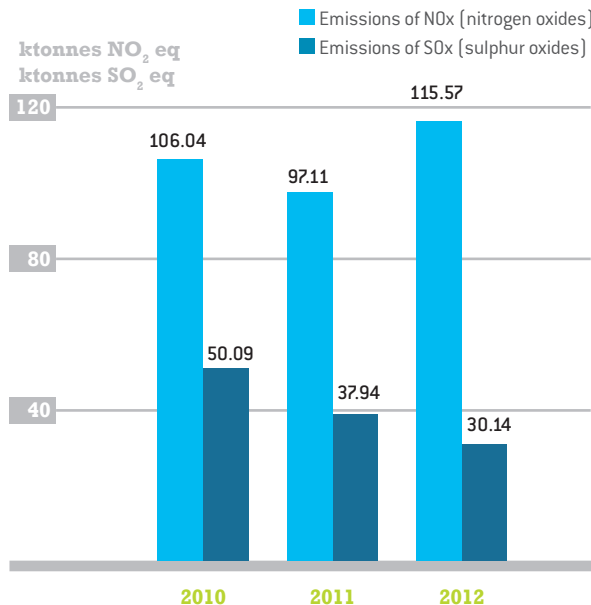
MILLION EURO ENVIRONMENTAL SPENDING AND INVESTMENTS

PRODUCTION WATER RE-INJECTED

eni's environmental strategy runs along three main lines: carbon management, reduction in consumption of natural resources, in particular water and energy, and minimization of environmental impacts, in particular the air emissions reduction, prevention and reduction of oil spills and containment of waste produced.

With regard to air emissions, the main indicators show an improvement in 2012 which derives from "flaring reduction" interventions, from the increase in energy efficiency and the introduction of low-emission fuels. The ever increasing attention given to climate change

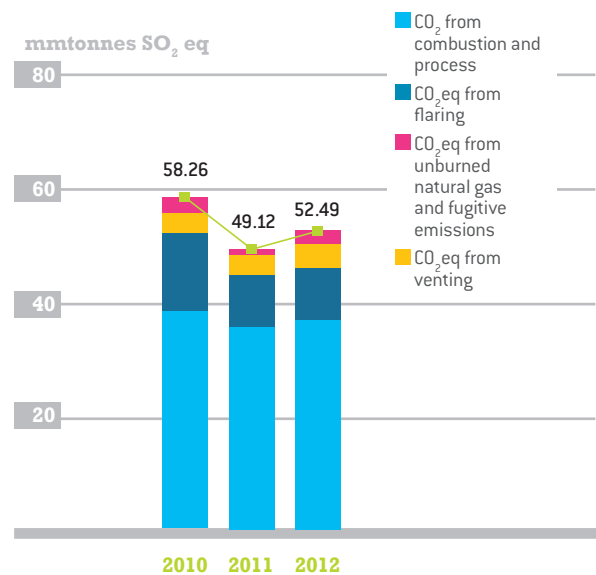
AIR EMISSIONS



control has pushed eni to strengthen and consolidate the process for identifying and developing internal and external initiatives to mitigate emissions (such as energy efficiency projects) or to offset them (such as sustainable forestry management).

In order to evaluate the results of the flaring reduction programmes (in Congo and Nigeria, as well as in Libya and Algeria) and energy efficiency programmes, in 2012 a process was set up to define and validate an eni target for GHG reduction, based on the savings which will be achieved through the GHG reduction projects planned by the business units. The definition of a target, validated by an independent body, will contribute to reinforcing eni's international leadership in terms of activities to combat climate change. In addition, and in line with the sustainable procurement strategy, various initiatives have been undertaken to implement green procurement criteria and to perfect a methodology for estimating indirect emissions within the supply chain: as part of this, work is underway to assess the carbon and water footprint of eni's main contractors and suppliers.

DIRECT GHG EMISSIONS



* Due to the 2011 limited production in Libya, caused by the political situation of the country, the comparison of GHG emissions between the years 2010 and 2012 is considered to be more representative.

eni's environmental management has been recognized for two years by DJSI as the best in the sector.

As part of its water management activities, **eni** continues to apply the Global Water Tool for Oil & Gas developed by the World Business Council for Sustainable Development in order to map the distribution of activities in so-called “water stress” zones, where even a reduced consumption of fresh water could be in competition with primary needs. The detailed assessment carried out at operating sites and the application of the Local Water Tool for O&G developed by the Global Environmental Management Initiative and IPIECA enable the identification of the possible elements of water risk on which to take action, both through measures to mitigate and reduce the industrial process impact on water and through social initiatives designed to optimize the use of water by the local population.

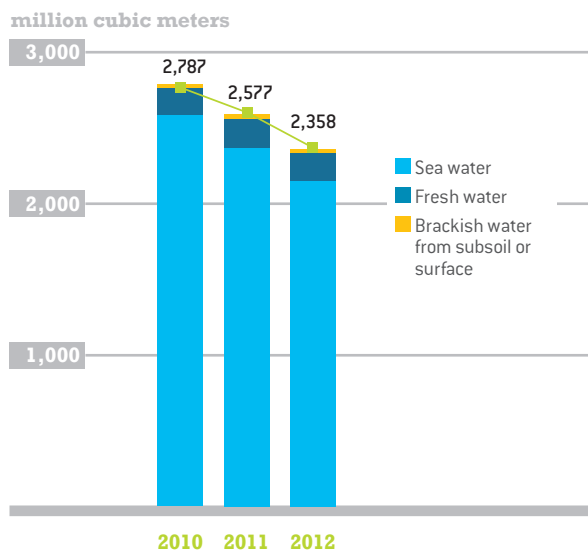
Thanks to investments in the downstream sector and the re-injection of production water in the upstream sector, the use of fresh water constitutes only 8% of the total water resources used by **eni**, and a further reduction is expected due to actions to rationalize withdrawals provided for in the four-year plan for all business areas. Over the four-year period, in addition, a project will be developed to analyze the “Water and Energy nexus”. The project aims to identify margins to reduce energy and water consumption and to improve water quality.

and, last but not least, a more rational policy for the use of dispersing agents.

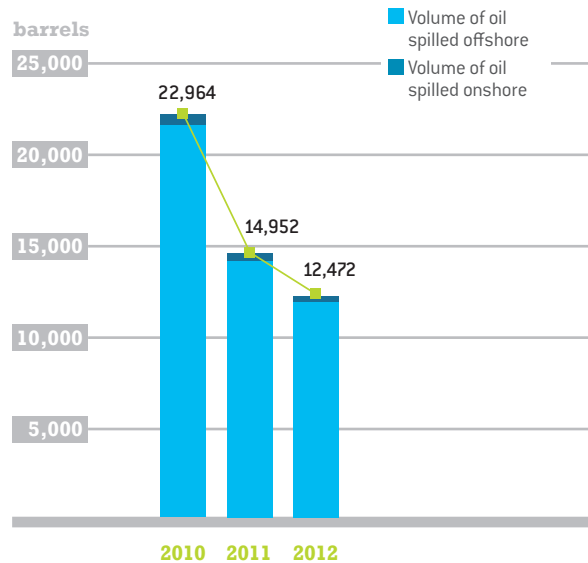
To improve our capacity to respond to and manage emergencies involving accidental oil spills as a result of offshore exploration and production activities, the preparation of an Oil Spill Contingency Plan will be completed in all subsidiaries by 2013. The projects set up by E&P in Nigeria as part of prevention and control of spills both of an accidental nature (Remote monitoring of pipelines with distributed sensors based on optical fibre and hydrophones) and spills due to sabotage (“Anti-intrusion innovative technologies deployment”), together with the commitment to accelerating the process of restoration of the same area (pilot test for the application of “thermal desorption” in the Ob-Ob area) are evidence of the ongoing **eni**’s effort for preventing and mitigating risks, for protecting the environment and the health of its people and that of the community.

YOU MAY ALSO BE INTERESTED IN:
 Access to energy and new industrial development (page 31)
 Governance, safety and development in the Countries (page 16)

TOTAL WATER WITHDRAWALS



OIL SPILLS



With regard to the topic of oil spills, **eni** takes an active part in various Joint Industry Projects (JIP) promoted by OGP (Oil&Gas Producers) and IPIECA (International Petroleum Industry Environmental Conservation Association) and in partnership with other companies, with the aim of increasing awareness of anti-pollution strategies, based on the different marine ecosystems within which these operate, strengthening the network of relationships between the various companies and promoting, also by institutional means, optimization of response techniques

Health nearby the plants



INCREASINGLY AWARE STAKEHOLDER CITIZENS

Plant safety and the health of employees, of the community and our partners, the environment protection, continuous improvement of processes, products and skills are

priority goals for the industrial world in pursuing its activities.

In addition, today there is increased sensitivity to and participation by

citizens in local issues, with a demand for in-depth knowledge of the impact of business activities and monitoring of the environment and of local health, using objective and scientific methodologies.

Safeguarding the health not only of **eni**'s people but also of the communities living close to our industrial facilities is an absolute priority for **eni**.

eni considers necessary to integrate environmental and health components in a methodology and a protocol which covers the adoption of appropriate plans to monitor and control the environmental and health matrix of the local population, in order to evaluate the impact of the production facilities on the area as a whole, providing all decision makers with assessments based on systematic and shared knowledge to enable them to make informed decisions. The aim of the Health Impact Assessment (HIA) and its monitoring is therefore to assess the sustainability of the industrial activities, whether new or existing, also with respect to coexisting activities and the state of health, both short and long term, of the populations present in the area, in order to implement every measure needed to prevent and mitigate potential risks.

Strengthened by the experience gained both abroad and in Italy, **eni** aims, in its Strategic Plan for 2012-2015, to continue and implement HIA in numerous production facilities in order to manage its business in an even more transparent manner.

Since 2012 **eni**, in partnership with the World Health Organization (WHO) has, at the request of the Ministry of Health in Ghana, been working on the preparation and application of a HIA methodology for the oil and gas sector throughout the Country.


Also in 2012 a HIA study was set up in Sannazzaro de' Burgondi (Pavia) for the construction and start-up of a new refinery. The experience built up in these different situations will enable us to develop and disseminate in 2013 a new Model to be used throughout the world which takes account of the specific situation in both industrial and territorial point of view. The community health protection also precise intervention to fill gaps and to resolve local problems.

Alongside the creation and strengthening of health infrastructures come programmes to create managerial and clinical skills, medical assistance, health promotion and support for the local area in terms of managing emergencies.

In Congo implementation is underway of a wide range of actions started in 2012 to improve the health of the resident population in the villages overlooking the M'Boundi installations, in accordance with the National Health Plan of the Country and the guidelines of the World Health Organization. This is part of a broad integrated project, the Integrated Project for the District of Hinda (PIH), which also involves the partnership with The Earth Institute of Columbia University.

The Hinda Project was launched in November 2011 with the aim of contributing to the improvement of living standards and the sustainable development of the local communities (around 25,000 people) in the industrial area near M'Boundi – Zingali, Kouakouala and Loufika – where **eni** carries out its activities. The goals and intervention areas, in addition to health, are education, support for economic activity and micro-enterprise, in particular agricultural companies, and social inclusion. Alongside these aspects there are interventions in the environmental field aimed at increasing the availability of safe water and the integrity of natural resources.

The project is being conducted with the involvement of local players, including the relevant government ministries,

 **The Hinda Project**
is split over 4 years,
with total estimated funding
of 13.2 million dollars.

the NGOs which deal with development in the area and the local community. The partnership with the Earth Institute of Columbia University is focused on the development of tools and systems to monitor and evaluate the results of the project, within the reference framework of the United Nations Millennium Goals.

To complete **eni's** commitment in the field of health, there are the activities of the Eni Foundation, the foundation set up by **eni** to specialize in projects for infant and child health in the Countries where **eni** operates, with particular reference to Sub-Saharan Africa.

2012 saw the successful conclusion of the initiatives, started in Congo and Angola in the 2007-2009 three year period, with the intention of improving child health care and supporting the national health programmes to achieve the Millennium Development Goals set by the United Nations.

The **Salissa Mwana** – Let's Protect the Children – project (2008-2012), aimed to improve child health assistance in isolated rural areas in the regions of Kouilou, Niari and the

Cuvette, through broad programmes of vaccination against the main diseases, the strengthening of basic local health facilities, the training of health staff at various levels and increasing the awareness of the population with regard to prevention.

In Angola, the **Kilamba Kiaxi** project (2009-2012), promoted with the Ministry of Health and the local Non Governmental Organization Obra da Divina Providência, aimed to improve maternal, infant and child health in the Municipality of Kilamba Kiaxi, in Luanda.

The programme aimed to reduce the incidence of preventable disease and disease due to malnutrition by strengthening local health facilities, disease monitoring and the development of vaccination programmes and dietary education.

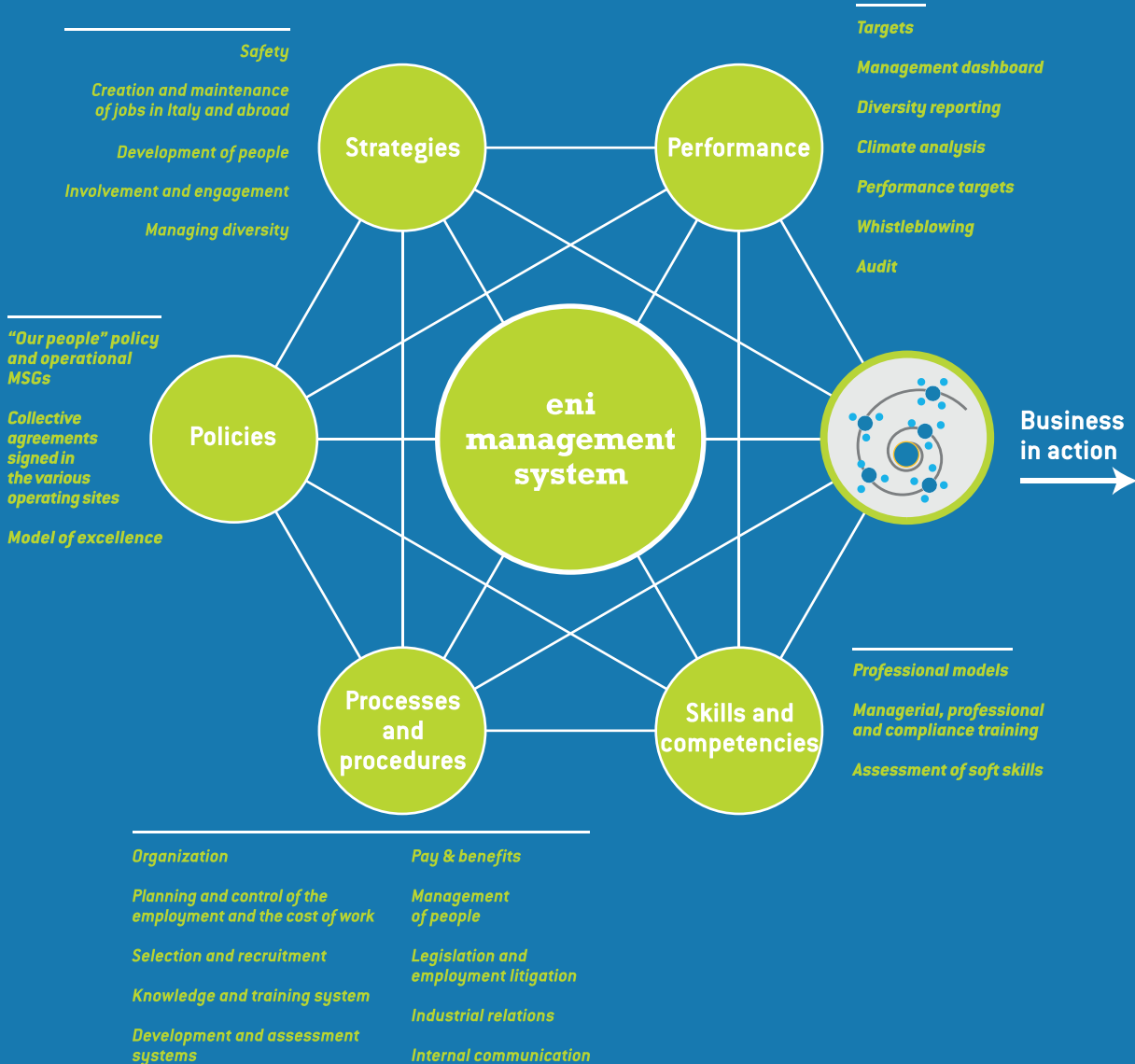
YOU MAY ALSO BE INTERESTED IN:

eni and its international partnerships for sustainable growth
(page 8)

MAIN RESULTS OF THE SALISSA MWANA PROJECT	2008-12
Local Health Centres renovated	30
Total vaccinations carried out	446,626
Prenatal consultations as part of mobile strategy	7,413
Women who received the clean birth kit	1,694
Training/supervision sessions	1,622
Resources trained in PTME	524

MAIN RESULTS OF THE KENTO MWANA PROJECT	2009-12
Women who received counselling	28,496
Women tested for HIV	27,740
HIV positive women	939
- of which accepted the protocol	564
Newborns who completed the protocol	434
Newborns negative at the end of the protocol	430

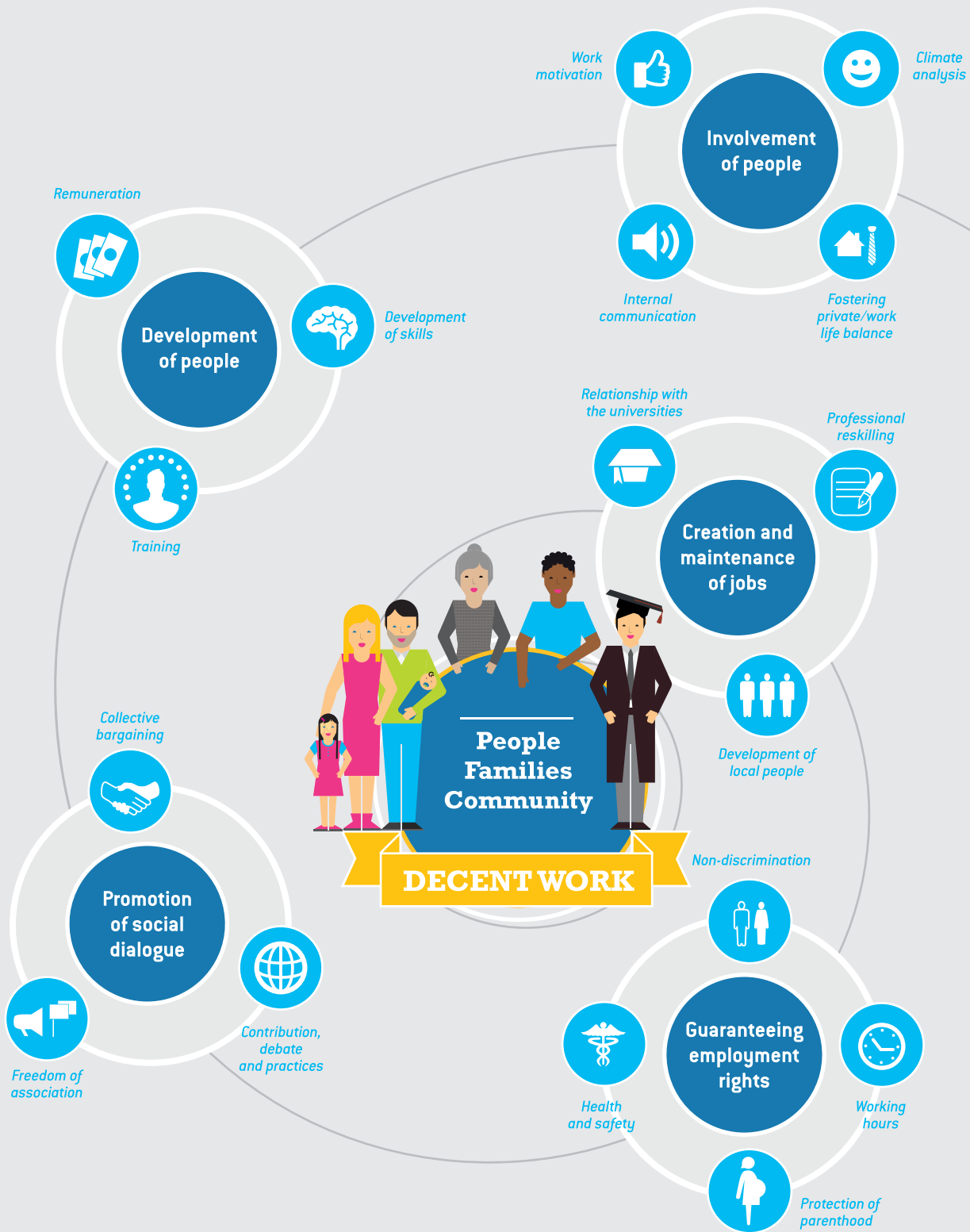
Defence and promotion of decent work



2012 results

43% reduction in the Fatality index compared to 2011, from 1.94 to 1.10.
 OHSAS 18001 certifications increased by 31% compared to 2011, from 74 to 97.
 eni people increased by about 7%, from 72,574 to 77,838.
 51,034 employees abroad, an increase compared to 2011 (+12%).
 About 1,836 people involved in programmes to assess their

potential and relevant development in the E&P subsidiaries.
 The percentage of women in managerial positions (directors and senior managers) is equal to 18.9%.
 Design of an e-learning course to combat discrimination in partnership with the ILO.
 3,132,350 hours of training supplied for a total spending of about 56 million euros, an increase of 11% compared to 2011.



Progress

Carried out a survey on "Maternity Protection" in all Countries where **eni** is present, with comparison against international standards and local regulations.

Carried out a study on the application of ILO standards in the 5 countries where **eni** has its major presence abroad, with a focus on the main industrial relations topics worldwide.

Brought forward the application of the Italian law on the "quota rosa" [% of women on boards and governing bodies] to the first renewal of the company organs coming to the end of their term, with the appointment of 1/3 women.

Targets to 2016

Continued application in Italy, for the appointments controlled by **eni**, of the 1/3 share of women directors from the first renewal with the aim of achieving an overall percentage of 1/3 women by 2016.

Application abroad of a policy on increasing the female presence in the Board of Directors, aiming to annually appoint 20% of women in Boards of Directors at their renewal, taking into account of local features.

Extension of the work standards mapping to other operating sites.



Development from empowering people

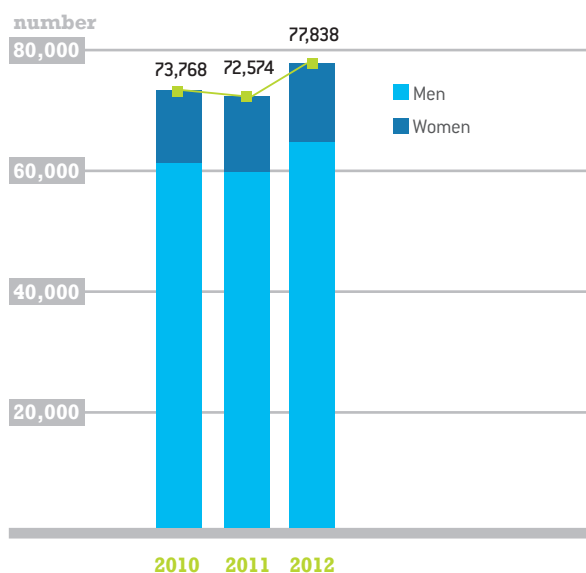
To reach the territories, the consumer citizens and all the stakeholders, eni develops the potential and the value of its people who can thereby become ambassadors for a distinctive vision and lifestyles that represent points of reference for all of eni's stakeholders.

The quality of work

eni puts itself forward as a company that guarantees not only the security of a job in a sometimes difficult economic situation but also the creation and retention of quality work.

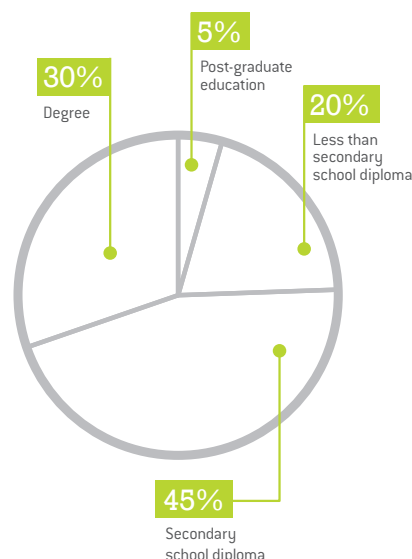
Despite the unfavourable economic situation at a world level, the number of eni's people, as a matter of fact, increased in 2012 by about 5,000 units compared to 2011.

ENI'S PEOPLE



As well as putting health and safety in first place among our strategic priorities, offering quality work also means guaranteeing our people protection of their rights and a fair remuneration system to allow a decent life. Remuneration policies are defined in an integrated manner at a global level, in line with the reference data for specific local markets and the sector. The consistency

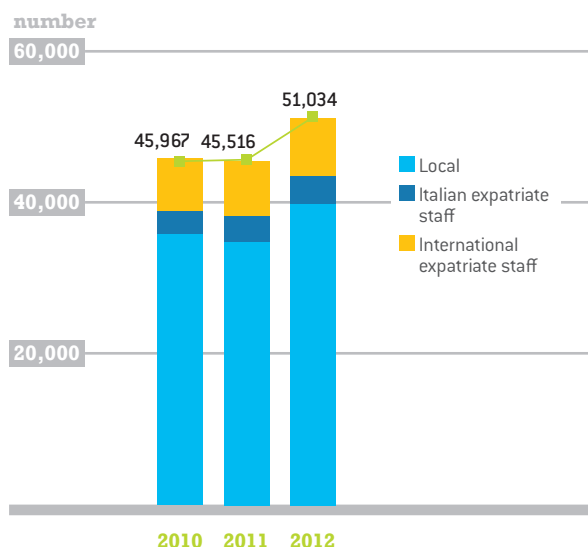
EMPLOYEES BY QUALIFICATION



of remuneration levels adopted is verified periodically by benchmarking.

In 2012 the survey of the gender pay gap was updated, using a method which neutralizes, in the pay comparison, any effects deriving from differences in role and seniority. The results of the analysis at a global level show on average a substantial alignment between male and female remuneration.

EMPLOYEES ABROAD

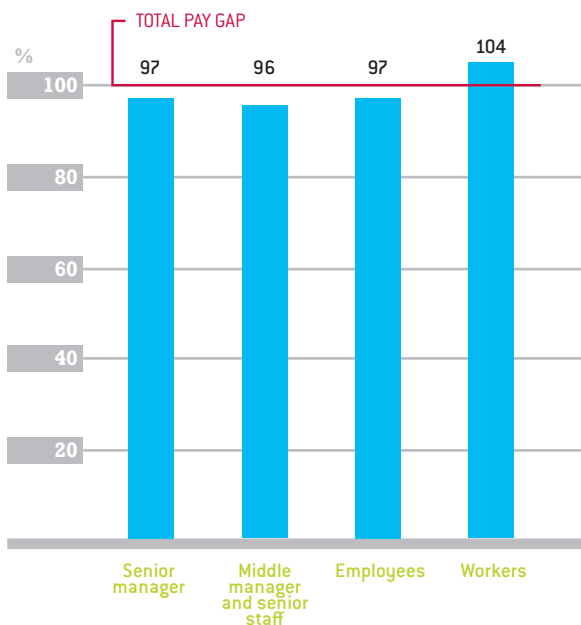


To support needs which may arise over the course of and at the end of a working life, the people in **eni** also enjoy a series of benefits which include insurance coverage for accidents and occupational and non-occupational diseases, health care access granted to their families and the opportunity to apply for supplementary pension plans, to which the company makes a substantial contribution.

The ongoing and open dialogue with parties representing social interests allows us to overcome even the critical problems which can at times affect specific areas of the company. On September 21, 2012 **eni** signed with the trade unions an agreement for the start-up of the "Green Refinery" project for the reconversion of the Venice Refinery to a "green" manufacturing cycle.

The negotiations and the signing of the agreement took place within a social, economic and union framework which fostered close attention to the development of the project. The positive and, by now, consolidated industrial

PAY GAP WOMEN VS MEN 2012



relations situation allowed **eni** to adopt a pragmatic course of action, shared by the trade unions for the sector. The project will allow us to manage the reconversion process using social safety net methods and tools which have been agreed with the trade unions.

This is not the first time that **eni** has found itself in the position of managing, together with the trade unions for the sector, issues related to change and converging on a common interest: one of the most recent examples is the agreement signed for the "Green Chemistry" project in Porto Torres on May 26 2011.

YOU MAY ALSO BE INTERESTED IN:
 The guarantee of safety and wellbeing (page 48)
 The growth in local people (page 21)
 Access to energy and new industrial development (page 31)

Empowering people

Fair development also means guaranteeing equal opportunities for access to work and professional growth to all. In 2012 **eni** extended performance assessment to 96% of directors and senior managers and 52% of managers/supervisors and young graduates, with an overall coverage of 55%. In 2012, as part of the skills development, roles of

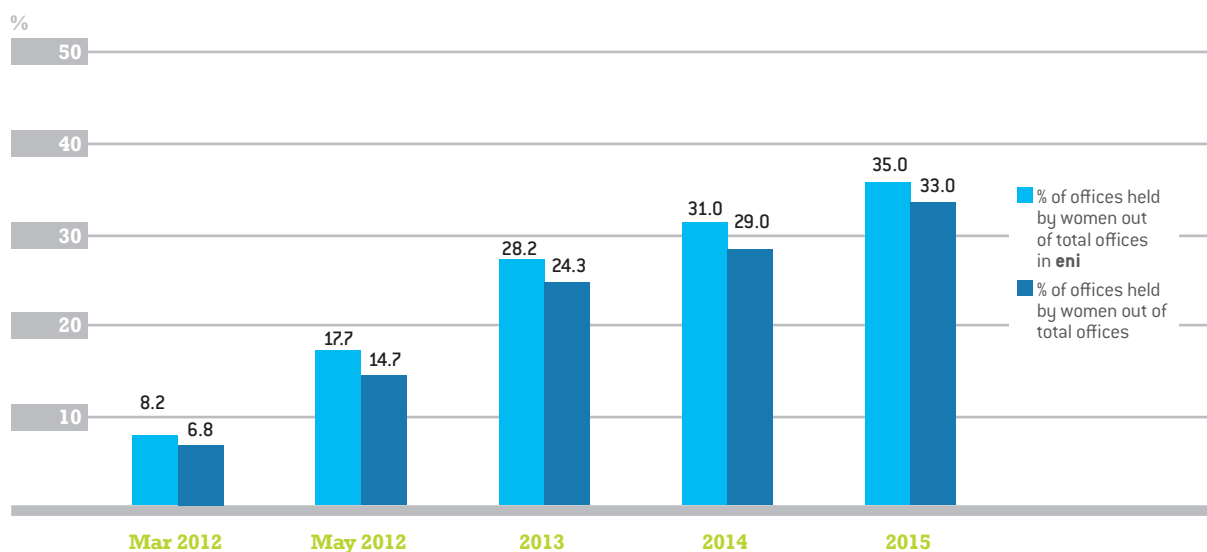
strategic interest were defined for each business, as well as a plan for the implementation of professional models which define the basic skills and the relevant development paths. This will allow a broadening in 2013 of the application of professional skills management in Italy and abroad, with special emphasis on the more strategic skills.

%	2010	2011	2012
Employees covered by management review (directors and senior managers)	100	100	100
Employees covered by performance evaluation tools (directors and senior managers, managers/supervisors and young graduates)	51	53	55
Employees covered by reviews of potential (young graduates and specialists)	35	41	33

eni is committed to guaranteeing equal opportunities within the company, applying systems and procedures for selection, evaluation and development based on appreciation of skills and merit.

To encourage women access to top management positions, **eni** has decided to bring forward to 2012 the application of the law on the “quote rosa” (women share) in the administration and control bodies of listed companies, applying it to the Boards of Directors and Boards of Statutory Auditors coming to the end of their term in Italian subsidiaries and ensuring, from the first renewal, the application of the share of 1/3 of the least represented gender, instead of 1/5 as required by the law. The process of planning the renewal of boards of directors reaching the end of their term in 2013 has also been started in subsidiaries abroad, with instructions to aim for the achievement of a 1/5 female presence in all situations where there are no legislative or specific local constraints.

POTENTIAL PROJECTION OF THE PRESENCE OF WOMEN IN THE BOARDS OF DIRECTORS OF ITALIAN SUBSIDIARIES



The wellbeing of our people

Our constant attention to our own people is also demonstrated by the welfare programme, which aims to facilitate work-life balance.

eni's commitment has been consolidated and strengthened in 2012 with the aim of creating even higher quality services and trying to include the highest possible number of people. The main areas of interest are “Families and children”, “Health and Wellbeing” and “Time & Money Saving”.

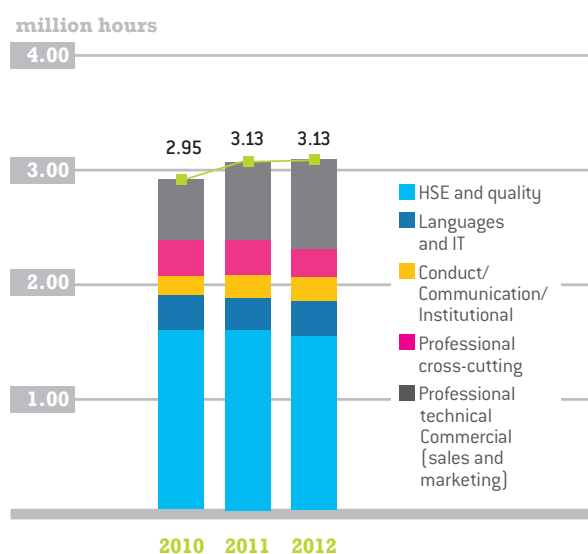
In the “Families and children” area, in particular, the crèche/school project has enabled to accommodate 168 children (60 crèche - 108 nursery school) at the facility in San Donato Milanese. The summer initiatives designed to support families during the period of school closure have been renewed and increased; 2,600 children and teenagers benefited from these in 2012.

Training and involvement

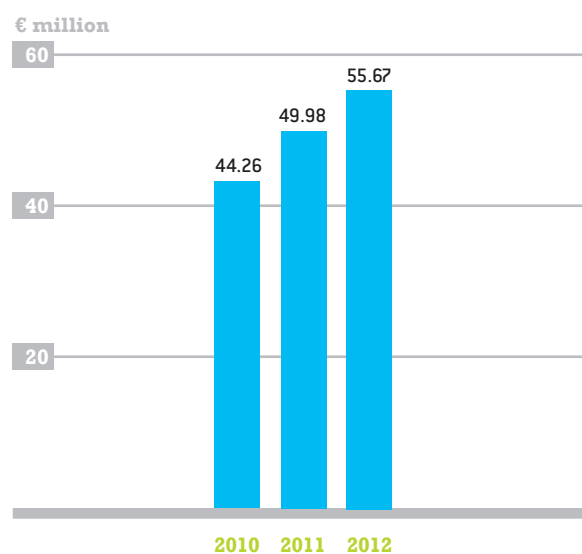
eni's attention to its people is also realized in providing training courses and continuous updates, which constitute tools for fostering personal and professional development, as well as making an essential contribution to the quality of work. During 2012, the number of hours of training recorded was in line with the previous year, with an increase in overall spending (+11%) due to a change in the composition of training activities. There was in fact an increase in activity at foreign sites (e.g. Iraq) and, against a reduction in cross-cutting professional training, an increase in managerial training (approx. +7%) and technical and commercial training (approx. +11%).

eni, through Eni Corporate University, activates degree and masters courses in Oil and Gas topics in cooperation with universities.

HOURS OF TRAINING



EXPENDITURE ON TRAINING



eni has continued its partnerships with the academic world, developing the university network focused on oil and gas themes and, in general, broadening relations with the top business schools and academic institutions.

In particular, through Eni Corporate University, the initiatives already in place in the top universities have been renewed: the master's degree in "Petroleum Engineering" and the second level specialist degree course in "Petroleum Engineering" with the Politecnico di Torino, the master's degree in "Design of Oil & Gas Plant" with the University of Bologna and the second level degree course "Energy Orientation - Hydrocarbons" with the Politecnico di Milano. Training continues to be an important element in strengthening the professional skills needed for the

new business initiatives, in particular abroad (Egypt, Mozambique, Togo, Congo, Angola, Nigeria, Algeria and Timor Leste).

2012 was also characterized by a strong commitment, common to all areas of the business, to HSE training. In particular, the updates provided for by the Italian State-Regions conference at the end of 2011 were developed, and work continued on the integrated training and communication plan "eni in safety", which aims to further strengthen the safety culture, disseminating the values in a capillary manner so that they branch out across the organization.

YOU MAY ALSO BE INTERESTED IN:
The growth in local people (page 21)

INVOLVING PEOPLE	2010	2011	2012
Users with access to the MyEni portal (number)	24,314	25,746	23,578
People involved in the Cascade Programme	31,387	29,086	28,700
- Countries involved	39	40	44
- Meetings held	600	565	569
- Satisfaction of participants (positive feedback on the initiative) (%)	84	87	88

Reporting principles and criteria

Communication with stakeholders

eni is an integrated company which constantly interfaces with various types of stakeholders. Clear and transparent dialogue with each of them is an important aspect of the company's way of operation because it enables the mutual exchange of information needed for a solid and shared business.

eni's reporting system is structured according to a multi-channel logic which provides for different levels of depth and different communication methods to reach in an effective, timely and immediate manner all the stakeholders with whom **eni** interfaces.

Reporting tools

To demonstrate the progressive integration of sustainability within all company processes, following its inclusion in the Pilot Programme launched by the International Integrated Reporting Council (IIRC), in 2011 **eni** published its first Integrated Report.

2012 was **eni**'s second year of adherence to the IIRC Pilot Programme to experiment with the Integrated Report and, in line with the "Prototype of the International Framework" published by the IIRC, **eni** has continued down the path of integrating financial and sustainability information, showing the relationship between elements of the scenario and competitive context, performance and strategic direction within the Directors' Report of the 2012 Annual Report. In addition, the 2012 Integrated Report is enhanced with examples of the application of **eni**'s business model as well as a description of the integrated risk management model. The methods used to create long-term value are therefore illustrated by the links between financial and non-financial elements in company strategies, plans and results. The section entitled "2012 Consolidated Sustainability Statements" reports on key areas of sustainability performance.

To complete the Integrated Report, "**eni for**" is the 2012 sustainability reporting document which meets the requirements of key stakeholders and in particular the Global Compact. This document describes in a mind map format the commitment to guaranteeing respect for the

10 Global Compact principles in company measures and in the definition of company strategies as well as the company's contribution to achieving the United Nations Development Goals.

The contents of this document are in line with the Advanced Level of the United Nations Differentiation Programme, with additional aspects of sustainability provided for by the Blueprint. At a Country level, **eni** is promoting within its subsidiaries local reporting initiatives on aspects of sustainability such as the Country Report; in 2012 two local reports were published: "**eni** in Ecuador" and "**eni** in Basilicata". In addition there are Sustainability Reports for some companies operating in particular sectors of the business such as the electrical sector or gas.

The web site www.eni.com contains all the information on sustainability: the description of the main projects and the view by business sector of performance based on an interactive method and including in-depth information where necessary.

Topic-based navigation allows the information available to be consulted quickly and any further information desired to be obtained. In 2012 **eni** was classified in fourth place in the fifth CSR Online Awards, the first in-depth study in Europe of on-line communication in relation to Corporate Social Responsibility (CSR) and third place in the Italian classification.

Reference Principles

The sustainability information and performance data contained in this document have been prepared in accordance with the principles in the guidelines "Sustainability Reporting guidelines & Oil and Gas Sector Supplement - version 3.1" issued by the GRI - Global Reporting Initiative.

The principles which ensure the quality of the information and performance data, including their presentation, are: balance, comparability, accuracy, timeliness, reliability and clarity, as defined by the Global Reporting Initiative. Complete GRI reporting to support the self-declared level A+ will be available on the www.eni.com website in the section "Reporting principles and criteria".

Analysis of materiality

With reference to the topics dealt with, the principles of materiality, stakeholder inclusiveness, sustainability context and completeness were observed.

The level of external interest in sustainability topics is identified through an analysis which considers various factors: the energy, political, economic and social scenario at a global and local level, benchmarking of a panel of companies in the O&G sector and other sectors of similar size and geographical characteristics to **eni**, the requirements of the capital markets and the ethical rating agencies, press and web analysis and the requests that the main stakeholders have made to **eni**, by different means and channels of communication. In addition to the financial community, the stakeholders considered are governments and local institutions, the international and national associations, the NGOs and the citizens interested in **eni**'s work, and **eni**'s people.

The level of internal significance of sustainability issues is, instead, determined on the basis of an analysis of short and long-term strategy and targets, combined with an evaluation of the results in terms of sustainability and sustainability performance for the reporting year. The joint consideration of external and internal significance leads to the identification of the priority areas and the most material areas for the company, which are shared with all the company functions involved and approved by top management.

The significance of the issues and initiatives presented has also been assessed in relation to:

- the Millennium Development Goals;
- fundamental reporting elements based on the tenth principle issued by Transparency International and Global Compact in 2009;
- the UN "Sustainable Energy for All" Initiative.

The document sets out the long-term commitments and responsibilities assumed by **eni** in relation to key stakeholders, with particular attention to the expectations and information requirements of the host Countries and of the Global Compact.

The sustainability context is presented through a description of the main sustainability initiatives carried out by the company in 2012 and in previous financial years and through an analysis of socio-economic information and data for producer Countries, obtained from authoritative sources such as the International Energy Agency (IEA), the World Bank and the United Nations Development Programme (UNDP).

The document also contains the information required by "The Blueprint for Corporate Sustainability Leadership" published in 2010 by the United Nations Global Compact Office with particular reference to: (i) implementation of the ten Global Compact principles with respect to the operating context; (ii) the measures taken by **eni** to support the goals and areas considered strategic for sustainable development by the United Nations; (iii) **eni**'s adherence to initiatives conducted by the Global Compact both at a local level and a global one.


The consolidation scope

The consolidation perimeter for company data is the same as that used for the preparation of the "2012 Consolidated Sustainability Statements" section of the 2012 Annual Report.

The assurance process

The document is subject to a process of verification by an independent auditor, who performed the assurance in accordance with the principles and recommendations contained in the International Standards 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.

Independent auditor's letter



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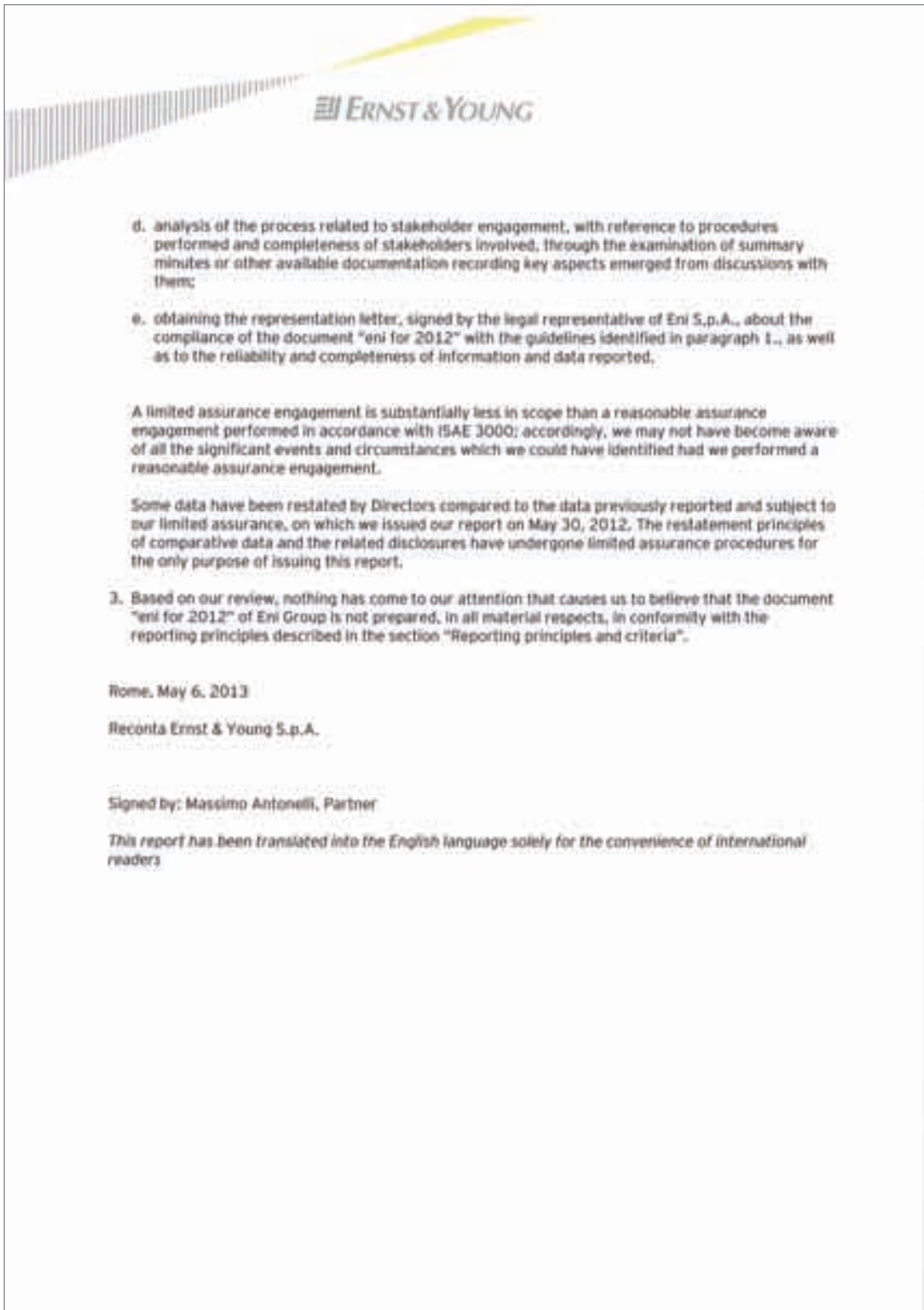
**Independent auditors' report on the limited assurance engagement of "eni for 2012"
(Translation from the original Italian text)**

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

1. We have reviewed the document "eni for 2012" of Eni S.p.A. and its subsidiaries (Eni Group). Eni S.p.A.'s Directors are responsible for the preparation of the document "eni for 2012" in accordance with the reporting principles described in section "Reporting principles and criteria", as well as for determining the Group's commitments regarding the sustainability performance and the reporting of results achieved. Directors of Eni S.p.A. are also responsible for the identification of stakeholders and significant matters to report, as for the implementation and maintenance of appropriate management and internal control processes in respect of data and disclosures reported in the document "eni for 2012". Our responsibility is to issue this report based on our review.
2. We conducted our review in accordance with 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. Those standards require that we comply with ethical requirements ("Code of Ethics for Professional Accountants" issued by the International Federation of Accountants - I.F.A.C.) included those related to independence, as well as planning and executing our work in order to obtain a limited assurance, rather than a reasonable assurance, that the document "eni for 2012" is free from material misstatements. A limited assurance engagement consists of making inquiries primarily with company's personnel responsible for the preparation of the document "eni for 2012", of the analysis of the document and other procedures performed in order to obtain evidences as appropriate. The procedures performed are summarized below:
 - a. analytical procedures of sustainability data and information included in the document "eni for 2012" with data and information included in the "Consolidated Sustainability Statements 2012" included in the Annual Report 2012 of the Eni Group for which we issued our limited assurance report on April 8, 2013;
 - b. analysis of the underlying processes that support the generation, record and management of quantitative data and information included in the document "eni for 2012". In particular:
 - interviews and discussions with personnel of Corporate and Divisions of Eni S.p.A., Versalis S.p.A., EniPower Mantova S.p.A., Agip Karachaganak BV and of the affiliate Karachaganak Petroleum Operating BV in order to obtain an understanding of the information, accounting and reporting system used for the preparation of the document "eni for 2012" as well as of the internal control processes and procedures supporting the collection, aggregation, elaboration and transmission of data and information to the department responsible for the preparation of the document "eni for 2012";
 - testing, on a sample basis, of the documentation supporting the preparation of the document "eni for 2012", in order to obtain evidences about processes in use, their adequacy and the operating effectiveness of the internal control for the correct treatment of data and information with respect to the objectives described in the document "eni for 2012";
 - c. analysis of the consistency of qualitative information reported in the document "eni for 2012" with the guidelines identified in paragraph 1. above and of their consistency with particular reference to sustainability strategies and policies;

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- d. analysis of the process related to stakeholder engagement, with reference to procedures performed and completeness of stakeholders involved, through the examination of summary minutes or other available documentation recording key aspects emerged from discussions with them;
- e. obtaining the representation letter, signed by the legal representative of Eni S.p.A., about the compliance of the document "eni for 2012" with the guidelines identified in paragraph 1., as well as to the reliability and completeness of information and data reported.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement performed in accordance with ISAE 3000; accordingly, 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.

Some data have been restated by Directors compared to the data previously reported and subject to our limited assurance, on which we issued our report on May 30, 2012. The restatement principles of comparative data and the related disclosures have undergone limited assurance procedures for the only purpose of issuing this report.

3. Based on our review, nothing has come to our attention that causes us to believe that the document "eni for 2012" of Eni Group is not prepared, in all material respects, in conformity with the reporting principles described in the section "Reporting principles and criteria".

Rome, May 6, 2013

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



eni for 2012 is one of the documents which make up **eni**'s sustainability reporting together with the Integrated Report and the dedicated section of **www.eni.com**

It describes the contribution to sustainable development as an integral part of the company's activities, in accordance with the Advanced Level of the Differentiation Programme and the sustainability aspects provided for by the Blueprint for Corporate Sustainability Leadership of the UN Global Compact.

The infographic tables produced by The Visual Agency contribute to giving an overall picture of **eni**'s main sustainability processes. These are accompanied by a narrative that describes how the ability to operate in a sustainable manner contributed to the results achieved by the company in 2012.

eni for 2012 has been produced with the scientific support of the Fondazione Eni Enrico Mattei.



The 2012 Annual Report illustrates the methods of creation of long-term sustainable value through the integrated presentation of the connections between financial and non-financial elements in the strategies, plans and results of the company. The Consolidated Sustainability Statements include all the performance indicators and results for the last three years.

For an ongoing update on sustainability initiatives and results see the website **www.eni.com**

Since 2012 **eni** has entrusted its communication to young talents from all over the world, active in the most varied disciplines.



Diana Beltran Herrera was born in Colombia in 1987.

She studied design at the Jorge Tadeo Lozano University in Bogotá, Colombia, where she graduated in 2010.

She then studied experimental painting at the Guerrero Arts Academy (Bogotá), before moving to Helsinki, Finland in 2011 to study ceramic sculpture at the Suomenkielinen school. Using paper as her primary material, to represent the notions of time and change, she emphasizes the processes of transformation which occur continually in nature as in mankind.



eni spa

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Page layout and supervision

Korus Srl - Rome

The infographic tables are produced by

The Visual Agency Srl - Milan

Print

Ugo Quintily SpA - Rome

Printed on XPer Fedrigoni paper

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