

Eni for
2016

Sustainability Performance



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Reporting principles and criteria

Reporting principles

Eni reporting system is prepared in accordance with the principles of balance, comparability, accuracy, timeliness, reliability and clarity (reporting principles), as defined by the Global Reporting Initiative – GRI "G4 Sustainability Reporting Guidelines".

Key Performance Indicators, selected according to items identified as the most relevant, are collected on an annual basis. The data gathering process is structured to ensure the comparability of data over several years, in order to allow a correct reading of the information and a full vision to all stakeholders interested in the

evolution of Eni's performance. Individual exceptions are appropriately reported in the text.

The 2014 and 2015 data are different from those included in the 2015 report due to the perimeter variations, compared to the previous year, and also as a consequence of the consolidating effect of the data that were only made available after the publication of these documents. For the same reason, the 2016 data represent the best estimation with the data available at the time of writing this prospectus.

Calculation methods

The methods used to calculate the injury frequency and severity rates, the refining energy intensity index, the emission indices, the value added and the value generated by research are shown below.

With regard to safety performance, injury frequency and severity rates and the total recordable injury rate are shown for employees and contractors separately. The frequency index is calculated as the ratio between the number of injuries leading to absence from work (including fatalities) and millions of hours worked; the severity index is defined as the ratio between days of absence due to injuries (excluding fatalities) and thousands of hours worked; the total recordable injury rate is the ratio between total recordable injuries (sum of injuries leading to days of absence, including fatalities, work restrictions and medical treatments) and millions of hours worked.

Days of absence are calculated starting from the day after the event. The refining energy intensity index represents the total value of energy actually used in a given year in the various refinery processing plants, divided by the corresponding value determined on the basis of predefined standard consumption values for each processing plant.

For comparison between years, the data for 2014 have been taken as the baseline (100%). In order to highlight medium- and long-term sector specific performance on CO₂ and pollutant emissions, water withdrawals and energy efficiency, three indices have been defined to represent the following operating contexts: hydrocarbon production, refining and electricity generation. These indices take into account the substantial differences in working conditions recorded over the years and allow for performance comparison by normalizing the emissions based on operating data. The refining indices refer to traditional refineries only and are calculated based on input quantities processed (raw materials and semi-processed products), the hydrocarbon production indices cover gross operated production, and the energy sector indices measure electrical and thermal energy produced in equivalent kWh. Greenhouse gas (GHG) emissions are related to CO₂, CH₄ (methane) and N₂O (nitrous oxide); methane and nitrous oxide are converted into CO₂eq using a Global Warming Potential (GWP) of 25 and 298 respectively.

Value added represents the wealth generated by the Company in carrying out its activities.

Global gross value added is divided between the following beneficiaries: employees (direct remuneration composed of wages, salaries and provisions for severance payments (TFR) and indirect remuneration consisting of social welfare contributions); State and Public Administration (income tax); financial backers (medium- and long-term interest paid for the availability of borrowed capital); shareholders (dividends distributed).

The method for assessing the value generated from research allows the benefits of R&D to be calculated in terms of both tangible and intangible value. The tangible value is measured by the economic benefits related to the application of product technologies/process innovation. Specifically, the overall tangible value is applied to 100% of the investment in the technological applications projects and is before tax. The economic benefits may be identified based on actual results (final values) or expected value (net present value - NPV). The assumptions applied on a case-by-case basis for

the calculation are shared with the relevant technical structures/business units. Tangible economic benefits are identified in a "what if" scenario, that is as the difference (delta) derived from comparison with the application of the best alternative technology or, in the case of new products, as the difference compared to the margin generated by the products replaced. The intangible benefits are recognized by assessing on the one hand the effectiveness and efficiency of the Company's innovative capacity over time through the number of first filings of patent applications, and on the other by the diffusion of specialized know-how and the effectiveness of research in supporting operating activities.

Procurement data refer to the share deriving from suppliers who fall within the Group's Procurement Management System Guideline which regulates the stages and activities of the procurement process. The MSG applies to the procurement functions of Eni SpA and companies directly or indirectly controlled by Eni in Italy and abroad.

Reporting boundary

The following paragraphs contain the sustainability performance indicators for the 2014-2016 period.

The information relates to Eni SpA and its consolidated subsidiaries. The consolidation boundary is the same as that for the Integrated Annual Report 2016, with the exception of certain data specifically indicated.

With regard to data on health, safety and the environment, the consolidation domain is defined on the basis of the operational criterion (control of operations).

Data on employees in service and related KPIs refer only to consolidated companies based on the line-by-line method.

Corporate Governance KPIs refer to all Eni's subsidiaries.

Governance and Business Ethics

Board of Directors

		2014 ^(a)	2015	2016
Members of the Board of Directors	(number)	9	9	9
- executive		1	1	1
- non executive		8	8	8
- independent		7 ^(b)	7 ^(b)	7 ^(b)
- non independent		2	2	2
- members of minorities		3	3	3
Board of Directors Annual Meetings		14	13	14
Average attendance at Board meetings	(%)	100	100	98
Annual board induction sessions	(number)	3	4	2

(a) Refers to the Board of Directors up from 8th May, 2014 onwards.

(b) Refers to the current Board of Directors, referring to independence as defined by the regulations, referred to in Eni's By-Laws; in accordance with the Corporate Governance Code, 6 of the 9 Directors.

The Board of Directors and the Board of Statutory Auditors are appointed by the Shareholders' Meeting using the list voting system. Their respective chairmen are appointed by the Shareholders' Meeting with normal majorities. Three Directors and two Auditors, including the Chairman of the Board of Auditors, are appointed by minority shareholders thus ensuring that the number of representatives of said minority shareholders exceeds the number required by law. The number of independent Directors provided by the Company By-Laws is also greater than that required by law. When appointing the Board in May 2014, the Shareholders' Meeting took account of the directions given by the previous Board on the best qualitative-quantitative composition in terms of diversity, profession, managerial experience and nationality, and promptly communicated to the market. The result is a well-balanced, diversified Board, which is better than that required by law in terms of gender diversity. In the same way, the current Board has made its own assessments and submitted them to shareholders and the market, in view of the next Shareholders' Meeting.¹ Moreover, the number of independent Directors on the Board (7² of the 9 Directors appointed, of which 8 are non-executive) exceeds the number required by law and the corporate

governance code.³ The Board of Directors has appointed a Chief Executive Officer and created four internal committees providing consulting and advisory functions to the Board: the Control and Risk Committee, the Compensation Committee, the Nomination Committee and the Sustainability and Scenarios Committee, which all report to each Board meeting on the relevant issues being discussed. Specifically, with the establishment of the Sustainability and Scenarios Committee, the Board of Directors aims to ensure a further level of supervision over sustainability issues, which have been considered as a cornerstone of the Board's decisions and integrated into the Company's business model. The Board also attributes an important role to the Chairman in terms of internal controls, in particular in reference to the Internal Audit department, whose Manager proposes the appointment, remuneration and resources, directly managing the relationship on behalf of the Board (without prejudice to the functional reporting to the Control and Risk Committee and the CEO, as the director in charge of the internal control and risk management system). The Chairman is involved (i) in processes for the appointment of the main Eni subjects assigned to internal controls and risk management, including the Integrated Risk Management Manager and the

¹) For more details, please refer to the Corporate Governance Report 2016.

²) Refers to independence as defined by the regulations, referred to in Eni's By-Laws; in accordance with the Corporate Governance Code, 6 of the 9 Directors appointed are independent.

³) The number of Independent Directors in accordance with the law and the Corporate Governance Code has remained unchanged, also following the co-option of a Board member on 29 July 2015, to replace a resigned Director.

Integrated Compliance Department Manager, who refer directly to the CEO, also as director in charge of the internal control and risk management system, as well as (ii) in the internal process related to controls, also approving the standards governing Internal Audit activities.

Lastly, upon the proposal of the Chairman, the Board appointed the Secretary, who is also assigned the role of Corporate Governance Counsel with duties to assist and advise the Board and directors and who regularly prepares a Report on Eni's governance for the Board. This report allows regular monitoring of the governance model adopted by the Company, based on a comparison with the main studies on this topic, peers' choices and innovations in corporate governance contained in foreign Codes and in the Principles laid down by relevant institutional bodies, highlighting any areas in Eni's system requiring further improvement. As a result of this role, the Secretary - who reports hierarchically and functionally to the Board and, on its behalf, to the Chairman - must possess the appropriate requirements, including with regard to independence.

Each year the Board, with the assistance of an external consultant and the supervision of the Nomination Committee in the choice of consultant and the method to follow, carries out a self assessment (Board Review). Essential elements of this review are comparisons with best practices at national and international level, a review of board dynamics and the definition, if necessary, of an action plan to improve the function of the Board and its committees. Furthermore, when defining how to implement the Board Review, the Eni Board, with the support of the Nomination Committee, assesses whether to carry out a Peer Review on its members, consisting of an assessment by each Board Member of the contributions made individually by the other Board Members. Peer Reviews have been carried out three times over recent years. The last one in May 2015 marked an important evolution for Italian listed companies.

As mentioned before, the Board took the results of the self-assessment as a reference point so that, after the Nomination Committee's assessments, it could give shareholders guidance on the managerial figures and professions whose presence on the Board is considered appropriate before the Board reshuffle.

The current Board has further improved the Board Review process: the board dynamics have been analysed to assess the Board's "Team Effectiveness". The Peer Review carried out in 2015 involved all the Directors undertaking individual tasks that were then re-assessed by everyone and by each member in 2016 and in 2017 to further improve the team dynamics.

In support of the Board and the Board of Statutory Auditors, for several years Eni has also instituted a training program, "Board Induction" and "Ongoing Training", in corporate topics and business subjects with visits to operating sites, including those situated overseas, based on the presentation of Eni activities and organization by top management.

Lastly, addressing the need for more in-depth market dialogue, in 2016 Eni organized a new cycle of corporate governance meetings between the Chairman of the Board and primary corporate investors (Italian and foreign) to present the system of governance in the Company and the main initiatives regarding sustainability and corporate social responsibility. The initiative was most especially appreciated by investors, due to the open and constructive dialogue created with the Company. Investors positively received the composition of the Board of Directors, including with regard to diversity, the governance measures adopted and the completeness and transparency of the information provided to shareholders and the market. Furthermore, over the course of the meetings, investors showed keen interest in the evolution of risk governance and of the control system, its organization and the primary role reserved for the Board and the Chairman within the system itself.

Further meetings were held at the start of 2017.

Diversity in the management and audit bodies of the Eni Group		2014	2015	2016
Presence of women on the Boards of Directors	(%)	25	26	27
Presence of women on the Boards of Statutory Auditors ^(a)	(%)	34	35	37

(a) Outside of Italy only those companies which have a control body similar to an Italian Board of Statutory Auditors were considered.

The internal regulations on the "Corporate Governance of Eni companies", subject to the requirements of the law, provides that in selecting the members of the management and control boards of Eni's Italian and foreign subsidiaries, the need for diversity (including

gender diversity) is, where possible, taken into account. In line with these regulations, Eni's commitment to reinforcing the presence of women on the management and control boards of Eni's companies is ongoing.

Internal Control and Risk Management System

		2014	2015	2016
Integrated audits actions	(number)	67	71	72
- scheduled audits		55	59	61
- spot audits		3	4	4
- follow-ups		9	8	7
Number of recommendations (corrective actions)		717	735	739
Average time of corrective action completion	(days)	81	77	82

A primary role in the process to verify and assess the Internal Control and Risk Management System (ICRMS) is assigned to the Internal Audit function, which carries out audits (operational, financial and compliance audits with focus on elements of Italian Legislative Decree no. 231/01 and Anti-Corruption compliance) to implement the Annual plan of activities drafted with a "top-down risk based" approach and approved, together with the resources budget, by the Board of Directors and, for elements relevant to Italian Legislative Decree no. 231/01, by the Eni SpA Watch Structure. With reference to the main activities performed by the Internal Audit department, it is noted that:

- the number of integrated audits conducted under the 2016 Plan is in line with the average for the three-year period. As in previous years, the average duration of the audits has been affected by the incorporation into the same of the Anti-Corruption

audits and independent monitoring carried out in order to comply with the Sarbanes-Oxley Act;

- for corrective actions, to date substantial observance of the implementation times for planned actions has been recorded, confirming the attention paid by the audited structures to the time-scales agreed;
- 2016 also saw the continuation of training initiatives in relation to the ICRMS directed at Eni SpA's management and the main subsidiaries in Italy and abroad. These initiatives aim to provide an organic and integrated vision of the ICRMS and develop awareness of the role of management in the implementation and operation of an effective and efficient ICRMS. In particular, in 2016 "on site" workshops were delivered in about 17 Countries in addition to Italy and the related e-learning course continues to be provided.

Whistleblowing management⁴

(number)	2014	2015	2016
Report files opened during the year, of which	119	64	103
- Internal control system reports divided according to the process that is the subject of the report	69	52	73
- procurement	16	16	17
- human resources	12	8	10
- commercial	11	8	10
- logistics	7	3	6
- HSE	4	2	4
- others (security, administration and financial reporting, maintenance, ...)	19	15	26
- Report on other matters relating to alleged violations of the Code of Ethics	50	12	30
Report files that have been closed during the year divided according to the outcome of the investigations, of which:	134	98	111
- justified at least in part with the adoption of corrective measures	20	7	27
- other matters	6	2	9
- Internal control and risk management system ^(a)	14	5	18
- unfounded, with the adoption of corrective/improvement measures	39	38	36
- other matters	11	6	11
- Internal control and risk management system	28	32	25
- unfounded	75	53	48
- other matters	25	26	18
- Internal control and risk management system	50	27	30

(a) It is noted that 18 Internal Control System and Risk Management reports were filed in 2016 as "justified at least in part with the adoption of corrective measures", of which: 9 are related to breaches of contractual obligations by commercial partners and suppliers (including criticalities related to financial affiliation of suppliers with evidence of non-payment or delayed payment of amount due - e.g. salaries, contributions - to suppliers' employees, also related to the macro-economic context); 9 are related to improper behavior by employees. These reports originated 59 corrective actions, of which: 7 disciplinary actions on employees, 13 on suppliers and third parties, 39 on the internal control and risk management system.

From 1st January to 31st December, 2016, 148 whistleblowing reports⁵ were received, grouped together in 103 files, 73 (71%) of which concern issues relevant to the "Internal Control and Risk Management System" and 30 of which relate to "Other matters" (29%). In the same period, 111 files were archived in total, 73 of which concerned the "Internal Control and Risk Management System" (66%) and 38 of which concerned "Other matters" (34%).

The audits carried out on the 111 files archived in 2016 had the following results:

- for 84 files (76%) the audits did not find any evidence to confirm the facts reported, nevertheless for 36 files improvement actions were taken in any case;
- for 27 files (24%), the audits confirmed, at least in part, the content of the report and the appropriate corrective actions were taken.

In conclusion, corrective/improvement actions were adopted in 57% of cases.

As of 31st December, 2016 there were still 19 files open related to the "Internal Control and Risk Management System" and 10 files concerning "Other Matters".

As regards "Whistleblowing Management", for aspects connected to human rights, in 2016, 36 files were archived, of which:

- for 25 files the audits did not find any evidence to confirm the facts reported, nevertheless for 6 files (17%) improvement actions were taken in any case;
- for the 11 remaining files, the audits confirmed, at least in part, the content of the report and the appropriate corrective actions were taken.

As of 31/12/2016, there were still 14 files open connected to human rights aspects, mainly concerning potential impacts on workers' rights.

4) Data related to reports contained in this section refer to reports regarding Eni SpA and its subsidiaries.

5) Whistleblowing Report(s): any report received by Eni, concerning the conduct (of any kind, even merely omissions) of Eni Personnel or third parties in violation of (i) the Code of Ethics, (ii) any laws or regulations or provisions of the authority or internal regulations or in any case those that may cause damage or prejudice to Eni, even if only to its public image. Whistleblowing Reports can be sent or transmitted by anyone, third parties or employees, including confidentially or anonymously.

(number)	2014	2015	2016
Report on human rights violations ^(a) (closed during the year and divided by result of investigation and by type), of which:	37	31	36
- founded at least in part with the adoption of corrective measures	6	3	11
- potential socio-economic impacts on local communities ^(b)	0	0	0
- potential impacts on health, safety and/or well-being of local communities ^(c)	0	0	1
- potential impacts on worker rights ^(d)	4	3	9
- potential impacts on workplace health and safety ^(e)	2	0	1
- unfounded, with the adoption of corrective/improvement measures	10	10	6
- potential socio-economic impacts on local communities ^(b)	0	0	0
- potential impacts on health, safety and/or well-being of local communities ^(c)	1	0	0
- potential impacts on worker rights ^(d)	8	7	6
- potential impacts on workplace health and safety ^(e)	1	3	0
- unfounded	21	18	19
- potential socio-economic impacts on local communities ^(b)	1	2	0
- potential impacts on health, safety and/or well-being of local communities ^(c)	2	1	1
- potential impacts on worker rights ^(d)	16	14	14
- potential impacts on workplace health and safety ^(e)	2	1	4

(a) Data are referred to the reports concerning Eni SpA and its subsidiaries.

(b) Including issues related to consultation and/or compensation processes and increase in conflicts.

(c) Including spills, atmospheric pollution, accidents, etc.

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

(e) Including unhealthy and/or insecure workplace environments.

Value added

(€ million)	2014	2015	2016
Global gross value added ^(a) of which:	22,563	16,100	12,304
- to Human Resources	3,268	3,368	3,219
- to State and Public Administrations	6,466	3,122	1,936
- to financial backers	871	838	757
- to shareholders	4,040	2,884	2,885
Total Value Added Distributed	14,645	10,212	8,797

(a) Since 1st January 2016 Eni has voluntarily modified the criteria to assess exploration-related costs by adopting the "Successful Effort Method (SEM)" method; as a result, the economic, financial and patrimonial data of the comparative periods of the 2016 budget have been restated.

Global gross value added decreased compared to 2015 following the fall in the commodity price scenario.

Distributed valued added also decreased and is divided as follows:

- 22% to the State and Public Administrations through taxes on the income of both Italian and overseas businesses;

- 37% to human resources remunerated through wages, salaries and welfare contributions;
- 33% to shareholders remunerated through the distribution of dividends;
- 9% to financial backers, paid through financial charges.

Energy and climate

Combating climate change

		2014	2015	2016
Direct GHG emissions ^(a)	(million tonnes CO ₂ eq)	42.02	41.56	40.10
- of which CO ₂ equivalent from combustion and process		30.92	31.49	30.61
- of which CO ₂ equivalent from flaring		5.73	5.51	5.40
- of which CO ₂ equivalents from non-combusted methane and fugitive emissions		3.48	2.77	2.43
- of which CO ₂ equivalents from venting		1.89	1.80	1.67
Total direct GHG emissions by sector:	(million tonnes CO ₂ eq)			
- E&P		23.4	22.8	20.4
- R&M and Chemicals		8.45	8.19	8.50
- G&P		10.12	10.57	11.22
GHG emissions/100% operated hydrocarbon gross production (E&P)	(tonnes CO ₂ eq/toe)	0.201	0.182	0.166
GHG emissions/kWheq (EniPower)	(gCO ₂ eq/kWheq)	409	409	398
GHG emissions/crude oil processing and semi-processed oil (R&M) ^(c)	(tonnes CO ₂ eq/kt)	287	237	272
Non-combusted methane and fugitive emissions (E&P)	(tonnes CH ₄)	124,553	99,013	84,785
Volumes of hydrocarbon sent to flaring	(MSm ³)	1,767	1,989	1,950
Volumes of hydrocarbon sent to process flaring		1,678	1,564	1,530
Volumes of hydrocarbon vented		15.47	10.81	11.52
CO ₂ emissions from Eni plants subject to EU ETS	(million tonnes CO ₂)	19.16	19.68	20.27
Quotas allocated to Eni plants subject to EU ETS		8.80	6.83	7.06
Eni plants subject to EU ETS	(number)	43	41	41
Indirect GHG emissions from purchases from other companies (Scope 2) ^(a)	(tonnes CO ₂ eq)	687,554	616,267	710,558
Indirect GHG emissions other than those due to purchases from other companies (Scope 3) ^{(a)(b)}		221,439,934	247,764,279	246,139,041
- of which use of sold products ^(b-i)		205,571,088	229,135,805	225,619,708
- of which processing of sold products ^(b-i)		8,718,185	10,189,811	10,614,787
- of which electricity purchased and sold ^(b-ii)		5,381,573	5,442,945	5,857,207
- of which purchased goods and services (supply chain) ^(b-iii)		197,384	1,421,428	1,943,711
- of which transportation and distribution of products ^(b-iv)		1,049,981	1,171,214	1,440,998
- of which business travel and employees commuting ^(b-v)		115,613	99,054	400,946
- of which other contribution ^(b-vi)		406,111	304,022	261,685
Capacity of biorefinery	(ktonnes/year)	360	360	360
Production of biofuels	(ktonnes)	105	179	191

(a) The GHG includes emissions of CO₂, CH₄ and N₂O; the Global Warming Potential used is 25 for CH₄ and 298 for N₂O.

(b) The data includes indirect emissions of GHG associated with (i) use and processing of sold products (oil and natural gas), (ii) electricity produced by third parties and sold to final customers, (iii) drilling activities outsourced to third parties and since 2015 other purchased goods and services, (iv) transportation and distribution of products and since 2016 includes also the vessels used by Upstream, (v) business travel and employees commuting and since 2016 for Upstream are included cars and helicopters transportation to sites, (vi) other minor contributions associated with end-of-life treatment of lubricating products and waste management.

(c) The index refers to traditional refineries: Livorno, Sannazzaro, Taranto and Gela in 2014; Livorno, Sannazzaro and Taranto since 2015.

In 2016, the Eni GHG emissions fell by -3.5% compared to 2015. The increases recorded in the G&P sector (due to the growth in electricity production and the quantities of gas transported) and in the R&M and Chemicals sector (due to changes in the consolidation area with the annex of the adjacent former EniPower station to the Livorno Refinery) have been compensated by the drop in emissions in the E&P sector from combustion and process (-1.8 million tonnes of CO₂ equivalent) and from methane (-0.4 million tonnes of CO₂ equivalent), achieved as a result of energy efficiency projects (reduction of gas consumption and logistics optimization) and the continuation of campaigns on fugitive emissions covering, in 2016, sites in Egypt, Kazakhstan, UK, Ecuador and USA. In March 2016, the Goliat platform started production in Norway. Its use of advanced technological solutions (electrical power supply via submarine cables connected to the mainland) has further contributed to containing emissions from combustion. The emissions rate production in the E&P sector fell by 8.7% and has exceeded the target for the end of the year. In E&P, contributions to emissions from flaring have dropped (-2%) as have emissions from venting (-7.2%) and the volumes of hydrocarbons sent to flaring (-2% for total hydrocarbons and -2.2% for process hydrocarbons). Volumes of hydrocarbons vented have increased (+6.6%) which can mainly be attributed to the NAE subsidiary in Nigeria.

In G&P, although EniPower's GHG emissions increased in absolute terms, the related index referred to production fell, standing at 398 gCO₂eq/kWheq. In R&M and Chemicals,

acquisition of the Livorno power station has caused an increase in rate of emissions from refineries.

In Europe, under the Emissions Trading Scheme (ETS), in 2016 the consolidated Eni emissions of CO₂ overall increased by 3% compared to 2015, in relation to the increases recorded in the G&P sector (+3.1%) and the R&M and Chemicals sector (+3.5%). The contribution of the E&P sector has fallen slightly (-0.6%). The free quotas assigned in 2016 under the allocation rules in force during the third ETS period (2013-2020) were not, however, sufficient to cover the Company's needs (EniPower in the G&P sector is particularly affected as, since 2013, it no longer receives free quotas except for those related to heat sold to third parties). In 2016, the installations number 41, unchanged compared to 2015.

With regard to Scope 3 indirect GHG emissions, in the scope of continuous improvement of accuracy and coverage of GHG reporting, the historic series was reviewed after the extension of the categories accounted for and the review of the applied methodology for calculating the main emissions contributions (in line with the main international references, implemented by IPIECA and API for the O&G sector). In particular, contributions associated with the procurement of goods and services (since 2015) and movements of upstream personnel to and from operating sites (since 2016) have been added. Emissions associated with the final use of the sold products (calculation based on upstream production data) are more than 90% of total emissions. The 2016 datum is essentially in line with the 2015 datum.

Energy efficiency

		2014	2015	2016
Electricity produced by type of source (EniPower)	(TWh)	21.04	22.34	24.10
- of which from natural gas		19.71	21.01	22.56
- of which from petroleum products		1.32	1.32	1.52
- of which from renewables		0.01	0.01	0.01
Energy Intensity Index (refineries)	(%)	77.8	79.9	80.9
Net consumption of primary resources / Electricity produced (EniPower)	(toe/MWheq)	0.167	0.168	0.163
Net consumption of primary resources	(toe)	11,930,983	12,433,816	12,013,173
- natural gas		9,343,440	9,631,529	9,457,072
- petroleum products		2,499,712	2,696,682	2,387,130
- other fuels		87,831	105,605	168,971
Primary energy purchased from other companies by type	(GJ)	185,167,577	184,578,309	206,956,835
- electricity		18,042,233	13,833,184	15,842,393
- primary resources		164,246,861	168,640,314	188,408,178
- steam		2,585,406	2,099,212	2,700,875
- other sources ^(a)		293,076	5,598	5,390
Net Total Energy Consumption	(toe)	12,214,838	12,577,906	12,231,639
Flaring down expenditure and investments ^(b)	(€ thousands)	15,342	5,432	22,136
- of which current costs		-	-	512
- of which investments		15,342	5,432	21,624
Energy efficiency expenditure and investments ^(b)		8,193	5,892	9,558
- of which current costs		31	70	108
- of which investments		8,162	5,821	9,450

(a) Including direct process heat, recovery heat and hydrogen.

(b) The value is included in the Environmental expenditures and investments set out in the "HSE Management System Certification and Expenses" table.

The energy saving initiatives implemented in Eni between 2008 and 2016 have made possible energy savings of almost 712 ktoe/year, amounting to a reduction in emissions of more than 1.8 million tonnes of CO₂. Historically the R&M and Chemicals sector contributed to this result, but since 2014 the E&P sector also has a strong influence by carrying out, in 2016 alone, efficiency and logistics interventions resulting in savings (under full operation) of over 200 ktoe/year, equal to almost 86% of the consolidated Eni datum.

In the R&M and Chemicals sector, energy savings (fully operational) of more than 21 ktoe were obtained through the new projects implemented in 2016 at the refineries in Sannazzaro, Livorno, Taranto and Venice and over 5 ktoe through those at Versalis' petrochemical plants.

In the G&P sector, EniPower continued to invest in renewable energy and alternative sources and carried out works to improve energy efficiency for savings (under full operation) of over 4 ktoe/year.

In 2016, activities were carried out in all sectors for the adoption and certification of Energy Management Systems (EMS). At the end of 2016, the energy management systems in the refineries of Livorno, Sannazzaro, Taranto and Venice, those in the Versalis petrochemical plants in Mantua, Priolo, Ragusa, Ravenna, Brindisi, Ferrara, Szazhalombatta and Oberhausen, those of the EniPower electrical power plants, the management systems of the Eni SpA corporate offices and, in the E&P sector, those of the Southern District and the United Gas Derivates company are ISO 50001 certified.

People

Employment

		2014	2015	2016
Employees as of 31 st December	(number)	34,040	33,389	32,733
- men		26,063	25,527	25,126
- woman		7,977	7,862	7,607
- Italy		20,775	20,447	20,476
- Abroad		13,265	12,942	12,257
Employees abroad by type		13,265	12,942	12,257
- local		11,393	10,938	10,377
- Italian expatriates		1,206	1,344	1,358
- international expatriates (including TCN) ^(a)		666	660	522
Employees in subsidiaries non consolidated and proportionally consolidated ^(b)		22,632	24,520	26,190
- of which local		21,902	24,002	25,632
Senior Managers employed		1,052	1,036	1,000
Middle managers employed		8,996	9,185	9,135
White collar workers employed		17,850	17,519	16,842
Blue collar workers employed		6,142	5,649	5,756
Employees average age		43.5	44.1	44.8
Employees aged 18-24		509	447	289
Employees aged 25-39		12,372	11,436	10,622
Employees aged 40-54		15,950	15,677	15,281
Employees aged over 55		5,209	5,829	6,541
Number of permanent hires		1,306	961	663
Number of terminations of permanent contracts		2,199	1,311	1,417
Turnover rate ^(c)	(%)	9.9	6.6	6.1

(a) Third Country Nationals.

(b) The calculation of employees in non-consolidated subsidiaries takes into account the number of total employees and not only Eni's share of employees.

(c) (no. hirings + leavers) / the number of total employees in 2016.

In 2016, employment at global level was reduced by 656 positions compared to 2015, equal to 2%, with substantial stability in Italy (+29 positions) and a reduction abroad (-685). This reduction is due mainly to a focus of activities on the strategic areas with similar recovery of efficiency in other areas. Overall employment is 32,733, of which 20,476 in Italy (62.6% of Eni employees) and 12,257 abroad (37.4% of Eni employees). In Italy, 272 hires were made, of which 244 under permanent employment contracts. Permanent hires in Italy involved 147 graduates, equal to 60% of total hires. Also in Italy, 399 employment contracts were terminated, of which 364

permanent contracts. The majority of new hires abroad in 2016, for a total of 520, of which 419 under permanent employment contracts, involved Local Companies in the upstream business area (181, of which 136 under permanent contract) and G&P (120, of which 114 under permanent contract) for a total of 301 new hires abroad (of which 250 under permanent contract), slightly less than 50% of total new hires under permanent contract. As regards terminations, a total of 1,244 contracts were terminated abroad (of which 1,053 permanent contracts). Of the 1,244 contracts terminated abroad, approximately one quarter (23.8%) refer to Eni International Resources Ltd

and stemmed from the streamlining of international resources mainly associated with the initiatives to streamline upstream activities. The balance between hires and terminations abroad is -724 (+520 - 1,244) and this dynamic can be traced to the re-dimensioning of gas activities in Hungary and the re-dimensioning of some upstream projects in USA, Turkmenistan, Nigeria, Pakistan, and the reinforcement of activities in Indonesia, Ghana and Mexico.

A total of 1,880 expatriates are working abroad (of which 1,358 Italian expatriates), an increase compared to 2014 (+152 Italian expatriates) equal to 12.6%. In local employees there is an overall reduction of 1,016 resources compared to 2014 equal to -8.9%, due, in addition to the effect of managerial efficiencies, to transfers to third

parties, including the R&M commercial companies of eastern Europe (Romania, Slovakia, Czech Republic, Hungary and Slovenia) which impacted approximately 300 resources, and 36 resources dedicated to free market in the gas business in Hungary.

Still compared to 2014, there has been an increase in employment in companies not consolidated using the line-by-line method equal to +3,558 people (+15.7%) and particularly of local employees equal to +3,730 (+17%) against a reduction of overseas personnel of -172 (-23.6%). The average age of Eni people in the world is 44.8 years old, of which 46.0 years old for resources working in Italy and 42.9 years old for resources working abroad, with an increase in the overall average age of 0.7 years compared to 2015.

Employees abroad

	2014	2015	2016
Employees in Africa (number)	3,587	3,612	3,546
Employees in the Americas	1,377	1,297	1,236
Employees in Asia	2,630	2,564	2,523
Employees in Australia and Oceania	178	135	113
Employees in Italy	20,775	20,447	20,476
Employees in the Rest of Europe (excluding Italy)	5,493	5,334	4,839
Local employees abroad by professional category	11,393	10,938	10,377
- of which senior managers	93	79	67
- of which middle managers	1,999	1,985	1,902
- of which white collar workers	6,615	6,339	5,641
- of which blue collar workers	2,686	2,535	2,767
Employees in non OECD Countries	7,230	7,176	7,002
% of local employees in subsidiaries			
- consolidated (%)	85.9	84.5	84.7
- non consolidated	97.5	97.8	97.8

Despite a reduction in local resources abroad (-561 equal to -5.1%) compared with the previous year, the percentage of local staff out of total employment overseas has increased since 2015, moving from 84.5% to 84.7%. Mainly white-collar workers have decreased against an increase of blue-collar workers.

Managerial staff (senior and middle managers) remain almost unchanged.

In absolute terms, local resources working for companies that are not consolidated with the line-by-line method have grown by 1,676 compared to 2015, leaving the incidence on total employment overseas the same.

Ratio between Eni minimum wage policy and market minimum wage (1st decile) - (middle manager - senior staff - employee)

Ratio	Countries
100-115	Italy, Belgium, France, Germany, Holland, United Kingdom, Spain, Switzerland, Hungary
116-130	Austria, China
131-150	Libya, Norway, Russia, Tunisia
151-180	Algeria, Angola, Australia, Ecuador, Kazakhstan, United States
> 180	Egypt, Indonesia, Iraq, Mozambique, Nigeria, Pakistan, Vietnam
174	Global Average

In its policy for local personnel Eni defines reference salary levels in terms of maximum/minimum ranges, in relation to the market data for each individual Country, monitored annually using international providers. The comparison between the minimum levels defined in Eni policies and the minimum market levels supplied by providers (1st decile of local pay levels) from this year

refers to the section of the workforce composed of middle managers, senior staff and employees.

The analysis carried out this year has been extended from 20 to 29 Countries chosen from those most representative and which have market data available. The results show that the minimum levels defined in Eni's policy are significantly higher than the market minimums.

Equal opportunities

	2014	2015	2016
Women employees in service (%)	23.43	23.55	23.24
Women hired	23.28	25.39	25.34
Women in managerial positions (senior and middle managers)	23.14	23.67	24.06
- senior manager	13.78	14.19	14.20
- middle manager	24.23	24.74	25.13
Replacement rate by gender			
- men	0.58	0.71	0.48
- women	0.63	0.79	0.43

At the end of 2016, 7,607 women worked for Eni (23.24% of total employees), of which 4,894 in Italy (23.9% of total employees in Italy) and 2,713 abroad (22.1% of total employees abroad). In Italy, of the 244 permanent hires over the course of 2016, 20% (total 49) were female employees. It should be noted that in 2016 the replacement rate of women (ratio between permanent recruitment/termination of permanent contracts) after increasing in 2015 is returning to 2014 levels, rising from 0.63 in 2014 to 0.79 in 2015, and falling to 0.43 in 2016. The 2014 datum, lower than in 2015, can be traced to the high number of outgoing female employees stemming

from the 2013-2014 mobility program. In 2015, the improved replacement rate for women employees can be attributed to the effects of early hires forecast for 2016, implemented to take advantage of tax breaks according to the Italian Financial Act of 2015, as well as to the reduction of terminated employment contracts due to the raising of the retirement age (age and years of service). In 2016 the replacement rate returned to 2014 levels, also due to the effects mentioned above. The percentage of women occupying positions of responsibility (Senior and Middle Managers) is increasing, rising from 23.14% in 2014 to 23.67% in 2015 and reaching 24.06% in 2016.

Pay gap

	2014	2015	2016
Pay gap senior managers (women vs men) (%)	97	97	98
Pay gap middle managers and senior staff (women vs men)	96	97	97
Pay gap white collar workers (women vs men)	97	97	97
Pay gap blue collar workers (women vs men)	101	97	95
Total pay gap (women vs men)	97	97	97

In 2016 the gender pay gap assessment process was updated, with reference to the new perimeter according to the consolidated Eni methodology which neutralizes, in the pay comparison, any effects deriving from differences in role and seniority. This measurement was conducted at a worldwide level on a sample of more than 90% of the Eni population (over 30,000 resources in over

48 Countries). The results of the analysis at a global level show a substantial alignment between the pay of female workers and that of male workers for the same role and seniority. There is a slight difference compared to previous years but it is statistically irrelevant. For the sake of uniform comparison, the pay gap data from the years 2014 and 2015 were updated to the new perimeter.

Remuneration

In 2016, the pay ratio between fixed remuneration of the CEO and average fixed remuneration of employees is

28, slightly lower than in 2014 and 2015, as shown in the table below:

	2014	2015	2016
Pay ratio between fixed remuneration of the CEO and average fixed remuneration of employees	29	29	28

The CEO's overall pay mix is significantly focused on variable components, which are also linked to

sustainability targets, with a strong prevalence of the long-term component, as shown in the table below.

	Policy mandate	2014-2016
		Maximum
% of CEO remuneration linked on long term objectives (%)	Target	51
% of CEO variable remuneration on sustainability objectives	Target	33

The incidence of the long-term variable component is calculated as the ratio between long-term incentives and the CEO's total remuneration, as provided for by

the remuneration policy if the target or maximum level company objectives are achieved.

Training

		2014	2015	2016
Total Attendances	(number)	136,419	147,786	159,456
Training hours by type	(hours)	1,212,535	1,098,996	940,227
- HSE and quality		323,029	324,478	311,845
- Languages and IT		187,907	122,472	107,901
- Conduct/Communication/Institutional		125,764	154,824	182,623
- Professional-cross cutting		176,752	168,834	94,877
- Professional-technical/commercial		399,083	328,388	242,981
In house training ^(a)	(%)	-	17.2	19.4
Training expenditures	(€ million)	39.1	29.1	26.6
Training hours	(hours)	1,212,535	1,098,996	940,227
- of which e-learnings		120,049	183,200	197,085
- of which in classroom		1,092,486	915,796	743,142

(a) Including the contributions related to the companies not included in the perimeter, such as Saipem.

As part of a comprehensive efficiency policy, a reduction of 9% on training expenditure was recorded between 2015 and 2016, a percentage that is much lower than that of the previous period, which stood at 26%. This datum is in line with the change in the mix of training methods, which moved from a prevalence of classroom courses to greater use of distance or blended courses.

This new strategy has enabled shorter and more focused courses to be planned, able to reach people more easily regardless of their geographical location and therefore significantly increasing attendance (+8%). One of the most significant initiatives in 2016 was the campaign on human rights which had 22,000 attendances in Italy and abroad.

Knowledge Management

(number)	2014	2015	2016
Knowledge/Community network by application sector	66	67	68
- business	58	59	59
- cross cutting	8	8	9
Participants in the knowledge community/network by application sector	6,883	8,266	9,913
- business	6,216	7,558	8,935
- cross cutting	677	708	978

In 2016 Knowledge Management initiatives confirmed the trend towards growing dissemination of knowledge already demonstrated in recent years, evidence of continued investments aimed at involving more Eni employees, in Italy and abroad, in knowledge

management and knowledge sharing processes. At the end of 2016, Eni's Knowledge Management system was composed of a total of 68 active communities involving a total of 9,913 members, a 20% increase over the previous year.

Engagement of people

		2014	2015	2016
Eni Engage - number of online meetings	(number)	7	12	13
Eni Engage - access to online meetings (total clicks)		29,252	34,487	34,102
Eni Engage - opinion on clarity of Eni objectives (max score 6)		4.7	4.8	4.9
MyEni - enabled users on MyEni		26,172	24,396	24,664
MyEni - coverage of MyEni users on no. of employees in service	(%)	77	73	75 ^(a)

(a) % on total employees in service as of December 2016.

In 2016, the "Your Eni 2016" survey was conducted which had a participation rate of 80% of the company population (+9% above the previous survey in 2011), receipt of over 21,000 comments, an average engagement rate of 81%, and the development and launch of a post-survey action plan with the main areas for intervention, whose progress will be carefully monitored in 2017. The MyEni portal was confirmed as the main tool for internal communication and support for Eni people's daily activities. Eni people use the company Intranet as a channel for getting up-to-date information on strategy, successes and initiatives (through timely storytelling activity with targeted editorial plans, internal events and the CEO's blog) and as a channel for dialogue so that colleagues can launch calls-to-action in order to participate in company life. The CEO and chairman's year-end event was broadcast live on streaming through the MyEni portal and involved, for the first year, young people under 30 with less than 3 years of service. It achieved an excellent result in terms of numbers

accessing the live event (over 9,000 viewers).

A site was designed specifically to communicate the results of the Your Eni 2016 survey and post-analysis climate actions. The site, which can be accessed through MyEni, broadcast the event organized by the central HR function live and shared the survey results with all Eni people and with the young managers who had been invited to attend. The site has been viewed over 6,000 times and continues to be a space that is open and visible to everyone. Continuous updates will be posted in 2017 on the post-analysis climate actions implemented by the different corporate areas.

The 2016 edition of the Engage program, the annual event for sharing the objectives and strategic plan using live streamed meetings with all the business lines, offered some new features in order to meet needs in terms of speed and greater engagement of Eni people. The most appreciated new features include transversal meetings with guest speakers from other areas for a more integrated vision and broader interaction in the portal dedicated to the program.

Enhancing people

%	2014	2015	2016
Employees covered by performance assessment tools (senior managers, managers, young graduates)	57	61	74
(of which senior manager)	97	99	100
Employees subject to annual review (senior managers, managers, young graduated)	89	90	93
(of which senior manager)	98	99	99

Comprehensive coverage over the population of senior and middle managers and young graduates is growing (+13% compared to 2015), confirming the gradual process to extend the performance evaluation tool.

With regard to the target population of the process (senior managers, middle managers with formal responsibilities and young graduates), full coverage has been achieved for the senior manager target, while middle managers

with responsibilities and young graduates stand at 72% and 70% respectively, with significant increases in foreign companies (+12%).

Compared to 2015, under the annual review the mapping of senior management through the management review was almost complete and there has been an increase of +3% of the target population (senior and middle managers, young graduates). Furthermore, there has been strong growth, particularly in the young graduate target, and specifically with regard to 3-7 years of service: +12% at global level, +16% in foreign companies only, demonstrating an ever more influential use of these

instruments and processes, also at international level.

In the potential evaluation process, 73% of Potential Assessments were carried out (using the methodologies of the Development Center, Assessment Center and Focused Interviews) in respect to the number planned by the Business Areas, demonstrating an improvement trend at global level (+3%). Over recent years this process was applied in a more selective manner, especially in international contexts, due to logistics and costs, although an increase in activities of 9% was recorded compared to 2015.

In 2016, over 100 resources (senior and middle managers) were assessed using Management Appraisal.

Safety⁶

		2014	2015	2016
Injury frequency rate	(injuries/hours worked) x 1,000,000	0.33	0.20	0.23
- employees		0.28	0.19	0.30
- contractors		0.35	0.20	0.19
Severity Rate	(days of absence/hours worked) x 1,000	0.015	0.009	0.010
- employees		0.010	0.012	0.017
- contractors		0.017	0.007	0.007
Total Recordable Injury Rate (TRIR)	(recordable injuries/hours worked) x 1,000,000	0.71	0.45	0.35
- employees		0.56	0.41	0.36
- contractors		0.79	0.47	0.35
Fatality index	(fatal injuries/hours worked) x 100,000,000	1.03	1.46	0.72
- employees		0	0	0
- contractors		1.53	2.23	1.09
Number of fatalities	(number)	3	4	2
- employees		0	0	0
- contractors		3	4	2
Near misses	(number)	1,729	1,489	1,644
Training Hours on safety	(hours)	245,976	260,557	251,383
- of which to senior manager		3,283	3,031	2,145
- of which to middle manager		46,021	41,479	30,887
- of which to white collars		130,532	139,293	149,514
- of which to blue collars		66,140	76,755	68,836

In 2016 the reduction in the total recordable injuries rate of the workforce continued (-20.8% compared to 2015), but slight increases in the Injury frequency

rate (0.23 vs 0.20) and in the severity rate (0.01 vs 0.009) were recorded. Unfortunately 2 fatal accidents occurred to E&P contractors in Egypt and Congo.

6) Injury rates are calculated only by considering events classified as Work Related.

In 2016, on-site visits and supplier HSE qualification activities were intensified. Use of internal resources trained in the centres of excellence in Gela (Safety Competence Center and Safety Training Center) was started and the implementation of specific training

and awareness-raising projects continued, such as the new phase of the "Eni in Safety" training and communication program aimed at spreading the lessons learned from near misses and accidents to all company levels.

Health

		2014	2015	2016
Health Impact Assessments carried out	(number)	32	17	8
Employees included in health monitoring programs		28,961	25,497	31,364
Number of health services provided		462,305	484,828	586,973 ^(a)
- of which to employees		373,348	385,459	445,207 ^(a)
- of which to contractors		-	-	78,895 ^(a)
- of which to relatives		-	-	56,677 ^(a)
- of which to others		-	-	6,194 ^(a)
OIFR Occupational Illness Frequency Rate	(Reported Professional illness) * 1,000,000.	0.22	0.10	0.15
Number of professional illness	(number)	140	125	133
- of which to employees		21	9	14
- of which to previous employed		119	116	119
Number of registration to health promotion initiative				23,037
- of which to employees				13,585
- of which to contractors				6,535
- of which to relatives				2,917

(a) Data reported for 2014 and 2015 refer only to the services provided by Company's health structures. The data processing criteria have been revised in 2016. In particular, the kpi has been modified in order to represent the number of health services supported by the Company and not only the health services provided by Company's health structures. Furthermore, the data includes for 2016 the number of delivered vaccinations.

In 2016 all of the Group companies continued the implementation of health management systems with the objective of promoting and maintaining the health and well-being of Eni people and ensuring adequate risk management in the workplace.

Confirming this, the business areas completed the health monitoring programs producing a final result in line with that planned by the competent physicians. In order to assess the impact of projects on the health of the communities involved, the upstream sector completed 8 HIA studies, of which 5 were integrated ESHIA studies (Environmental and Social Health Impact Assessment) in 2016: 1 in Myanmar, 1 in Mexico, 1 in Egypt, 2 in Italy, 1 Environmental Social and Health (ESH) baseline and 2 pre-ESHIA (in Egypt and in Algeria). As regards professional illness, in 2016 an increase of

6.4% was recorded in the overall total, moving from 125 to 133 diseases reported.

In 2016, as part of the new health reporting model, the "Number of health services provided" indicator was introduced which replaces the previous "Number of services provided by Company health structures" (shown for 2014 and 2015) and which also includes the number of services provided by health structures outside of the Company. The number of health services sustained by the Company in 2016 is 586,973, of which 445,207 were for employees, 56,677 for family members and 85,089 for contractors and others.

Lastly, the number of participants in health promotion initiatives was 23,037, of which 13,585 were employees, 2,917 were family members and 6,535 were contractors.

Industrial relations

(number)	2014	2015	2016
Employees covered by collective bargaining (Italy)	28,123	27,426	27,940
Consultations, negotiations with trade unions on organizational changes (Italy)	308	334	295
Number of employees in trade unions	13,715	12,627	12,964

The global framework agreement on international industrial relations and corporate social responsibility, signed in Barcelona on 6 July, 2016 is aimed at enhancing, applying and disseminating respect for human rights and employment rights, non-discrimination, diversity (gender

equality/equal opportunity and maternity protection) and recognition of the ILO Conventions.

The obligation undertaken under this framework agreement was implemented in 2016 through the realization of specific training courses.

Employment disputes

		2014	2015	2016
Employee disputes	(number)	883	977	812
Prevention/disputes ratio		391/883	648/977	562/812
Disputes/employees ratio	(%)	2.58	2.90	2.46

In 2016, thanks to Eni's commitment to preventing employment law disputes through pre-trial activities aimed at reducing the number of disputes and the consequent costs, the dispute ratio is the lowest recorded in the three-year period (2.46%). Most of the disputes are pending in Italy (758) and, in 37% of cases, concern claims for damages by former employees, or their heirs, for alleged occupational diseases. These alleged diseases are related to exposure to potentially damaging agents occurring in the past, often before the early 1990s, in industrial sites that were not managed by Eni but acquired years later as a result of corporate transactions.

At global level, the number of claims directly connected with the performance of work contracts such as claims relating to the type of contract, recognition of pay differences and alleged downgrading or demotion, remain at an extremely low level which, if considered in relation to the number of employees, amounts to 0.16% of the employees in service at the end of December 2016 (0.30% in 2015). This confirms a work organization model which allows Eni personnel, through a shared system of personnel classification, to make the most of their skills and potential.

Environment

HSE Management System Certifications and Expenses

		2014	2015	2016
OHSAS 18001 certifications	(number)	105	107	103
ISO 14001 certifications		102	101	99
EMAS registrations		10	10	10
ISO 50001 certifications		9	13	18
Total HSE expenditure and investments	(€ thousands)	1,171,068	1,066,000	1,101,619
- of which current costs		828,151	826,521	838,990
- of which investments		342,917	239,479	262,629
- of which Safety expenditures and investments		248,226	313,844	287,809
- of which current costs		150,907	234,771	239,484
- of which investments		97,318	79,073	48,325
- of which Environmental expenditures and investments		760,393	625,860	588,651
- of which current costs		590,859	492,702	466,541
- of which investments		169,534	133,158	122,110

In 2016, the total number of OHSAS 18001 and ISO 14001 certifications was lower than in previous years due to variations to the consolidation area and the grouping of several operating companies under the same certificate. In 2016, 97% of subsidiaries with significant HSE risks were certified OHSAS 18001 and 95% were certified ISO 14001. The remaining companies that are not certified are in fact recent acquisitions and coverage for both certifications is forecast by the end of 2017.

The main production units of the R&M and Chemicals and G&P sectors completed EMAS registration and certification of the energy management systems under ISO 50001.

In 2016 total HSE expenditures amount to approximately €1,102 million, an increase of 3.3% compared to 2015. Safety expenditures, equal to around 26% of total HSE expenditure in 2016, have decreased by 8.3% after the strong increase in 2015 and mainly concerned the maintenance of plant and equipment (€117.4 million). Environmental expenditures, equal to 53% of total HSE expenditure in 2016, have decreased by 5.9% compared to 2015 and are mainly attributed to remediation of land and groundwater (among which: emergency and operational safety measures, decommissioning and restoration for a total of €233.9 million) and waste management.

Protection of water and biodiversity

		2014	2015	2016
Total water withdrawals	(Mm ³)	1,874	1,805	1,851
- of which sea water		1,704	1,634	1,710
- of which freshwater		160	157	130
- of which: freshwater from superficial water bodies, subsoil and urban net or tanker		141	137	120
- of which brackish water from subsoil or superficial water bodies		10	13	12
Total production water extracted (E&P)		63	67	65
- of which injected into deep wells for disposal purposes		35	37	38
Production waters re-injected including those injected into deep wells for disposal purposes/Total production water	(%)	56	56	58
% of fresh water recycled		82	82	84
Fresh water discharged	(Mm ³)	120	120	104
Sea water discharged		1,628	1,539	1,634
Expenditures on water resources and discharges ^(a)	(€ thousands)	42,823	82,286	75,453
- of which current costs		26,232	66,599	53,558
- of which investments		16,591	15,687	21,895
Expenditures for protection of ecosystems and biodiversity ^(a)		4,668	3,979	3,899
- of which current costs		4,668	3,979	3,899
- of which investments		-	-	-

(a) Data included in the Environmental expenditures and investments set out in the "HSE Management System Certification and Expenses" table.

In 2016 there was an increase in total water withdrawals of 2.6% compared to 2015 (equal to approximately 47 Mm³), due to increased consumption of sea water (+4.6%, for a total of approximately 76 Mm³ more) resulting from the growth in electricity production and the operational use of vessels for transporting LNG, with greater use of water for cooling in the plants and ballasting vessels. Fresh water (-17.6%) and brackish water (-11.2%) withdrawals fell. The reduction in fresh water withdrawals (-28 Mm³) is due to the Versalis petrochemical plant in Mantua where, in 2016, withdrawals decreased by over 17 Mm³ as a result of scheduled stoppages in some systems and the start of the water recycling tank in June.

The percentage of fresh water recycled has increased across all the sectors, with Eni's rising to 84% in 2016. In the E&P sector the percentage of production waters re-injected reached 58%, particularly due to the contribution of activities in Ecuador, Egypt and Congo. The high performances in the latter were dependent on the re-injection in the Mboundi field and the recovery of those in Loango in June after the revamping. In 2016, only 5% of Eni's total fresh water withdrawals occurred in areas of water stress, mostly at E&P sector sites. Local Plans for water management were implemented at sites with the highest consumption.

Managing spill^(a)

		2014	2015	2016
Operational Oil spill				
Total number of oil spills (> 1 barrel)	(number)	76	83	82
- of which E&P		74	59	73
Volume of oil spills (> 1 barrel)	(barrels)	1,161	1,634	1,159
- of which E&P		936	1,177	1,025
Volume of operational oil spills/100% operated hydrocarbon gross production (E&P)	(barrels/million barrels)	1.10	1.28	1.15
Oil spills due to sabotage (including theft)				
Total number of oil spills (> 1 barrel)	(number)	286	167	156
- of which E&P		284	158	141
- of which R&M and Chemicals		2	9	15
Volume of oil spills (> 1 barrel)	(barrels)	14,401	14,847	4,489
- of which E&P		6,610	10,530	3,760
- of which R&M and Chemicals		7,791	4,317	729
Total number of chemical spill	(number)	14	43	24
Volume of chemical spill	(barrels)	1,416	1,211	18
Spill prevention expenditures and investments ^(b)	(€ thousands)	34,670	39,446	37,078
- of which current costs		5,210	8,751	15,675
- of which investments		29,460	30,696	21,403

(a) In line with international standards all the values above refer to events involving more than 1 barrel. The data referring to sabotage includes oil spills due to attempted oil theft and vandalism.

(b) The value is included in the Environmental expenditures and investments set out in the "HSE Management System Certification and Expenses" table.

All the oil spills in 2016 are exclusively attributed to the E&P and R&M and Chemical sectors. The amounts spilled have fallen by over 65% compared to 2015. The trend concerned acts of sabotage and terrorism (-10,358 barrels compared to 2015) and operational spills (-475 barrels compared to 2015) and involved both sectors.

Over 88% the volumes spilled due to operational oil spills in 2016 are attributable to E&P sector activities and around 75% occurred in Nigeria, Egypt and Algeria. Although the number of events in the sector has increased since 2015 (73 vs 59), the volumes spilled have fallen by around 13%, particularly due to the contraction of the phenomenon in Nigeria (-199 barrels compared to 2015) thanks to the revamping of some lines. This reduction has also occurred for the rate of barrels of operational oil spills related to production (-10.5%) which has fallen to 1.15 barrels/million barrels (from 1.28 barrels/million barrels in 2015).

In the R&M and Chemicals sector, operational oil spills have recorded a drop of over 290 barrels compared to 2015. Again in 2016 the oils spills caused by sabotage and

terrorism involved only two Countries: Nigeria (E&P sector) and Italy (pipeline network). In the E&P sector, which accounts for 84% of volumes spilled, the phenomenon has resulted in a fall in the number events (-10.8% compared to 2015) and in the volumes spilled (-64.3%). The results achieved are down to the measures undertaken in close coordination with the relevant governmental agencies, in terms of prevention and response, and the significant increase in the number of teams active in the territory for air and land surveillance and ready to promptly intervene to contain the spills.

Chemical spill performance has improved since 2015, with a reduction in the number of events (from 43 to 24) and the volumes spilled (-98.5%).

All the chemical spills in 2016 are attributable to the E&P sector, except for one small event (0.15 barrel) which occurred in the R&M and Chemicals sector in Versalis' Szazhalombatta Plant in Hungary. In E&P the most significant event (approx. 17.6 barrels) concerned the subsidiary Eni Norge.

Air protection

		2014	2015	2016
NO _x (nitrogen oxides) emissions	(tonnes NO ₂ eq)	64,688	68,994	56,005
NO _x emissions/100% operated hydrocarbon gross production (E&P)	(tonnes NO ₂ eq/ktoe)	0.467	0.464	0.350
NO _x emissions/kWheq (EniPower)	(g NO ₂ eq/kWheq)	0.144	0.137	0.125
SO _x (sulphur oxides) emissions	(tonnes SO ₂ eq)	20,267	10,707	8,946
SO _x emissions/100% operated hydrocarbon gross production (E&P)	(tonnes SO ₂ eq/ktoe)	0.111	0.034	0.035
SO _x emissions/kWheq (EniPower)	(g SO ₂ eq/kWheq)	0.0008	0.0009	0.0010
SO _x emissions /crude oil processing and semi-processed oil (R&M) ^(a)	(tonnes SO ₂ eq/kt)	0.320	0.295	0.217
NMVOG (Non Methan Volatile Organic Compounds) emissions	(tonnes)	26,172	20,621	15,948
TSP (Total Suspended Particulate) emissions		1,648	1,791	1,447
Air protection expenditures and investments ^(b)	(€ thousands)	59,842	51,271	47,180
- of which current costs		28,975	20,985	22,080
- of which investments		30,867	30,286	25,100

(a) The index refers to traditional refineries: Livorno, Sannazzaro, Taranto and Gela up to 2014; Livorno, Sannazzaro and Taranto since 2015.

(b) The value is included in the Environmental expenditures and investments set out in the "HSE Management System Certification and Expenses" table.

In 2016, NO_x emissions fell by 18.8% compared to 2015. In E&P in particular, to which 77% of the Eni consolidated datum can be attributed, the parameter fell in absolute values (over -15,000 tonnes) and referred to production (-24.6%) mainly due to the lower consumption of fuel gas at NAOC in Nigeria.

In the G&P sector NO_x emissions have increased overall (+51.5%) due to the increased quantities of gas transported by Sergaz, while Eni's specific emission factor has decreased, thanks to the fully operating VeLoNO_x burners. The contribution of the R&M and Chemicals sector has remained stable (-0.9% change since 2015).

In 2016, the drop in SO_x emissions continued (-16.5%, equal to around -1,761 tonnes compared to 2015), significantly influenced by the R&M and Chemicals sector (-29.5%, equal to over -1,800 tonnes) due to the use of a different fuel mix in the refineries in Livorno, Taranto and Sannazzaro (with a reduction in the index referred to production, fall of 26.5%) and the scheduled stoppage of Versalis' cracking plant in Dunkirk during the second half of the year. In the E&P sector, SO_x emissions (47% of Eni's total in 2016) remained essentially the stable, in absolute

terms and referred to production. In G&P emissions increased (+27.2% for a total of approximately 75 tonnes more than in 2015) due to the contributions of LNG Shipping (owing to the different operational use of vessels, which increased by 50% compared to the previous year) and EniPower, where SO_x emissions are due exclusively to the Ferrera Erbognone plant and are the result of the chemical composition of the syngas used.

Emissions of NMVOG fell by 22.7% compared to 2015, due to the contribution of all the sectors and in particular the E&P sector (over -4,000 tonnes) in relation to the continued campaign to contain fugitive emissions in 2016. TSP emissions also fell compared to 2015 (-19.2%) owing to the contributions of the E&P and R&M and Chemicals sectors. In E&P, the trend is mainly due to activities in Nigeria, Indonesia, Egypt and Angola. In R&M and Chemicals, the trend is attributed to the Taranto Refinery due to the different set-up of the systems and the lower consumption of fuel oil. In the G&P sector, the parameter has instead increased as a result of the increases in gas transport in Sergaz and the operation of vessels in LNG Shipping mentioned above.

Protection of the soil

		2014	2015	2016
Total waste from production activities	(tonnes)	1,174,124	1,230,368	800,874
- of which from drilling activities		342,643	308,306	225,454
Hazardous waste from production activities		305,331	323,078	256,894
Non-hazardous waste from production activities		868,793	907,290	543,980
Waste management expenditures and investments ^(a)	(€ thousands)	125,049	139,231	133,801
- of which current costs		124,583	138,506	133,715
- of which investments		466	725	86

(a) The value is included in the Environmental expenditures and investments set out in the "HSE Management System Certification and Expenses" table.

Waste from production activities generated in Eni in 2016, of 800,874 tonnes, decreased by 34.9% over the previous year (equal to approximately -430,000 tonnes), due to the contribution of hazardous (-20.5%) and non-hazardous waste (-40%).

The trend can be traced to the E&P sector (over 77% of waste from Eni production activities) which, compared to 2015, recorded a decrease of over 443,000 tonnes due to the fall in hazardous waste (-27%, mainly owing to the reduction of oily sludge in Nigeria and the reduction of oil-based drilling debris in Angola) and non-hazardous waste (-45.5% owing to the reduction of drilling waste and production water disposal as waste in Italy because of the temporary suspension of activity of the Southern District in Val D'Agri in 2016, the synthetic-based drilling sludge in Indonesia and water-based drilling debris in Egypt). For the other sectors, with regard to hazardous waste, there has been a significant increase in G&P (+88%, equal to +439 tonnes, due to the disposal of oils from maintenance activities at the EniPower plants) and a reduction in R&M and Chemicals (-5.7%, equal to around -5,500 tonnes), mainly due to the contributions of the

Taranto refinery (less processing) and Gela refinery (end of conservation activities at the plants no longer in use) and Versalis' petrochemical plants in Brindisi and Priolo (for the restarting of regular operation after the maintenance stoppages in 2015 with extraordinary waste production). For non-hazardous waste, increases have been recorded in the R&M and Chemicals sector (+35.5% equal to approximately +18,700 tonnes for extraordinary activities in the systems of the Sannazzaro refinery, the annexing of the former EniPower plant to the Livorno refinery and the greater waste production from plant cleaning at the Gela refinery) and in Corporate and Other Activities (+80.2%, equal to approximately +2,240 tonnes for the re-starting of the Conti Vecchi saline plant at Syndial after its redevelopment).

In the G&P sector, non-hazardous waste has decreased (-18.2%, equal to approximately -2,290 tonnes), which can be traced to the maintenance activities in the EniPower plants and, for the Ferrara site only, the fall in the production of sludge from water clarification thanks to the improved quality of the procurement source (water from the Po river).

Remediation

		2014	2015	2016
Waste from remediation activities	(tonnes)	10,061,883	5,940,604	4,483,485
- of which hazardous		3,525,537	104,602	71,603
- of which non hazardous		6,536,346	5,836,003	4,411,882
Soil and groundwater remediation expenditures and investments ^(a)	(€ thousands)	277,213	210,835	233,903
- of which current costs		266,545	206,944	223,812
- of which investments		10,668	3,890	10,091

(a) The value is included in the Environmental expenditures and investments set out in the "HSE Management System Certification and Expenses" table.

Overall expenditure on remediation in 2016 amounts to approximately € 233.9 million, which has increased by 10.9% over the previous year. The main expenditure item (72%) concerns groundwater safety and emergency measures and remediation.

56% of volumes of waste from remediation produced refer to drawn groundwater. In volumetric terms, the decrease of 53% compared to last year (equal to more than 2.5 million tonnes) is connected to the process that released waste from specific regimes according to Art. 243 of Italian Legislative Decree 152/06 (as replaced by Art. 41, paragraph 1, Law no. 98/2013).

The volumes are evidence of the complexity and variability of Eni operations which are spread over 17

Sites of National Interest (refineries, petrochemical plants and disused sites), encompassing points of sale in the R&M sector and well fields in the E&P sector.

Remediation activities are essentially in line with previous years with the continued realization of approved remediation projects and technical/administrative follow-up on several ongoing procedures.

The most relevant projects were carried out mainly by Syndial, a company dedicated to remediation of contaminated disused sites (64% of expenditures in 2016) and by the R&M and Chemicals sector (34%). In 2016 the transfer of remediation activities to Syndial from the lines of business continued, including the sale of a business unit (remediation of disused sites) by R&M.

Innovation

Research and development

		2014	2015	2016
R&D expenditures	(€ million)	174	176	161
Tangible value generated by R&D		728	734	1,395
First patent filing applications	(number)	64	33	40
- of which filed on renewable sources		29	16	12
Existing patents		6,002	6,217	6,314
Average age of patents	(years)	8.56	8.93	9.05
R&D expenditures by typology ^(a)	(€ million)			
- Safety and risk reduction		-	-	18.9
- Environment		-	-	8.3
- Emission reduction and Energy efficiency		-	-	11.8
- New Energy (gas advocacy, carbon utilization, biorefinery, green chemistry, renewables)		-	-	51.1
Number of partnerships on R&D ^(b) :	(number)	880	806	769
- of which with Universities and Research Centers		165	159	128
Number of active users in #KMS ^(c)		591	949	1,806
Impacting Knowledge ^(d)		748	1,176	1,943

(a) A reorganization of the research activities with the launch of the Energy Transition Program makes this classification meaningful from 2016 only.

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

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

(d) Impacting Knowledge includes Knowledge Nuggets, KM Webinars, Innovation Idea Management (excluding 2014) and Application of Innovative Technologies.

In 2016, Eni's economic investment in scientific research and technological development activities amounted to €161 million. The reduction in expenditures in 2016 was due to the optimization of the R&D portfolio, which favoured the internalization of activities and research on products with application targets. These interventions led to an increase in economic returns and project milestones achieved.

The tangible value generated by R&D is measured by the economic benefits related to the application of production technologies/process innovation. The overall value generated is divided into: (a) actual benefits and (b) expected benefits.

Actual benefits are applied to 100% of the investment in technological applications projects and before tax. On the other hand, expected benefits are associated with: (i) investment projects that employ innovative technologies; (ii) reductions in expenditures envisaged from abandoning upstream infrastructures and are calculated in terms of Net Present Value (NPV) at 100%

of the investment and before tax; and (iii) increases in 2P reserves calculated by re-proportioning Eni's share of the unit NPV/boe to 100% using the SEC methodology. The latter include the benefit from technologies applied in exploration, which contribute to increasing the success rate and the associated values.

The tangible benefits are identified in a "what if" scenario, namely as the difference compared to the application of the best alternative technology available on the market or, in the case of new products, as the difference compared to the margin derived from the sale of the new product net of any products replaced. The value created in 2016 by the innovative technologies and Eni products was estimated at €1,395 million. In 2016, 27% of the value of benefits generated by R&D was realized during the year, whereas in 2015 it was 71% and 100% in 2014.

The significant increase in expected benefits is mainly related to the development of the Zohr field and the reduction of the estimates for oil well abandonment in businesses in Italy, United States, Nigeria and Angola.

With regard to Intellectual Property in support of technological innovation, in 2016 a total of 40 new patent applications were filed, 12 of which are directly concerned with developing technologies in the field of renewable energy sources and 3 are focused on innovative methods for processing contaminated water and soil. This datum shows an improvement (+21%) after the fall in 2015 and is still influenced by normal statistical variation and by the projects' maturity (which are mainly aimed at activities associated with initiatives to industrially exploit the results of the research, typically characterized by lower patent intensity). The average age of the portfolio is in line with the 2015 value as a result of monitoring and updating activities carried out on the portfolio in order to keep it consistent with Eni's industrial and business strategies, as well as those of

its subsidiaries. In 2016, the Knowledge Management System (#KMS) strategy was focused on two aspects: the quality of the contents shared on the portal and the diffusion of the KM tools and sharing culture. Firstly, a net increase in the number of users was recorded for the #KMS portal (+90% compared to 2015), i.e. Eni people who shared know-how first hand using the tools available on the portal. At the same time there was a 65% increase in Impacting Knowledge, i.e. the contents considered high quality by the professional families that use the #KMS portal and as impacting on the Company business. In 2016, against a reduction of posts with limited value added, there was an increase in the quality of contents shared and in the commitment of Eni people to the Knowledge Management initiatives promoted through the #KMS portal.

Human rights

		2014	2015	2016
Hours of training on human rights ^(a) , of which:	(number)	700	32,824	89,894
- of which in class		700	0	354
- of which e-learning		0	32,824	89,540
Attendances in human rights training courses		100	8,206	22,562
Suppliers subjected to qualification procedures including screening on human rights		3,846	2,806	4,728
% procurement from vendors subjected to qualification procedures including screening on human rights	(%)	90	87	96
Audit under SA8000 approach ^(b)	(number)	20	16	24
- of which follow-ups		12	8	8
Security contracts containing clauses on human rights ^(c)	(%)	95	85	91
Critical sites covered by assessments/surveys	(number)	23	35	35
Sites verified by means of a check list		134	258	295
Countries with armed guards protecting sites		11	7	8
Security personnel trained on human rights		143	61	53

(a) These include hours for the course on "non discrimination" held in 2015; in 2016, both the course on "non-discrimination" and the course on "human rights" are included.

(b) Of which 12 vendors in Eni SpA (Italy), 4 vendors in Kazakhstan and Mozambique and 8 follow ups of audit carried out in 2015 in Algeria, Ecuador, Ghana and Vietnam.

(c) As of 2016, the data refers only to the Eni's MSG Security perimeter.

In 2016, in addition to the ordinary checks carried out during the qualification process, the following were carried out:

- 16 Audit under SA8000 approach on suppliers of Eni SpA and 2 on suppliers of subsidiaries (Kazakhstan and Mozambique);

- 8 follow-ups on audits conducted in 2015 in Algeria, Ecuador, Ghana and Vietnam.

In 2016, to support these activities, 2 resources in the following subsidiaries were trained as SA8000 Auditors: Ghana and Turkmenistan. In total 36 resources received training, including 2 Lead Auditors.

Local development

Community investment

Community Investments by sector (€ thousands)	2014	2015	2016
Access to energy	1,907	1,374	4,324
Water and sanitation	1,185	1,060	880
Economic diversification	28,037	44,392	29,096
Education and training	12,151	10,594	15,771
Life on land	16,596	3,894	6,903
Livelihood restoration & resettlement	-	2,535	5,367
Health	3,305	7,203	3,082
Stakeholder engagement	2,233	3,920	1,453
Total	65,414	74,972	66,876

In 2016, the overall spending in interventions for the territory deriving from agreements and conventions (Community Investment) amounts to approximately €67 million, of which approximately 94% in upstream activities. Greatest spending was recorded in Asia with approximately €33 million (50% of the total) including €5.4 million on resettlement and livelihood restoration activities for the inhabitants of the villages of Berezovka and Bestau. In Africa a total of €17.5 million (26% of the

total) was spent, of which €15.5 million on Sub-Saharan Africa.

In 2016, a significant commitment of Eni was recorded in the economic diversification sector (€29.1 million, 44% of the total) mainly due to infrastructure and social development projects in Kazakhstan, Nigeria and Congo, and in the education and training sector (€15.8 million, 24% of the total), with significant interventions in Ghana and Turkmenistan.

Relations with vendors, customers and consumers

Procurement by geographical area in 2016

Ratio		Africa	Americas	Asia	Italy	Rest of Europe	Oceania
Number of suppliers used	(number)	2,097	825	625	3,160	3,231	103
Total procurement	(€ million)	3,069	501	464	7,022	2,208	-15 ^(a)
- of which goods	(%)	4	20	19	13	23	10
- of which works		37	5	19	14	19	<1
- of which services		59	75	62	73	58	90

(a) The negative volume of procurement in Oceania is due to the closure of a contract worth 47 million euros, which is partially offset by the remaining volume of contracts issued in the period.

Relations with vendors		2014	2015	2016
Procurement by macro-class	(€ million)	24,068	20,350	13,249
- works		4,286	1,061	2,664
- services		16,749	15,452	8,875
- goods		3,033	3,837	1,710
Supplier Concentration top 20	(%)	36	35	21
Number of suppliers used	(number)	13,145	11,380	10,041
Qualification cycles performed during the year		14,664	9,540	27,473
- of which with negative results	(%)	15	17	14
Checks carried out following negative feedback and consequent actions taken of which:	(number)	480	719	933
- suspensions		114	128	162
- revocations		37	40	8
- alert status		329	551	763

In 2016, 10,041 vendors throughout the world worked with Eni with a total trade value of €13.25 billion.

Eni considers the respect for and protection of human rights at every stage of relations with suppliers. Therefore suppliers are subjected to a structured assessment, aimed at checking and monitoring their compliance with the main ILO standards and, in particular:

- i) commitment to the promotion and observance of workplace health and safety conditions,
- ii) observance of the prohibition against forced labour and exploitation of child labour,

- iii) trade union freedom of association and collective bargaining.

In addition to these activities, which are an integral part of the procurement process, a supplier assessment program has been pursued for years on suppliers that carry out high risk activities or operate in critical Countries, to check that they actually comply with the main ILO standards in the field.

Suppliers assessments are an integral part of the Vendor Management System (VMS), which qualifies vendors through the evaluation, verification and monitoring of their technical, organizational and management capabilities,

their observance of HSEQ requirements, ethical and reputational reliability, economic and financial stability

in compliance with the standards defined by Eni and based on international best practices.

Local procurement in 2016 by Country

% procurement on the local market	Countries
0-25%	Canada, Cyprus, Republic of Congo, Great Britain, Ireland, Mozambique, Myanmar
26-49%	Algeria, China, Iraq, Libya, Turkmenistan
50-74%	Angola, Croatia, Gabon, Kazakhstan, Norway, Portugal, Russia, Venezuela, Vietnam
75-100%	Australia, Austria, Belgium, Denmark, Ecuador, Egypt, France, Germany, Ghana, Indonesia, Iran, Italy, Kenya, Mexico, Nigeria, The Netherlands, Pakistan, Slovenia, Spain, United States, South Africa, Switzerland, Timor Leste, Tunisia, Ukraine, Hungary

The share of procurement in local markets is equal to €10.39 billion and amounts to 78% of total procurement (equal to €13.25 billion). This percentage is the ratio between procurement from suppliers whose registered office is in the same Country as the Eni subsidiary and the total procurement of the Eni suppliers. According to this calculation criteria the percentage of procurement on local markets exceeds 50% in various

contexts. In 2016, in order to better qualify local procurement, a local content assessment model was defined to measure the economic, employment and intellectual capital impacts of Eni's activities on the operating contexts. The Model has been validated by the Politecnico di Milano and was applied to a pilot Country. In next few years it will be extended to other Countries.

Relations with customers and consumers

Eni call center performance	2014	2015	2016	Standard AEEGSI
% of customers who called and spoke to an operator (service level)	96.3%	96.8%	97.5%	80%
Average hold time (seconds)	107	91	103	240
First Call Resolution (FCR)	91%	93%	94%	
Self Care (operations performed autonomously by customers on the total of operations requested)	57%	63%	69%	

The Eni call centre results from 2016 confirm a service level exceeding 97%, with the average call waiting time substantially below the benchmark threshold, 103 seconds compared to the 240 seconds set by the Authority for Electricity, Gas and Water System (AEEGSI). The percentage of requests resolved on the first call (FCR) increased from 93% in 2015 to 94% in 2016. Furthermore, in this area a considerable increase

was recorded in the number of operations carried out independently (self care), from 63% in 2015 to 69% in 2016.

Eni has conducted a Customer Satisfaction survey since 2013 to monitor the daily level of satisfaction of customers that use the call centre, interviewing a representative sample, which in the last year reached nearly 200,000 customers.

Satisfaction of G&P customers regarding telephone services

Service assessment ^(a)	2014	2015	2016
Clarity	80.6	84.2	85.3
Courtesy	84.9	87.9	88.8
Wait time	78.6	84.6	84.5
Resolution	72.5%	77.2%	80.1 %
Satisfaction with service	75.8	79.9	81.4
Average assessment	81.4	85.6	86.2

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

In 2016, Eni continued with the program of initiatives aimed at increasing the level of customer satisfaction and outlining a reference model for the quality of the gas and

electricity service. In this scenario the average assessment of customers on service performance continues its growth trend, recording a score of 86.2 in 2016.



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