

Eni SpA Ordinary Shareholder's Meeting

14 May 2019

Answers to the questions received prior to the Shareholders' Meeting,
pursuant to art. 127-ter of Italian Legislative Decree No. 58/1998





Ordinary Shareholders' Meeting of Eni SpA 14 May 2019
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¹ The English text is a translation of the Italian. For any conflict or discrepancy between the two texts the Italian text shall prevail.
Shareholders' Meeting 2019

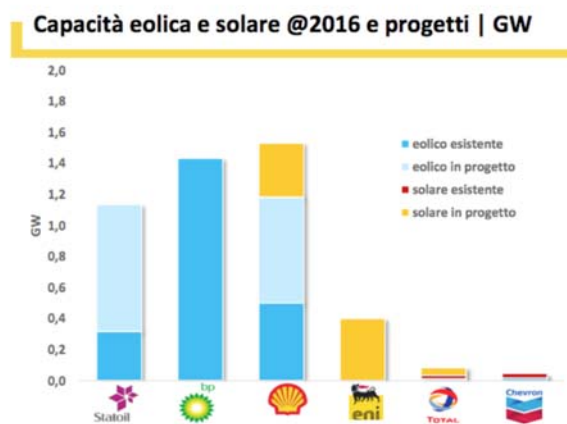


Shareholder Fondazione Finanza Etica

(as founding member of the European network of active shareholders SfC - Shareholders for Change and in collaboration with the association A Sud)

1. Eni's wind and solar capacity in 2018.

During the meeting between Eni and Fondazione Finanza Etica, held in San Donato Milanese on Friday 9 June 2017, Eni's management presented to the Foundation a comparative graph of the wind and solar capacity of Eni and its main competitors at 2016 (see image below).



1.1 Is it possible to obtain an updated version (at 31.12.2018) of this graph?

Answer

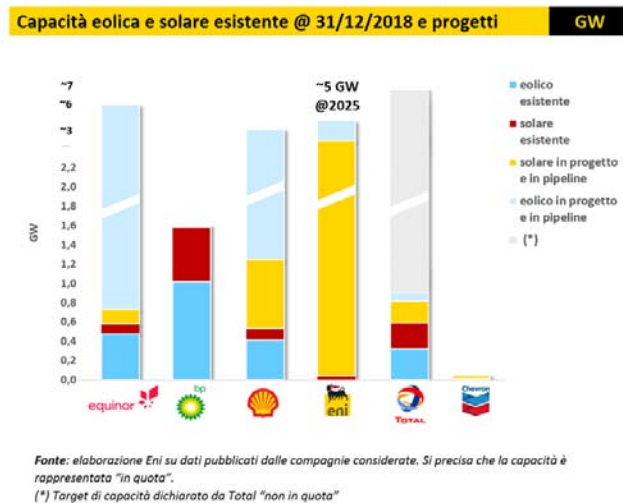
[See answer to question 1.2](#)

1.2 How has Eni's wind and solar capacity evolved compared to its competitors in absolute and percentage terms from 31.12.2016 to 31.12.2018?

Answer to questions 1.1-1.2



At 31 December 2013, **Eni** had an installed solar photovoltaic capacity of 40 MW (35 MW in Italy and 5 MW in Algeria) with projects under construction of approximately 160 MW (of which 50 MW wind in Kazakhstan).



The design pipeline at 2022 provides for a total installed capacity of over 1.6 GW with ambition at 5 GW by 2025.

Compared to what was declared in 2017, the company's commitment in the renewable energy sector has considerably increased in line with the ever increasing commitment in pursuing the objectives of decarbonisation and reduction of the carbon footprint.

- **BP** at 12/31/2018 has an installed capacity of approximately 1.5 GW of which:
 - 1 GW in onshore wind, after the sale at the end of 2018 of about 400 MW;
 - 0.6 GW in solar, thanks to the acquisition of 43% of Lightsource.

Currently, it has not declared projects in development.

From 2016 to 2018, it increased its capacity overall by entering solar and reducing wind exposure.

- **Shell** at 12/31/2018 has approximately 0.6 GW installed, mainly consisting of wind projects (over 400 MW). In 2018, the company increased its interest in solar power by acquiring 43.86% of Silicon Ranch and 49% of CleantechSolar.



From 2016 to 2018, it maintained its presence in wind stable by entering solar with a capacity of about 0.1 GW

- **Equinor (formerly Statoil)** at 31/12/2018 has almost 0.6 GW of installed capacity and is the most exposed company on offshore wind.

From 2016 to 2018, it approximately doubled the installed capacity.

- **Total** has an installed capacity of approximately 0.7 GW.

From 2016 to 2018, it recorded significant growth also thanks to recent acquisitions (23% of Eren, 100% Direct Energie and 23% of Novenergia).

On the other hand, the renewable energy initiatives of the American Chevron and Exxon remain limited, despite the fact that in 2018, they strengthened their strategies for the reduction of the carbon impact and decarbonisation of assets, also thanks to their entry into the Oil & Gas Climate Initiative (OGCI).

Questions submitted in collaboration with the association A Sud

2. Decarbonisation

2.1 In the 2019-2022 four-year investment plan, which provides for investments of approximately € 33 billion, 3 billion is dedicated to the decarbonisation process. Exactly what are they directed at and in what proportions? What is the amount and what are the investments planned in the production of energy from renewable sources?

Answer

The € 3 billion that Eni will invest in the next four-year period will be allocated for around € 0.7 billion to flaring down and energy efficiency projects, for € 2.1 billion to circular economy initiatives, such as "waste to fuel" projects and biofuels and green chemistry, as well as the development of renewable energy projects. Finally, about € 0.2 billion relating to research and development initiatives and partnerships such as those relating to nuclear fusion developed in collaboration with the Massachusetts Institute of Technology (MIT) or to the OGCI for the development of new technologies for the reduction of carbonic impact.

2.2 What percentage of investments (dedicated to the decarbonisation process) envisaged



in the 2019-2022 strategic plan refers to activities in Italy? For what kind of activity?

Answer

Italy plays a fundamental role in the development of decarbonisation initiatives; of the planned € 3 billion, 40% relates to activities in Italy. In particular, these initiatives relate to: i) renewable energy projects carried out at our sites with a view to transforming and extending their useful life; ii) the construction of plants for the recovery and transformation of the organic fraction of solid urban waste into bio-oil; iii) the conversion of traditional refineries into bio-refineries using proprietary Ecofining technology; iv) water treatment and re-use facilities in order to minimize the impact of industrial activities; v) widespread energy efficiency measures.

2.3 In the last three years, how much has ENI invested annually in green marketing campaigns? And how much has it invested in decarbonisation projects for each year over the same period? What kind of projects has it invested in?

Answer

Eni has always been attentive to sustainability issues that are also referred to in the area of communication.

Considering the last three years, strictly environmental issues have been considered, especially in 2016 and 2017. In this sense, expenses in advertising campaigns were equal to:

- **2016** about EUR 21 mln;
- **2017** about EUR 18 mln.

In 2018, however, around € 7 million was allocated to these issues.

Eni has increasingly invested in decarbonisation projects from around € 50 million in 2016 to around € 300 million in 2018 for a cumulative amount in the last three years of around € 0.5 billion. The investments concerned in particular the conversion of traditional refineries into bio refineries, energy efficiency and flaring down operations as well as green chemistry initiatives.

2.4 Of the 5 GW of installed capacity by FER envisaged as a target for 2025, how much is expected to be realized in Italy?

Answer

The plan envisages for the next four years an installed capacity of 2022 in Italy of 270 MW and an overall target of 1.6 GW.



To achieve the ambition of 5 GW by 2025, we will develop a pipeline of projects that for Italy provides for our continuous commitment to grow in the territory (to reach ~10% of the total target). To this end we will leverage on our distinctive model, acquired competencies and strategic partnerships (among which we can mention those signed for example with CdP, Terna and Fincantieri).

3. Activities of ENI in Gela, Sicily.

3.1 What is the origin of palm oil currently located in the perimeter of the former Gela refinery? ENI claims that it does not derive from monocultures located in India and Indonesia. Can you prove it? How?

Answer

The palm oil currently stored for future use in the Gela green refinery is of Indonesian origin.

To ensure sustainable management throughout the supply chain, Eni applies selective criteria for suppliers and binds them to specific international standards, such as:

- that biomasses do not come from cultivated areas obtained from the conversion of areas characterized by high carbon absorption, such as wetlands and forests;
- that biomasses do not come from cultivated areas obtained from the conversion of areas characterized by high biodiversity or ecosystems of recognized naturalistic value;
- that biomasses are certified according to European or international recognized sustainability standards, systematically verified through independent audits. The certification schemes applied include, among other things, compliance with criteria on working conditions in relation to the most vulnerable categories, and on the rights of local communities.

Eni commits the selected suppliers to mutual cooperation to improve supply sustainability where possible, and collaborates with stakeholders and subject matter experts to improve their knowledge and ensure the implementation of the most advanced standards; it promotes the development of the best technological solutions also through its own research units, and continues in the search for alternative feedstock to the food supply chains.

Having said this, it should be noted that the Gela green refinery was designed to be very flexible and will be able to process a wide variety of unconventional and advanced feedstock, thus progressively making the use of palm oil marginal.

3.2 At the moment - with the green refinery inactive (more than a year and a half later than the time schedule of 6 November 2014, and with an uncertain start date), construction work on the Argo Cassiopea pipeline not yet started and the testing of guayule of which



there is no news - can we say that the one in Gela is, in fact, a coastal deposit?

Answer

We invested about € 270 million for the conversion of the Gela refinery into green refinery, which will be undergoing commissioning for a few more weeks. The construction activities of phase 1 of the project, which envisages upgrading the existing assets of the refinery to be able to initially process first-generation feedstock, were launched at the beginning of April 2016, immediately following the conclusion of the authorization procedure for phase 1.

In parallel with phase 1, preparatory activities have already been carried out since 2016 for the second phase of the project, which envisages the construction of a "Steam Reforming" plant for the production of hydrogen, a fundamental component in the process for the production of Hydrogenated Vegetable Oil (HVO) and a plant for the treatment of even second-generation raw materials, composed of food production waste, such as exhausted oils or animal and advanced fats.

The construction activities of the "green refinery" began in August 2017 immediately following the release by the MATTM (Ministry of the Environment, Protection of the Territory and the Sea) of the EIA decree of the second phase.

The Steam Reformer unit has been completed and tested. The start of green refinery production is expected by the second quarter of 2019.

The Versalis Guayule project is a well alive project. The initiative is aimed at creating a proprietary technological platform for the production of natural latex, dry rubber and resins starting from the guayule plant with the development of the agricultural supply chain and proprietary extraction technologies for the use of all plant components through new technologies in development of solvent and water extraction.

The development of experimental cultivations of different guayule genotypes is underway for the optimization of the agronomic protocol and the definition and qualification of pesticides at two farms belonging to the Agricultural Development Agency (ESA) of the Sicily Region. Other cultivations are underway in Basilicata in partnership with ALSIA (Lucanian Development and Innovation Agency for Agriculture) and Arizona.

During 2018, a 3-year co-development agreement was signed with Bridgestone, the leading company in the tire sector, which is pursuing an initiative in Arizona, with its own pilot plant capable of processing thousands of tons per year of biomass for solvent extraction of rubber from guayule. Versalis and Bridgestone will continue the projects together according to the terms of the



agreement, which provides for the co-ownership of the developed technology and agronomic know-how, with the aim to licence and develop on industrial scale the same.

3.3 Among the many processes involving ENI in Gela are the proceedings, currently in the first instance, which includes as charges the unnamed disaster, the illegal management of waste and the discharge of industrial waste water without authorization. Among the executives involved in the proceedings is Bernardo Casa, former president of the Gela refinery. In July 2018, ENI appointed Bernardo Casa president of the Milazzo refinery. What is the reason for this appointment? Can it be inferred that ENI does not take into account the pending criminal proceedings and the seriousness of the disputed charges in the process of appointing executives?

Answer

The assignment of managerial roles at Eni is based on the assessment of skills, competence and job experience retained by the resources with respect to the requirements of the positions to be filled.

In the specific case, the aforementioned proceedings are still in progress in the first instance phase and therefore, there has been no assessment of the disputed facts.

3.4 Currently, how many ENI employees and how many industry workers work at the plant?

Answer

Currently, 928 ENI employees work at the industrial site, of which 370 are from the Gela refinery. The average number of industry workers in the ENI perimeter was 1,870 in 2018.

3.5 Is ENI aware of the fact that many industry workers are hired through temporary agencies, with work contracts that actually cancel the second-level guarantees acquired?

Answer

External contractors and other personnel with temporary agency contracts have absolutely equal rights as the company's employees, and no discrimination can be applied to the former workers. They are therefore entitled to equal contractual terms for the same tasks, including vacation leave, work shift and other conditions, and in general to equal economic terms and protection of the law. For this reason, Eni carefully verifies that the personnel of Eni's contractors that access our sites have been regularly hired with job contractual terms provided for by the current legislation and that they have completed the specific training required by law. Furthermore, the regularity in the



payment of social and health contributions is checked through the issuance by contractor companies of a form attesting the regular payment of contributions on behalf of their employees.

3.6 What does Eni do to prevent these modern forms of temporary employment? Has the company ever thought, with a view to protecting workers stationed within its factories, to draft protocols that provide for the maintenance of contractual guarantees for industry workers who worked for ENI before the conversion phase?

Answer

With the aim of favouring the industrial conversion of the presence of Eni in Gela and safeguarding the productive and industrial vocation in the area, in 2014, Eni signed a Memorandum of Understanding for the Gela area together with the Ministry of Economic Development, the Sicilian Region, the Municipality of Gela, Trade Unions and Confederal Organizations CGIL, CISL, UIL, UGL and Confindustria Centro Sicilia.

Eni and its subsidiaries, as part of the procurement of goods, works and services necessary for the implementation of the investments provided for in the Protocol, have undertaken to adopt, as far as permitted by the relevant laws and corporate procedures, methods of procurement aimed at maximizing participation in the tenders of local companies that have passed the Eni qualification process, in order to enhance the contribution made by local industries.

In addition, Eni has undertaken to include in the tender documents and procurement contracts the obligation for the outgoing contracted company to communicate to Category Trade Union Organizations and to the successor company the complete list of workers in service available following the termination of the contract. The Public Parties signatories of the Protocol have undertaken, among other things, to put in place all the instruments of their faculty to allow for industry companies the activation of social security benefits, if necessary, in order to manage any employment problems during the phases of the activities covered by the Protocol.

3.7 The Amarù group, the company of the entrepreneur Rosario Amarù - former president of Sicindustria Caltanissetta, which has resigned after news of his involvement in the Double Face investigation - was awarded several contracts for the Gela refinery in the last few years. ENI suspended the projects with the company last year. One year after that decision, what has changed? Is the suspension still effective? And if so, for how long? What did ENI do to avoid penalizing the 230 workers, unaware of the choices made by the former executive?



Answer

To date, the company Amarù Giovanni Srl is not subject to suspension from the ENI qualified supplier register. The suspension provision was revoked in light of the adoption by the company of concrete technical and organizational measures, deemed appropriate to prevent potential unlawful acts. Following the revocation of the suspension, a status of qualification has been assigned which allows, after appropriate assessments, the participation of the supplier in Eni procurement procedures.

With regard to the alleged employment impact, also with reference to public statements by the entrepreneur himself, the company Amarù Giovanni Srl has favoured the re-employment of some workers by the companies taking over the ENI projects, also resorting to the availability list tool provided by the Memorandum of Understanding for the Gela area of 6/11/2014, while the remaining resources have been employed in other projects at national and international level.

- 3.8 The Waste-to-fuel plant, which remains a pilot plant and therefore with a small capacity, has a production capacity of bio oil estimated at around 70 kg per day and is powered with 700 kg of organic waste by the company that manages Ragusa waste. Why is it not powered by the company that manages Gela waste? And how is the recovered water treated with wet waste (up to 70% of the total) used?**

Answer

The Waste-to-fuel pilot plant in Gela is authorized by Regional Decree to treat both the waste coming from ATO2 of Caltanissetta (of which Gela is part) and waste coming from the SRR composting center of Ragusa, the latter option included later for authorization after informing the Municipality of Gela, as ATO2 is in liquidation and therefore could not have ensured supply continuity.

In accordance with the requirements of the plant operating authorization, the water generated by the treatment process, in small volumes deriving from a system load of 700 kg/day, is analysed for testing purposes and sent to biological plants of third parties (after which it could be re-used for agricultural and industrial uses).

4. Offshore Project Ibleo

- 4.1 In light of the subsequent remodulations of the Ibleo offshore project, what is the overall estimate of the volumes of extractable gases? How many and which wells will be exploited? How long will the field be used? What is the all-inclusive expense, over**



the useful life of the field and, consequently, what are the recovery times of the investment and what is the net gain for the company? In what proportion are costs and profits divided between ENI and Edison? Who finances the works? Are public contributions provided?

Answer

The Ibleo offshore project involves the development of the Argo and Cassiopea gas fields. In its subsequent remodulations, the project has never changed the field development phase which contemplates the start to production of these fields through the re-completion of two existing wells and the drilling of two additional wells. The expected productive duration of the Argo and Cassiopea fields is in agreement with the duration of the "G.C1.AG" development concession, therefore until 2034, and there are also exploratory prospects that could integrate this production.

The total lifetime costs for the delineation of the fields, the development and start of production amount to about € 850 million and the expected recovery times of the investment based on our scenario assumptions are about 7 years.

The development concession is held by Eni SpA with a 60% stake (operator) and Edison 40%. The two concessionaire partners are financing the project each for its share and no government grants are foreseen.

4.2 What is the economic impact that the Argo Cassiopea project will have on the sea area between Gela and Licata? It is known that the area involved in the project will be characterized by a considerably extended area of interdiction to navigation and fishing. Considering that the territorial impact assessment has not taken into consideration the fishing, commercial and tourist activities of Licata and the neighbouring countries, how does ENI plan to respond to the economic losses caused to the area, as well as to the possible litigation that may derive from it?

Answer

The optimized project was specifically designed with a view to minimizing occupied areas, greater environmental sustainability and the enhancement of the territory. In fact, the cancellation of the new Prezioso K platform has allowed for the elimination of the visual impact and emissions into the atmosphere and discharges into the sea. A study was also carried out to assess the impact on the activity of the fishing sector: the project involves the temporary disqualification of a sea area equivalent to 0.37% of the GSA16 fishing area (Sicily channel) during the execution of offshore works (expected duration of about one year) and equal to 0.01% of the same during its production phase. In this context, compensation will be granted to impacted operators in the fishing sector



and innovative projects to support the sector are being evaluated. Dialogue with institutional stakeholders was started to address the issue, based on what was done with the initiatives in the Adriatic.

4.3 Since several changes have been made to the original Argo Cassiopea project, is it possible to know the details of the final approved project? What fields of cultivation are involved? What prospecting and research activities will have to be carried out? What works directly or indirectly related to the project are included in the final version and what is the relative timing?

Answer

The development scheme includes 4 submarine wells that will be controlled by the existing Prezioso platform. Compared to the previous development scheme, therefore, the amended project scheme has dismissed the construction of the new Prezioso K platform in favour of building an onshore treatment and compression plant within the boundaries of the Gela refinery, thus valorising certain reclaimed areas currently sitting idle. This will also have positive repercussions in terms of local employment.

The gas from the Argo and Cassiopea fields will be sent to the new plant, which will be built within the area of the Gela refinery, via an underwater pipeline 14" in diameter and 60 km in length. The landing on the coast will exploit an already existing structure located to the east of the refinery pier and used in the past as a seawater intake for the Anic-Gela desalination plant and now in disuse. Finally, the gas will be fiscally measured and entered into the Snam national distribution network. Production is expected to start by 2021. The development concession "G.C1.AG" also includes the drilling of two exploration wells.

In the current configuration, the project has near-zero emissions and the dedicated installation of 1 MWp of photovoltaic panels (of the 4 already programmed in the refinery perimeter) will allow the project to reach Carbon Neutrality.

4.4 Compared to the Argo Cassiopea project, what requirements have been imposed by the MISE and what compliance checks have been carried out? In what ways is it planned to follow up on further requirements? With what timing?

Answer

The list of requirements received from the MiSE, as well as those received from MATTM and the Ministry of Cultural Heritage is available within the authorization decrees issued by the same



ministries. Eni has already started the process of compliance with the requirements that will be concluded within the required time. The process will continue throughout the entire implementation phase of the project, according to the times and methods indicated by the standards and in line with the level of progress of the project.

5. Mining activities of Eni in Val d'Agri

5.1 With regard to the area in which the Costa Molina 2 Well is located, has reclamation been carried out? If so, how? Is the well operating again? Is it used only for re-injection?

Answer

In the Costa Molina 2 well area, following the safety measures and in accordance with regulations, the characterization phase is currently underway, which will be followed by the risk analysis and the reclamation operational plan. A pump & stock system is currently active in the area for the extraction of groundwater. The Costa Molina 2 well is currently in operation and is used for the re-injection of surface waters in accordance with the existing authorization provision.

5.2 What kind of operations precisely provide for the periodic and increasingly frequent "cleaning" of horizontal wells, such as the one currently underway in the Alli 1-3 well area? What substances are released into the subsoil? What substances are emitted into the atmosphere?

Answer

These are operations in which an organic solvent is pumped into the well which comes into contact with the metal surfaces of the pipes that make up the well and which is then recovered in the same closed circuit collection network in which the extracted oil flows. Therefore, there is no substance released into the subsoil or emitted into the atmosphere.

5.3 In addition to the approximately 70 hectares already acquired by ENI in the Vigne district of Viggiano, which are added to the 18 currently occupied by the COVA, insistent news report of further negotiations underway with the owners of other land and buildings for several tens of hectares, of which the Municipality of Viggiano and the Basilicata Region are aware. Is the news confirmed? If so, what is it intended to be used for?



Answer

Eni is completing the acquisition of around 70 hectares around the Oil Center Val d'Agri and has made contact with the owners of some buildings in the areas close to the plant.

The 70 hectares will be the subject of an integrated program for the redevelopment of the territory with the aim of creating a district based on economic diversification, environmental sustainability and the circular economy, as well as constituting a buffer zone. The program includes among others: a Center of Excellence for Renewable Energy, photovoltaic systems, projects for Sustainable Water Management, research, experimentation and training in the field of agriculture, as well as an Environmental Monitoring Center. The program will benefit from Eni's digital transformation process which started from the Val d'Agri Oil Center.

- 5.4 Starting from the evidence that in 2012 Engineer Griffa had already reported the non-existence of double bottoms in all four tanks of the COVA, is it plausible to argue that ENI did nothing to remedy in due time and therefore, to avoid the major accident and the release of crude oil from the COVA in 2017? Why did the accident need to occur - and the consequent requirements dictated by the Region - to intervene to improve the safety of the plant? Were safety measures planned? If so, which documents provide proof? Otherwise, is it plausible to state that without the 2017 accident, the tanks would have remained without a double bottom?**

Answer

The tanks were built in 2001 according to the international standard "API 650 Welded Steel Tanks for Oil Storage 9th Edition". Inspections, checks and maintenance on the tanks are carried out in accordance with the international standard "API653 Tank Inspection, Repair, Alteration, and Reconstruction".

The hypotheses of spills from other tanks of the Oil Center Val d'Agri different from that identified in the tank D, discovered in February 2017, are groundless.

The events prior to 2012 and 2013 relating to problems at other tanks were promptly subjected to appropriate restoration and remediation interventions. They did not have any environmental consequences and did not present any element that could link them to the oil recovered starting from 2017.

Eni, in order to be able to have a proactive monitoring system for potential leakages, already in 2013 and 2015, communicated to the Institutions, also incorporating the evaluation suggested by the relevant Entity, a program for equipping the tank with a double hull in a period of time from



2013 to 2017. In 2013, the first double hull was completed. The works have been completed and today, all 4 tanks have been equipped with a double hull.

Further checks, compared to the international standard, are periodically performed: tracer tight tests, corrosion tests, bio probes.

Eni has an Integrated Asset Integrity Management system in place to manage the integrity of the physical components of the asset.

5.5 How does ENI explain the continuous and increasingly frequent anomalous episodes and the repeated malfunctions affecting the COVA? For example the flare-ups, the noises and the odorous emissions documented and reported by the population? Why have anomalous events soared since the start of the fifth production line? Is it plausible to assume that the plant is undersized compared to the quantity of extract treated daily?

Answer

The plant is not undersized compared to the quantity of fluids extracted daily. The start-up of the V line allowed the optimization of the operation of the gas treatment plants. It is worth mentioning that the already small number of plant outages, mainly caused by external factors (black-out in the supply of power from the national grid), has been furtherly reduced.

The flare is a fundamental part of the safety system and intervenes automatically in a precautionary manner whenever it is necessary to safely depressurize the plant, or parts of it, to allow maintenance, planned and unplanned plant shutdowns.

Thanks to the high standards and the best technologies adopted at the COVA, the number of flare events is below the average recorded in similar plants in the world, as confirmed by the available data and studies (V study promoted by the state of Alberta, Canada). For plants that adopt the "Best Available Technologies", a limit of 88 hours/year is considered for flare events while in the period 2011-2018, the COVA recorded an average of 18.3 hours/year. In particular, 2018 recorded a trend of further improvement with a total value of 9.1 hours/year of flare events.

The recorded events have been communicated to the competent entities in compliance with the regulations in force and fall within the limits set within the environmental authorizations in place.

5.6 Does ENI believe that with the conditions in place, the COVA can support the treatment of greater quantities of crude oil from new oil wells? What are the production plans for the field located in Val D'Agri and what new research and cultivation permits are being authorized or will be submitted in Basilicata? Is it correct to say that the drilling of another five new wells is already planned in the Civita di Marsicovetere area, as part of



the "Val d'Agri" cultivation permit?

Answer

The COVA has an additional capacity of about 5,500 cubic meters/day of crude oil: today, it produces 11,000 cubic meters/day compared to the authorized 16,500 cubic meters/day.

The activities of the ten-year plan relating to the request for extension of the "Val d'Agri" Concession, consist exclusively of those already provided for in the authorized works program with prot. no. 06233 of 13 March 2017. The main objective of the new investment plan is to create value in the long term, incorporating the suggestions from the relevant territorial administrations and in full respect of the social and environmental features of the interested area. The plan is characterized by high environmental sustainability as it involves the construction of new wells from existing yards and the maximization of Side track and Work Over, therefore without impacts related to the occupation of new spaces. Furthermore, there are no plans to expand the Val D'Agri Oil Center (COVA).

As regards the activities in the Civita di Marsicovetere area, the drilling of 2 wells is planned.

5.7 Does ENI believe that the fragile and already compromised environmental conditions are suitable for the Blue Water project in Val d'Agri? What does it actually involve? What is the plan to protect waters?

Answer

The Blue Water plant was designed exclusively with the aim of improving the environmental impact of the COVA, and therefore making Eni's activities in Val d'Agri even more sustainable. In this framework, the Oil Center will use the water recovered from the Blue Water plant in order to drastically reduce groundwater withdrawals, reducing them by 85%. The Val d'Agri Oil Center will become almost totally autonomous from the water point of view, effectively eliminating the environmental "footprint" represented by the withdrawal of fresh water. The water thus recovered from the oil treatment, from waste becomes a resource that can be reused, in a perspective of circular economy.

Blue Water operates in a similar way to traditional urban and industrial waste water treatment plants, such as those of the Consortium for Industrial Development of the Province of Potenza, and uses the same chemical elements provided for and authorized by the legislation for this type of activity. The only outgoing waste will consist of salt solutions and sludge that are the typical residue of the water purification process. The residues will be disposed of at suitable external authorized facilities so no purification residue will be discharged into surface and deep waters. The waters



resulting from the purification are industrial and demineralized and completely similar to "distilled" water for domestic use. The Blue Water is designed in full compliance with current legislation and uses the best technologies available similarly to systems that are used in Italy and abroad without problems. It will also allow a significant reduction in the carbon impact resulting from disposal.

5.8 What are the planned actions and, in general, the internal and external safety plans for the COVA in the event of a major accident? Have they been elaborated? If so, are the population and workers aware of it? Can they be consulted? Where?

Answer

The Val D'Agri Oil Center is equipped with a Safety Management System for the Prevention of Major Accidents (SGS-PIR) pursuant to current legislation, which includes both safety operating procedures and Internal Emergency Plan. All workers operating at the COVA are informed about safety procedures and the conduct required in case of emergency, through the safety briefing that is mandatory to access the plant. The External Emergency Plan (PEE) of the COVA, necessary for establishments at risk of major accident, was prepared, as required by current legislation, by the Prefecture of Potenza and is published on the website <http://www.prefettura.it/potenza/multidip/index.htm>.

5.9 Will new re-injection wells be identified for sludge disposal? If it is true that the Monte Alpi 9 Or site, located in Grumento Nova, seems to have been put aside for the moment, the Monte Alpi 1 east wells (located in Grumento Nova) and Monte Enoc 1 west wells (located in Viggiano) are indicated in the "Request to modify the cultivation program of the Val d'Agri field", which ENI sent to UNMIG (MISE Hydrocarbons and Geo-resources Mineral Office) in October 2017 and for which the Basilicata region has recently expressed its refusal. What does ENI plan to do with the two wells Monte Alpi 1 east and Monte Enoc 1 west?

Answer

The field operations of the ten-year plan included in the request for extension of the "Val d'Agri" Concession, consist exclusively of those already provided for in the authorized works program as per prot. no. 06233 of 13 March 2017, thus voiding a project upgrade which envisaged the conversion of the Monte Alpi 9 and Monte Alpi Est 1 wells from producers to injectors. Therefore, Eni does not intend to use the Monte Alpi 1 east well as a re-injection well. The Monte Enoc 1 west well is currently in production and is expected to be maintained as such. There are no plans to commission additional re-injection wells.



6. ENI Refinery of Taranto

6.1 The most recent information available on the website of the Prefecture of Taranto relating to the ENI external emergency plan and the relative involvement of the population date back to 2015. Are there updates to this plan? Does ENI consider the information provided to citizens about it to be sufficient?

Answer

The External Emergency Plan (PEE) is defined and managed by the Prefecture, also with the support of the main players, which include companies such as ENI with its Refinery in Taranto. The Internal Emergency Plan (PEI) of the Refinery is developed and managed in accordance with the PEE, it is an integral part of the Site Safety Report (RdS) which is validated by the Regional Technical Committee, CTR; the PEI is updated frequently (last time 31/10/18) and in any case at least every five years, as required by Legislative Decree 105/15 for the RdS. The PEE is available on the website of the Prefecture.

7. ENI activities in Nigeria, operated through the subsidiary NAOC - Nigerian Agip Oil Company

7.1 What are the methods used by NAOC for the environmental reclamation of sites contaminated by oil spills? Is it true that in some cases, the reclamation procedure involves burning the contaminated land, as reported by numerous complaints from the communities affected by accidents?

Answer

As is normal practice, in the event of a spill event of any kind, following the inspection and repair of the leak, NAOC is immediately activated to clean the impacted area. The typical intervention involves manual recovery, or by adequate means, of free oil, the scraping of the contaminated soil, the cleaning of the site until there is no longer shine. To date, there are no sites on which NAOC has not intervened promptly and there are no pending actions. The success of this operation is certified by the local authorities through the PCI (Post Clean up Inspection) visual verification and through the analysis of samples examined at the laboratory.

The reclamation procedure does not provide for burning contaminated land. Fire cases reported at spill sites are commonly caused by third parties.

7.2 What technologies and methodologies does NAOC use to process soils or other materials coming from contaminated sites?



Answer

Soils or other materials from contaminated sites are transported to facilities outside the site, approved by government agencies, to be disposed of in specialized facilities.

7.3 What are the criteria used for selecting the companies to which contracts are awarded for carrying out reclamation operations in Nigeria?

Answer

Reclamation contracts are assigned in line with company procurement procedures. The selection of contractors is subject to verification of the necessary certificates issued by the "Department of Petroleum Resources" (DPR) or by the "National Oil Spill Detection and Response Agency" (NOSDRA) in accordance with local regulations.

7.4 Specifically, what reclamation method was adopted in the case of oil spills from the Clough Creek/Tebidaba pipeline at the Apoi Community? Of the total 180 barrels of oil spilled, the recovery of 124 barrels was declared. What happened with the other 56 barrels? Have they been treated? In what way? Are they still dispersed in the environment today? If so, what is the plan to complete the reclamation?

Answer

As is customary, the company, following the inspection with the interested authorities and the repair of the leakage, immediately activated to clean and remediate the impacted area. During the Joint Investigation Visit (JIV), 124 spilled barrels were estimated. During the clean up, it was found that the spilled quantity was higher. Thus, the relative recovery was carried out in order to reduce the residual impact on the environment. The inspection carried out downstream of the clean up with the authorities and the communities confirmed and certified the successful completion of the reclamation. The results of the analysis on the samples collected during the visit show that the reclamation meets the regulatory requirements.

7.5 Is the news confirmed that NAOC acquired land or infrastructure in Bayelsa State to be used as storage or treatment sites for materials coming from contaminated sites? If yes, which ones and how many and what technologies and methodologies are used within them?



Answer

Materials from contaminated sites are shipped directly to service companies accredited and certified by government authorities and specifically by the Department of Petroleum Resource (DPR) and the National Oil Spill Detection and Response Agency (NOSDRA). Therefore, land was not acquired by NAOC for storage purposes.

- 7.6 If, as ENI and NAOC state declare, the company does not apply double standards, why did NAOC reclaim and pay compensation for the Clough Creek/Tebidaba pipeline accident on 10 July 2017 in the Apoi community, while it did not proceed with reclamation and compensation of local communities following the even more serious oil spills occurred in June 2012 in Kabala and in July 2015 in Ondewari/Okpotuwari?**

Answer

In the event of an oil spill event, NAOC always responds timely and effectively regardless of the cause of the spill.

Regarding the spill in Kabala in June 2012, the results of the inspection with the authorities (JIV) showed that the spill was caused by an act of sabotage. As usual, even areas contaminated by spills caused by third parties have been reclaimed but are not subject to compensation.

Instead, the case of the spill along the 14 "Ogboinbiri / Tebidaba to Okpotuwari pipeline, reported on 19/07/2015 is different; the JIV ascertained that the cause of the leak is due to the leakage from a clamp used to repair a previous point of leakage. Since this is an operational spill, appropriate cleaning was carried out and the community was compensated as required by current legislation.

- 7.7 Is the news founded that NAOC collaborated with a faction of the community of Apoi not resident in the community and paid compensation to this faction instead of the legitimate community leaders, signatories of the Joint Investigation Report and presented together with NAOC at Government House with the aim of negotiating an agreement between the parties?**

Answer

The accusation, according to which NAOC collaborated with a faction of the community of Apoi not resident in the community and paid compensation to this faction instead of to the legitimate leaders of the community, is completely groundless. The compensation was paid to the community through their legal representative, Ebieri Global Concept Nigeria Limited.



NAOC is not equally involved in the affairs of the alleged factions between residents and non-residents within the community of Apoi. NAOOC interfaces directly with the leaders of the communities concerned.

7.8 What is the position of NAOOC towards the numerous complaints presented by some communities, including Apoi and Ayamabele/Kalaba, concerning alleged intimidating acts carried out by military and armed guards against the inhabitants of the communities? Do you confirm that you received the letter from the Ayamabele/Kalaba community regarding the shooting in December 2018?

Answer

NAOC confirms that the relevant departments have been briefly informed about the incident; they were promptly activated to verify the validity of the reported allegations by initiating information meetings with the official representatives of the communities involved.

Following these checks and with the contribution of the relevant government agencies, it emerged that such allegations are often part of internal disputes within the community.

The company has repeatedly used and taken action to raise awareness among personnel, communities and law enforcement agencies, encouraging them to take a more responsible approach to respecting human rights.

7.9 What measures does NAOOC take to guarantee the safety of the inhabitants in the villages adjacent to the oil installations and the respect for Human Rights in the areas affected by mining activities, with particular reference to people who report impacts and irregularities in relation to the company's activity?

Answer

Government authorities are responsible for ensuring the safety of inhabitants. NAOOC and its partners are engaged on several fronts in an attempt to minimize the phenomenon of oil theft/sabotage, distinctive of the Niger delta region, the only one of its kind in the world and the main cause of risks to the security of the area.

Recognizing the reasons for this phenomenon, whose causes originate at different levels within a more general framework of development of the region, NAOOC and the partners are committed to adopting strategies not only aimed at immediate and short-term response and prevention but also through activities aimed at reducing and overcoming in the medium-long term the underlying, immediate and rooted causes.



With regard to respect for human rights, Eni and its geographical units have equipped themselves with a management model suitable for preventing and mitigating the risks of all processes, from the negotiation phase to de-commissioning. By way of example, at Eni companies, objective criteria are identified to carry out specific analyzes on human rights in the implementation of projects, in both the exploration and development phases. Implementation of training and awareness-raising initiatives aimed at specific corporate functions and roles, as well as the adoption of specific clauses for Joint Operating Agreement (JOA), Production Sharing Agreements (PSA) and a code of conduct for suppliers.

For example, on 20 November 2017, Eni, through NAOC, organized a three-day seminar on security and human rights aimed at Nigerian security forces, in order to raise awareness on the promotion and protection of human rights.

With regards to people who report impacts and irregularities, the Grievance Mechanism, adopted by NAOC, is a proactive and structured approach to receive and manage complaints from individuals or groups of individuals in a timely, planned and environmentally friendly manner. The model is part of a broader strategy of stakeholder engagement that Eni pursues to foster a positive relationship with the territories in which it operates and contribute to both long-term business prospects and the well-being of local communities.

8. Oil spill in the Nigerian community Ikebiri and civil litigation brought by the community at the Court of Milan

8.1 The civil case brought against ENI by the Nigerian community of Ikebiri is about to end with a settlement; how much did the ENI and NAOC trial cost? Is it possible to know the amount of expenses incurred for lawyers' and experts' fees, both Italian and Nigerian?

Answer

Eni and NAOC were sued at the Court of Milan on 5 May 2017 and, as in any dispute involving them, they entrusted their defence to trusted legal experts of proven experience. In any case, the amount of legal fees is in line with the fees provided for by current rates and with the value of the case determined by the request made by Ikebiri.

NAOC and the Ikebiri community reached an agreement in October 2018 with the signing of a Memorandum of Understanding (MoU). The MoU also provides for the implementation in the Ikebiri community of a community development program, in line with the NAOC strategy for all host communities.



8.2 Could the ongoing agreement between community and business not be reached before, as repeatedly requested by the Ikebiri community before the civil trial brought in Italy?

Answer

The reality of the facts shows that from March to August 2015 - well before the summons at the Court of Milan on 5 May 2017 - Eni, through the subsidiary NAOC, and the Ikebiri community met and exchanged communications to reach a settlement solution and thus reach a friendly resolution of the event. This negotiation did not go well.

8.3 Why did NAOC, which had also acknowledged its responsibility, refuse to pay damages before the trial?

Answer

The compensation package (₦ Naira 6,000,000.00) agreed by the parties is the same one under discussion before the lawsuit started in Italy. At the time, it was not possible to implement the agreement following the lawsuit independently filed by a family of the Ikebiri community at a Nigerian Court for the compensation of 'general damages'. Such request for compensation lacked any evidence that the allegedly affected economic activities mentioned by the family took place in the areas affected by the oil spill (fishing and farming in the surrounding area). The parties finally acknowledged the fact that the affected area had actually been reclaimed and restored by NAOC.

8.4 What initiatives does ENI intend to take to prevent NAOC from refusing to intervene in the future to reclaim and compensate communities affected by spills?

Answer

Oil spills are divided into operational spills and sabotage spills.

The classification of spills is through a Joint investigation visit that requires the presence not only of NAOC, but also of the competent authorities as well as the representatives of the communities. As a rule, compensation is only provided in the event of operational spills. Spills attributable to sabotage by their nature are not compensated in line with current regulations.

NAOC has never refused to intervene to reclaim the territory, in the case of both operational spills and sabotage spills, and to compensate the communities affected by the operational spills.

8.5 Considering that a community affected by a spill, specifically the Ikebiri community, had justice only because it turned to a Court, how does ENI plan to improve and strengthen due diligence tools, in particular for the actions carried out by the subsidiaries operating abroad?



Answer

The reality of the facts shows that from March to August 2015 - well before the summons at the Court of Milan on 5 May 2017 - Eni, through the subsidiary NAOC, and the Ikebiri community met and exchanged communications to reach a settlement solution and thus reach a friendly resolution of the event. This negotiation did not go well.

With regard to the control system, Eni has developed a robust regulatory system that is implemented and applied by its subsidiaries operating abroad.

8.6 Is it possible to know the specific terms and contents of the agreement reached between the company and the Ikebiri community? Why are the contents of the agreement considered confidential and not disclosed?

The MoU that Eni, through its subsidiary NAOC, and the Ikebiri community signed in October 2018, provides for the implementation in the Ikebiri community of the usual community development program that NAOC implements in the host communities. Specifically, the MoU includes the implementation of social projects in the field of infrastructure and access to energy.

The contents of the MoU between NAOC and the Ikebiri community are covered by confidentiality clauses.

9. AGIP/ENI activities in Block 10 of the Amazon (Ecuador)

9.1 Is the news of the sale of the Agip Oil Company operating in Block 10 of the Ecuadorian Amazon to the Argentine company Plus Petrol confirmed? If confirmed:

Answer

It is confirmed that this operation is in progress. Plus Petrol has been a private company active in the oil extraction sector in South America for over forty years and operates over 400 thousand barrels days of hydrocarbons.

9.2 When, for what price and under what conditions did the sale take place? When was the State of Ecuador informed of the transaction? Will the sales contract involve changes in the operating plans?

Answer

The purchase and sale contract was signed in December 2018 and the government authorization is pending, necessary for the completion of the transaction and the fulfilment of the conditions of the



contract. The transaction involves the sale of 100% of the share capital held by Eni International BV in Agip Oil Ecuador BV.

The price and conditions of sale are subject to confidentiality between the parties.

The government of Ecuador was informed, prior to the signing of the purchase and sale contract, about the intention to sell the company; after the signing of the contract, the authorities were asked to approve the transaction in accordance with the law in force.

The contract does not provide for any changes in the operating plans.

9.3 What is the plan of abandonment of the concession? What is the complete repair plan prepared for the impacts previously produced and reported by the communities?

Answer

The contract will expire on 31 December 2033; if it is not extended, the facilities and wells still in production will be devolved to the State and there will be the decommissioning of facilities no longer necessary and of depleted wells. Decommissioning activities will be carried out by the operator in charge (therefore not by ENI) according to the current laws and environmental regulations (i.e. removal of production facilities, removal of well-heads and reforestation). The impacts due to the construction of the facilities will be restored during the decommissioning.

The company AGIP OIL ECUADOR is subject to two-year HSE audits by the State, which have never encountered problems.

AGIP OIL ECUADOR has always had excellent relations with local communities. We could not have worked without interruption for 20 years without having this kind of relationship.

9.4 What, specifically, are the compensation projects promoted by ENI in Ecuador? In what areas and with what partnerships are they implemented? What is the amount of investments dedicated to them?

Answer

During the 20 years of operations, AGIP OIL has developed 5 support programs for indigenous communities in the following areas: 1) health, 2) education, 3) social infrastructure and projects, 4) transport and communications, 5) promotion of forums and committees.

Since 2000, approximately USD 54 million have been invested directly in the territory by AGIP OIL ECUADOR for the aforementioned programs for the welfare of the 3840 people (last census) belonging to the 26 local communities.



Shareholder Tommaso MARINO

1. *"For years they considered him as an external lawyer. Actually: a former external lawyer. He is consulted only occasionally. Now, however, it turns out that the law firm of Piero Amara received € 11 million from Eni. The Corriere della Sera tells the story of three audits commissioned by the company to KPMG, to the criminal lawyer 1) Paolo Siniscalchi and labour lawyer Arturo Maresca and handed over to the Milan prosecutor's office. No comments from Eni. For the public prosecutors led by Francesco Greco, the Sicilian lawyer is part of a "criminal association" aimed at "agreeing on a misdirection" of the Eni bribes trial in Nigeria, through "anonymous reports and complaints in 2015-2016 to the prosecutor's office of Syracuse" on an elusive "plot against the CEO Eni Claudio Descalzi" (taken from Il Fatto Quotidiano of 14 April 2019).*

What was the purpose of the audits that the Group commissioned to the lawyer Piero Amara? Overall, what commissions were received by the lawyer Amara, since the current CEO took office and taking into account all the assignments carried out to date?

Answer

No audit was commissioned to the lawyer Piero Amara. At present, Amara does not receive any fees, as he has not carried out any activity for some time, while there are still modest provisions for services prior to the termination of the mandates the payment of which is however currently blocked.

2. **Has the CEO ever shared and/or endorsed the work of the lawyer Piero Amara? If not, what measures did he take to protect Eni's image?**

Answer

With reference to the activities provided by the lawyer Amara as defence lawyer, it is pointed out that the process for selection and management of appointments to external lawyers is defined in specific company procedures. With reference to the criminal proceeding 12333/2017 currently being investigated at the Milan Public Prosecutor's Office, the company and the CEO reiterate their total extraneousness, considering themselves to be injured parties. In this regard, the Company has already declared itself to be an injured party in the proceeding in question, within which (depending on any development) it will carry out initiatives to protect its reputation and its financial integrity.

3. **What traceability defects were found in the fees paid to the lawyer Amara? In what other situations have such cases emerged? How did these defects emerge? What external**



authorities are responsible for the audits? Has the Board of Statutory Auditors not noticed anything?

Answer

Regarding the relationships with the lawyer Amara, audits were carried out by both the Company's Internal audit department and by an independent third party appointed by the Control and Risk Committee and by the Supervisory Body, after consulting the Board of Statutory Auditors to conduct a forensic review. A further assignment was entrusted by the Board of Directors to two external legal advisors for an overall assessment of the relationship with the external lawyer, also based on the results of the aforementioned assignment. Both reviews were completed without detecting evidence of Eni employees being involved in the investigated facts. As part of the aforementioned verifications, findings emerged regarding the traceability of the controls required by the Company internal controls relating to the procurement procedure of the Company's Legal department. The Company reacted to these observations both in terms of corporate responsibilities and redefining the procedure, and strengthening the effectiveness of the controls.

On these aspects the Board, as reported in its report to the Shareholders' Meeting, interacted with the Company's Chief Financial Officer and with the External Auditors, sharing the opportunity to integrate the audit program with a specific audit activity on the procurement process in the Legal department also to verify the effectiveness of the corrective actions defined by the Company. The results of the audit were such as to confirm the effectiveness of the internal control system for the 2018 financial year, considering, however, that the volumes of the process in question are below the materiality threshold defined for the purposes of assessing the adequacy of the control system itself.

The results of the various verification initiatives were communicated by the Company to the investigating Authorities, in particular to the Milan Public Prosecutor's Office as well as to the Consob to which the Board provided a constant update of its supervisory activity.

4. Which members of the Board of Statutory Auditors attended meetings remotely? Did they receive the attendance fee anyway?

Answer

The Board meets as often as necessary for the performance of its duties, following a notice of convocation sent, on behalf of the Chair of the Board, by the Secretary of the same, usually at least three days before the date set for the meeting. The notice contains the indication of the place, usually the headquarters or secondary offices of Eni, of the date and time of the meeting, and of the matters to be discussed. The By-laws of Eni state that the Board may meet by video or



teleconference, provided that all the participants can be identified and are allowed to follow and join the discussion of the items addressed in real time.

During the 2018 financial year, the Board of Statutory Auditors met a total of 25 times, always with the participation of all its members, with the sole exception of the justified absence of a Statutory Auditor at a single meeting. In three meetings, one or more Statutory Auditors participated in a teleconference while for the remaining 22, participation was from the place of convocation of the meeting or in connection at the Eni offices.

The Ordinary Shareholders' Meeting held on 13 April 2017 resolved the determination of the annual fee payable to the Chair of the Board of Statutory Auditors and to each Statutory Auditor in the amount of € 80,000 gross and € 70,000 gross, respectively, without including any presence fees.

5. **Is it true that Massimo Mantovani was initially promoted while he was under investigation? The aforementioned article refers to this.**

Answer

Mr. Massimo Mantovani, Head of Legal Affairs of the Company from November 2005 to October 2016, was appointed Chief Midstream Gas & Power Officer as part of the Company's managerial turnover plans. As reported in the Notes to the Financial Statements of the 2018 Annual Financial Report, in the "Litigation" chapter (page 211 and following), the provision which investigates, among others, the lawyer Massimo Mantovani, was notified in February 2018.

6. **The aforementioned article states: *In the provision, the magistrate of Potenza Ida Iura refers to "precise strategy agreed on by Milan top management" to "hide the serious problems", defining the conduct of "disconcerting bad faith and unscrupulousness". Which executive - I wonder - implemented the strategies to which judge Iura refers? Or at least, to whom was she referring? Have any verifications been initiated? Has the Board of Statutory Auditors been informed? What action did it take, apart from any independent studies that I imagine it ordered to be conducted?***

Answer

In application of internal company procedures and delegations, the Viggiano Oil Center, like any other operating unit of each business line, is responsible for and manages all environmental and safety issues concerning its property, plant and equipment, which are and remain under the direct safeguard of each operating unit. These problems are concretely addressed by each operating unit without any spending limit in order to achieve the objectives set by the company for protecting the environment, the safety and health of employees and non-employees. Those objectives are part of



international best practices and indeed, more and more frequently represent a point of reference worldwide. The Company regards such objectives as fundamental values and essential part of the core business. In conclusion, with due respect of the investigations in progress, no strategy (in the sense underlying the question), even remotely aimed at affecting these values, can and may ever be shared neither by the company nor by its top management. Nor has any influence been and will ever be exercised in order to implement strategies aimed at reducing the protection of environmental protection, health and safety. Eni's DNA is totally incompatible.

Stated that the company has always considered the values of environmental protection and safety a priority and has always acted concretely to protect and safeguard the environment, the proceedings pending before the Italian justice concerning the Val D'Agri Oil Center are fully disclosed in the litigation section of the Annual Financial Report.

In relation to these proceedings, the Board of Statutory Auditors requested and received constant information from the involved corporate department, both regarding the initiatives undertaken and planned by the Company in order to ensure compliance with the requirements set by environmental regulations and international best practices in the field, and regarding proceeding developments. The Board of Statutory Auditors continues its supervisory activity by monitoring, as part of its responsibilities, the evolution of the proceedings also for the purpose of assessing the actions and measures adopted by the Company.

7. To date, where have oil spills occurred and for what quantity in total? Particularly in Basilicata, where, when and how?

Answer

Eni is committed to managing on a day-by-day basis the risks deriving from oil spills both in Italy and abroad, through increasingly integrated actions in all intervention aspects, from administrative to technical for prevention, control and quality/speed/effectiveness.

The statistics on oil spills are available in the Consolidated Non-Financial Statement contained in the 2018 Annual Financial Report and in the Eni For report published on our website eni.com (NB the Eni For 2018 report will be online on 14.5.2019).

In 2018, spilled barrels following operational oil spills decreased by 20% compared to 2017. As regards sabotage events, in 2018, there was a decrease in the number of events, while the spilled volume increased by 14% mainly due to effractive activities in the upstream sector in Nigeria and Egypt.



As for Basilicata, in February 2017, we recorded a leakage of crude oil from a storage tank (tank D) of the Val d'Agri Oil Center (COVA) of about 400 tons.

Eni has prepared, immediately after the event, an action plan for the safety of the areas potentially affected by the presence of hydrocarbon that allowed to:

1. create an effective barrier to confine contamination within the COVA;
2. identify the internal leak point of product at the COVA to stop it;
3. identify, delimit and secure the areas outside the COVA affected by the contamination.

These actions have allowed to confine the contamination, to progressively and significantly reduce the internal and external area of the COVA initially affected by the presence of supernatant (about 2.6 hectares of which 2 inside the COVA and the rest all inside the industrial area) and to reduce the concentrations of pollutants, confirming the effectiveness of emergency safety operations.

The contamination did not affect Lake Pertusillo. The analyses of the lake waters conducted by the control entities have never detected the presence of hydrocarbons coming from the activities of the COVA neither inside the lake nor in the Agri river.

In March 2019, around 339 tons were recovered and the environmental reclamation activity continues in accordance with current legislation.

- 8. Gianluca Griffa, an Eni employee, hung himself but left a letter addressed to the magistrates, which states that "Eni has been aware of the spills since 2012". Since when has Eni been aware of the spills in Basilicata? Has President Marcegaglia always been informed or at least has ever asked to be?**

Answer

We believe that the memorial of our colleague Griffa is a human affair that we do not want to comment on, leaving the evaluation of the case to the magistrates. The hypotheses of spills from other tanks of the Oil Center Val d'Agri different from that identified in the tank D, discovered in February 2017, are groundless. The episodes prior to 2012 and 2013 relating to problems on other tanks were promptly subjected to appropriate restoration interventions. They did not have any environmental consequences and did not present any element that could link them to the oil recovered starting from 2017. The President, together with the entire Board and the Board of Statutory Auditors, was informed of the matter from the time the investigation began.

- 9. Is it true that the Eni Group paid € 310 million to the consortia of companies referable to the wife of the CEO Descalzi? L'Espresso refers to it and II Fatto Quotidiano summarizes**



it (article dated 8 March 2019). What consortia are concerned? Overall, what was the total compensation that the Group paid to companies that directly and/or indirectly are headed by the wife of Mr. Descalzi?

Answer

Please refer to the content of the answers to questions 1 and 2 of the shareholder Ree: Common concerning Congo.

10. In what other places, in Italy, does the Group use tanks like those of Viggiano? How much does it cost to change or restructure them in order to prevent environmental disasters? Has a check been made on the tanks in Italy, verifying the degree of possible corrosion?

Answer

In the upstream business, we have hydrocarbon storage tanks, similar to those installed at the Val D'Agri Oil Center (Viggiano), at the Trecate and Gela oil centres. These tanks are equipped with a double hull to prevent possible leaks. In addition, all the tanks in operation are subject to a program of inspections, checks and periodic maintenance to ascertain their integrity and any degree of corrosion.

11. In Italy, where do we extract gas and oil?

Answer

The production of hydrocarbons operated by Eni in Italy comes from 70 gas fields, of which 51 are offshore, and from 14 oil fields, of which 4 are offshore.

Our activities are concentrated:

- in the Adriatic and Ionian Sea, from which about 40% of Eni's production in Italy comes, mainly gas, through 68 platforms operated by Eni and 3 not operated;
- in the Central-Southern Apennines, where Eni is operator of the Val d'Agri concession in Basilicata, from which about 50% of Eni's production in Italy comes, which corresponds to about 63% of oil production for the country;
- in Sicily, with 12 production concessions onshore and 4 offshore, of which one not operated. Production in 2018 contributed about 10% to Eni's production in Italy.

12. Does Studio Trevisan continue to hold the position of Representative of proxies on behalf of Eni? What is the cost? How does the company reconcile this assignment with the fact that it is also delegated by the funds in the meeting? Does a conflict of interest exist or not?



Answer

Pursuant to art. 135-undecies of the Consolidated Finance Law, Eni nominated attorney Dario Trevisan as Designated Representative; the appointment regarded himself and not his firm "Studio Trevisan". The cost is a maximum of € 5,000 depending on the number of proxies, plus expenses, VAT and other fees. In any case, the appointed representative expresses the vote exclusively on the basis of the nominating shareholders' proxy.

- 13. Have international regulations been complied with by the Group? When and where have violations occurred?**

Answer

Eni operates in full compliance with the regulations applicable to its activities and adopts suitable measures to mitigate the risk of any violations, obviously including the regulations relating to economic and financial sanctions issued by States and international organizations, to which we assume the question refers.

- 14. Exactly how many emoluments did the former president Scaroni receive in 2018? Please do not refer to the remuneration report because it is incomprehensible!**

Answer

In 2018, no emoluments were paid to Mr. Scaroni, former Eni's CEO, who terminated his office in 2014, as he is no longer entitled to any compensation plan.

- 15. Which Group offices have companies directly and/or indirectly connected to Mr. Scaroni? Did they obtain consultancy? For what amounts?**

Answer

No assignment/contract has been assigned by Eni companies to companies that, based on public available information, are directly and/or indirectly connected (shareholdings and/or executive roles) to Mr. Scaroni.

- 16. Which Ansa and newspaper journalists have obtained contracts for professional services?**

Answer

During 2018, Agi did not stipulate any contract for professional services with Ansa journalists.



In the same period, it signed or renewed two independent contractor agreements with journalists who appear to be holders of employment contracts with newspapers under article 1 of the National Journalistic Labour Contract.

With reference to the editorial committees of the magazines *We - World Energy Magazine* and *Orizzonti*, during 2018, four journalists were contracted.

ENI does not disclose the names of the aforementioned journalists due to compliance with privacy laws.

- 17. Which key internal figure of the Group deals with blockchain? In fact, I am part of a group of investors, even on behalf of whom I write, who would like guarantees of greater security for the companies in which they invest. How much was invested in 2018?**

Answer

It is a multi-disciplinary team that involves different business functions: Business lines, ICT, Digital, Legal, Procurement, Compliance, with particular attention to cyber security issues. Blockchain is in fact a potentially disruptive technology, which could redesign the relationships between the main players in some markets, so we think it is important to observe it carefully and start experimenting it in a targeted way through short-term prototype projects (3-4 months) that can give the business the opportunity to confirm its value. In particular, in 2018, testing began in the context of Trading processes with an investment of approximately € 30 thousand.

- 18. Who contracts relationships with universities? We have relationships with various universities but they do not seem to be with the Universities of Messina, Venice, Cagliari. Why were they discarded?**

Answer

Eni collaborates with Universities to support training, research & development activities, as well as to acquire high-level specialist professional services. The portfolio of collaborations is constantly evolving and varies, from time to time, according to specific needs, so as to seize the excellence expressed by the individual universities. The selection is carried out according to a structured and rigorous process that aligns the needs of the research and/or training project with the best skills that can be expressed at the University and Department level. The units that activate contracts with universities are mainly R&D and Eni Corporate University, but all corporate structures can do so as well, especially technical ones. The contract assignment process is mainly followed by the Procurement function, which is activated based on the requests made by the requesting structures.



With respect to the universities mentioned, there are collaborations for training and/or health promotion activities with Cagliari and Venice.

19. What is the total amount of 2018 expenses incurred directly by the Group for the mandate carried out by Mr. Descalzi? Have you calculated them?

Answer

In general terms, the expenses relating to the functioning of the corporate bodies, including the exercise of the mandate of the Chief Executive Officer, are incurred directly by the Company and essentially relate to travel expenses.

20. What is the total amount of Group overdrafts, pursuant to law 68/99 and subsequent amendments and additions?

Answer

The number of obligations of Eni SpA and subsidiaries at 31 December 2018 is equal to 1,257. There are 455 shortages of disabled people covered by:

- stipulation of agreements with local public bodies (commitment for gradual inclusion of disabled personnel);
- suspensions for mobility procedures pursuant to Law 223/91;
- partial exemptions on industrial sites with strenuous, dangerous or special processes.

21. Newco Tech SpA, what are the other shareholders and what types of rights are recognized to them? What does the company deal with?

Answer

In January 2019 the liquidation of Newco Tech SpA was completed, which was participated by Versalis SpA (80%) and Genomatica Inc (20%). Newco Tech SpA was accounted as a joint venture since the strategic decisions were subject to a qualified majority; the company's activities related to the research and development of processes for the production of chemical products. The company has never been an Eni supplier.

22. For what is the Group debtor with respect to companies headed by Mr. Descalzi and his wife?

Answer

As far as known, Eni does not have relations with companies owned by close relatives of the CEO and there are no companies that are directly or indirectly headed by Mr. Descalzi.



23. Costs of Computershare and/or Spafid? Even in hypotheses they were in line with those of the market!

Answer

The costs incurred by Eni in 2018 in relation to Computershare SpA and Spafid Connect SpA amounted to approximately € 164 thousand, respectively, for "activities relating to the elaboration and preparation of the annual report in graphic and textual format required by the US legislation, as well as for obligations towards Borsa Italiana and SEC" and € 30 thousand for "services supporting voting during the shareholders' meeting", in both cases against contracts awarded by tender in 2016.

24. For how much are family members of Board Directors creditors towards subsidiaries, also taking into account family members not relevant for the purposes of related parties?

Answer

Eni has internal rules and procedures on transactions with related parties, in accordance with the Consob Regulation, and in any case on those in which the directors or persons connected to them may have an interest. The aforementioned procedures also include information flows to the competent bodies and information in the financial statements of transactions with related parties.

Pursuant to the aforementioned internal regulations, no close family member of Board Directors claims credits against Eni and/or subsidiaries.

25. How much does the registration with Confindustria cost us? Are the benefits we derive justifying an expense of over € 5 million?

Answer

Eni SpA and the Italian subsidiaries adhere to the Confindustria system. In 2018, a total of €5.1 million were contributed to the Confindustria system (of which € 1.6 million for Territorial Confindustria Associations, following a specific National Convention, and € 3.5 million for Category Associations such as Federchimica, Assomineraria, Unione Petrolifera, etc.). Eni's presence in the Confindustria association (National and Territorial) with its representatives (General Councils, Sections, Technical Groups and Working Groups), allows the Company to dialogue with the local entrepreneurial fabric and have continuous and constructive discussions on issues of interest in the business, also in order to prevent conflicts and find solutions to possible problems.



26. When will the Investor Day take place?

Answer

On 15 March, we held the Strategy Presentation in Italy (and not in London as in the past). Therefore, that event is actually the Investor Day.

27. What is the total amount of donations? Who is responsible?

Answer

Please refer to the information in notes no. 38 and no. 33 respectively of the notes to the consolidated and annual financial statements of Eni SpA. In particular, Law 124/2017, in force as from 2018, introduced the obligation to provide in the notes the disbursements received from Italian public bodies and entities; furthermore, pursuant to the same provision, for Eni SpA as a State-controlled company, there is also an indication of the disbursements granted to Italian and foreign beneficiaries. Pursuant to the provisions of article 3-quater of Decree Law 135/2018, converted with amendments by Law 11 February 2019, no. 12, for the disbursements received, reference is made to the indications contained in the National Register of State Aid referred to in article 52 of Law 24 December 2012, no. 234.

The process for granting disbursements is regulated by internal regulations that define the roles and responsibilities of the various organizational units involved.

28. Who is responsible for sponsorships? What sponsorships were there in 2018?

Answer

The sponsorship process can be activated by any company function. The process is structured and based on the segregation of roles. The process is regulated by internal regulations that define the roles and responsibilities of the various organizational units involved. All proposals, both those activated by company functions and those received directly from third parties, are subject to the evaluation of a collegiate body - "Sponsorship Committee" - which analyzes the main ones for each initiative, also with the support of the opinions of other functions involved features, the main characteristics, including for example: benefits in terms of image, commercial value, media and/or territorial coverage, the possibility or not of extending the benefits within the company. The initiatives are selected, in line with the company values (partnership, sustainability, culture, innovation, efficiency), based on criteria established by the internal regulatory system.



Costs for sponsorships of Eni SpA in 2018 amounted to around € 14 million, substantially in line with 2017. Sponsorship initiatives are linked to communication objectives with particular attention to the areas in which we operate and company values. The main initiatives concerned:

- renewal of the partnership, together with other large Italian companies, with the Italian Football Federation (FIGC), for which Eni assumed the role of Top Sponsor of the national football team and the other FIGC teams and of partner of the Federal Territorial Centers. Furthermore, particular attention was paid to the "Network Project" which sees Eni involved with the role of partner (the Network Project is aimed at foreign minors and aims to promote, through football, integration and social and intercultural inclusion processes);
- sponsorship of the F1 Italian GP and "naming sponsor" of the Monza circuit, now called Monza Eni Circuit.

29. Does the Eni Group, and therefore not only Eni, have non-performing loans to managers, directors and members of the Board of Statutory Auditors?

Answer

No.

30. At what point is the investigation for obstruction of judicial activity that a prosecutor had initiated at the time?

Answer

If the reference is to the criminal proceeding no. 12333/2017, it is confirmed that it is in the phase of preliminary investigations at the Milan Public Prosecutor's Office and that Eni has declared to be an injured party.

31. What is the total amount of consultancy?

Answer

In Eni, consultancy is defined as intellectual services to support management decisions on specific issues of strategic importance.

In this regard, in 2018, Eni SpA stipulated consultancy contracts for € 29 million, mainly attributable to activities to support Eni's digital transformation and strategic M&A operations.

32. What were the minor transactions and therefore not included in related parties? Last year, it seems to me that, thanks to a way with words, you easily managed not to say it.



In short, in this case, what were the interests of minor significance and on the part of whom?

Answer

The notes to the financial statements (note 36 of the consolidated financial statements of Eni and note 32 of the financial statements of Eni SpA) report the transactions carried out with the related parties of Eni, as required by the legislation on financial statements.

Other transactions with related parties are not subject to disclosure obligations and some are completely excluded from the application of the legislation, in accordance with Consob provisions. In any case, for all transactions not excluded, the Company's interest in completing the transaction as well as the convenience and substantial correctness of the relative conditions have been positively assessed by the competent Board Committees.

33. How much was Cral funded in 2018?

Answer

In 2018, the contribution paid to Cral by Eni and its subsidiaries is € 389,270.

34. By whom are the Identity Communication and Chief Services and Stakeholder Relations Officer offices headed?

Answer

Executives in positions reporting directly to the CEO can be viewed on the website eni.com.

33.BIS Which companies do the plants used by the Group for recovery/disposal belong to?

Answer

Syndial is Eni's Environmental Service Company which, as a center of competence in the field of environmental reclamation and clean-up and waste management, consolidated its role as Global Contractor for all of Eni's environmental activities in Italy.

The supplying companies, currently contracted by Syndial through tenders, for waste recovery/disposal activities produced by Eni and with regular authorization issued by Public Entities, are listed below:



Smaltimento rifiuti	Discariche	Trattamento rifiuti
RTI ECONET SEMATAF	RTI PROGRAMMA AMBIENTE APUANE/FURIA	ECONET - ECOSISTEM
RTI HERAMBIENTE-HASI-WASTE	SUEZ IWS MINERAL FRANCE	DE CRISTOFARO - TORTORA VITTORIO
RTI GRASSANO-ECO IMPRESA	SEMATAF	TECNOPARCO VALBASENTO
RTI FURIA MECOMER	SOVRECO	3V GREEN EAGLE
RTI SEA-DE CRISTOFARO-SOLETR-VITER	FMG	SAI SERVIZI AMBIENTALI - ACR REGGIANI - FAENZA DEPURAZIONI
RTI ROVERETA-ITALBONIFICHE-ECOMAR	ECOSERDIANA	FURIA - NIAGARA - ECOPO -ASPIRECO -ECOLIO 2 - BIODEPUR - ORIONE
PETROLTECNICA	AMBIENTHESIS	HERAMBIENTE - WASTE RECYCLING
CISMA AMBIENTE	SOC. COOP NUOVA SAN MICHELE	ROVERETA
RTI RIECO-ACR REGGIANI-ECO RAV	HERAMBIENTE	AMBIENTHESIS
RTI ORIM-RECUPERI MATERIE PRIME	PROGECO	ECOMAR ITALIA - ACQUE INDUSTRIALI
RTI AMBIENTHESIS-ECOLOGICA MARCHE		CONSORZIO IND.PROV.SS
		SEPOR
		AMBIENTE MARE
		SEA SERVIZI ECOLOGICI AMB.
		HIDROCHEMICAL SERVICE - NICO
		BERG
		IN.TEC.SUD
		PROGEST
		SEAP DEPUR. ACQUE
		SANAV

34.BIS How many executives occupy Group-owned housing? Is it true that they do not pay for water, electricity and gas? And however, in these cases, for employees, is article 51, Presidential Decree, 22 December 1986, no. 917 applied?

Answer

No executives occupy corporate-owned housing, with the exception of two executives of the company Raffineria di Gela who rent an apartment owned by RAGE for which they regularly pay rent and utilities.

35. To which categories of ordinary business practices does the Group provide facilitations and what kind?

Answer

If the question relates to the categories of customers for which facilitations are applied, the main cases concern, in accordance with the applicable regulations, supplies of petroleum products to national and international institutions and sections of the public administration (ex. hospitals, etc.) and supplies of gas at discounted tariffs for customers in difficult conditions.

36. For what costs did we contribute in 2018 to supplementary healthcare for retired executives? How much did the former CEO Scaroni cost us in particular?



Answer

Pursuant to the FISDE Articles of Association, registration for supplementary healthcare is also envisaged for retired former executives. In 2018, the company took part in the annual contribution to the fund by paying the same amount for each retired former executive registered, including Mr. Scaroni, amounting to € 1,931.

37. Isopensione costs 2018?

Answer

Isopensione costs 2018 amount to € 118 million based on actuarial valuations for IAS 19 purposes.

38. What powers does the Chairman have?

Answer

The Board of Directors did not assign administrative powers to the Chairman but entrusted her with a prominent office in the internal control system, including governing the hierarchical relationship of the Head of Internal Audit with the Board. In addition, the Chairman performs statutory representation functions, managing the institutional relations of the company in Italy, jointly with the CEO. For more details on the role and duties of the Chairman in the internal control system, see the 2018 Corporate Governance and Shareholding Structure Report (pages 11, 22 and 75 of the Report), prepared pursuant to article 123-bis of the Consolidated Finance Law and published on Eni's website.

39. Has the Group ever paid bribes in Italy and abroad?

Answer

No.

40. What kind of autonomous and independent opinions did President Marcegaglia contribute to acquiring? What provisions did she dictate to Eni's Legal Affairs Department?

Answer

The Board of Directors of Eni has given a mandate to the Chair, after having consulted with the Chair of the Control and Risk Committee, with the technical support of the Secretary of the Board, to appoint, in the interests of the Board, two consultants, a criminal lawyer and a civil lawyer, to obtain an independent consultancy in relation to the investigation of the Milan Public Prosecutor's Office no. 12333/2017. The Legal Affairs Department was not involved in the conferment of the



assignment. For further details, see the Annual Financial Report 2018 (page 220) and subsequent question no. 49.

41. In Nigeria for marine exploration obtained by Eni, has Eni Group ever paid bribes?

Answer

No.

42. What proxies does Mr. Descalzi currently hold?

Answer

With the resolution of 13 April 2017, the Board confirmed Claudio Descalzi as Chief Executive Officer and General Manager, conferring to him all the powers of administration of the Company with the exclusion of certain powers that the Board reserved exclusively to itself and those that cannot be delegated by law. For more details on the role and duties of the Chief Executive Officer, see the 2018 Corporate Governance and Shareholding Structure Report (pages 11, 46 and 78), prepared pursuant to article 123-bis of the Consolidated Finance Law and published on Eni's website.

43. What was the 2018 liability of the subsidiary AGI? How much has debt increased or decreased? Who is the CEO of Agi? Have the perennial reasons for the losses been identified?

Answer

Agi, has recently embarked on a profound process of repositioning its business model that saw it still operate as a traditional agency on products and services in textual form and with a progressive, constant erosion of revenues. This repositioning took place through a series of 'change management' and 'digital transformation' initiatives, aimed at consolidating the journalistic nature of Agi and, at the same time, ensuring the offer of innovative solutions and services to the market of the media, institutional and company with the new business division of the Agency, Agi Factory. Despite having started its activity only at the end of 2017, Agi Factory has immediately positioned itself as the first Italian Brand Journalism Lab developed from the journalistic experience of Agi, based on the creation of stories that start from Eni's facts and background, a company committed to innovation and value creation.

The Factory carries out storyfacing activities: storyfacing allows sharing the stories of companies, and their brands, through facts, making valuable stories available. Of value for the brand, but above all of value for users and targets of reference.



Agi Factory can already count on more than 20 active customers, a constantly expanding team of journalists, communicators and salespeople, with projects that demonstrate the trust that companies place in Agi.

The CEO of AGI has been Salvatore Ippolito since May 2017.

The managerial experience in the media and communication sector, the consolidated experience in the digital field, acquired with important milestones at Microsoft, ItaliaOnLine, and, before joining Agi, at the head of Twitter since 2014, as Country Manager for Italy, allow it to interpret and implement the path of change underway. The recent successes guaranteed, at the end of 2017, the recognition of "Digital Media Person of the Year".

In the 2018 financial year, Agi recorded a loss of € 6.8 million, substantially in line with 2017. The debt at 31.12.2018 is equal to € 2.4 million, up by € 0.6 million vs. 2017.

The reasons for the loss are attributable, as in previous years, to the continuing strong economic decline of the reference market, with cancellations and/or reductions in contracts being renewed against a cost structure substantially characterized by fixed costs.

Thanks to the aforementioned path of repositioning towards a more ample and diversified size and presence on the market, the decrease in revenues was however almost completely balanced by new revenues generated in communications, towards new market niches.

44. *"The Board of Statutory Auditors and the Supervisory Body have resolved to grant a joint assignment to an independent US law firm, an expert in anti-corruption so that, after informing the judicial Authority, an independent forensic verification of the matter could be carried out. The US lawyers have concluded that there was no evidence of illegal conduct by Eni in connection with the transaction with the Nigerian government in 2011 for the acquisition of the OPL 245 license in Nigeria. The results of this verification were made available to the judicial Authority".*

To date, how much has the independent US law firm (can you recall the name?) that did not convince the magistrates cost us?

Answer

The assignment was entrusted to the US lawyers of the firm Pepper Hamilton. The services were remunerated on an hourly basis and applying the contractually defined professional rates, in line with as normally required for this type of service, according to the level of the consultants employed.



45. How much damage did the Federal Republic of Nigeria ask for in the civil proceedings (OPL 245 Nigeria)?

Answer

The Federal Republic of Nigeria, as civil party, did not quantify the damages requested.

46. What is the name of the defendants who were sentenced with the abbreviated procedure (OPL 245 Nigeria)?

Answer

The parties who have opted for the definition of the proceedings with an abbreviated procedure are third parties with respect to Eni. From open sources, it appears that they are Di Nardo and Obi.

47. CONGO INVESTIGATION *"In April 2018, the Board of Statutory Auditors, the Supervisory Body and the Control and Risk Committee of Eni resolved to grant a joint assignment to an independent law firm and a professional consultancy company, experts in anti-corruption so that an independent forensic verification of the matter could be carried out. The preliminary results of these activities, at present not yet concluded, have not revealed circumstances that are in fact suitable to detect the direct involvement of Eni, or of its employees or key managers in the commission of the crimes hypothesized by the Public Prosecutor".*

How much did the independent law firm and the independent professional consultancy of the company cost us? What is the name of the law firm and the company appointed?

Answer

The assignment was entrusted to the Law and Tax Firm DLA Piper with the support of the consulting company Protiviti for forensic verifications. The services were remunerated on an hourly basis and applying the contractually defined professional rates, in line with as normally required for this type of service, according to the level of the consultants employed in the execution of the activities. The verification activities were concluded with the preliminary confirmation of the results anticipated.

48. *"In September 2018, as injured party, Eni received notification of hearing issued by the Court of Rome, in relation to the criminal association and other minor disputes, against the numerous parties under investigation - including over 40 Eni positions - the subject of a proceeding (proc. no. 22066/17 RGNR) extracted from the main one, for which, in May 2017, the Public Prosecutor's Office had requested the filing thereof. At the end of the hearing, in December 2018, the Judge accepted the filing request for numerous positions, including thirteen Eni positions, while the request was rejected, ordering the Public Prosecutor to formulate the charge in terms and forms of*



law for twenty-eight Eni positions (including the former top management of the then R&M Division) for the association crime".

Did the Public Prosecutor proceed to formulate the charge? What are the names of the parties under investigation or defendants? Have you tried to appoint independent experts in this case as well?

Answer

The proceeding concerns an alleged violation of the Italian law on excise duties for the alleged sale to final customers of product volumes corresponding to 0.019% of the volume turnover at the logistic centres of Pomezia, Ortona and Calenzano. We confirm the Public Prosecutor request for dismissing the case which was accepted by the Court with regard to several individuals among them 13 of Eni employees, and was rejected in the case of 28 individuals. Following this rejection, the Public Prosecutor's Office issued an indictment on 14 January 2019, which was followed by the notification of the preliminary hearing scheduled for 6 June 2019.

There are 32 Eni parties involved, including executive and non-executive positions.

In the decree establishing the preliminary hearing, contrary to the original indication of the Public Prosecutor's Office in the filing request, the injured party of the crime is only the Customs Agency. The defensive briefs were supported by the following expert reports, all prepared by independent experts:

- technical consultancy relating to the phenomenon of product transfer
- technical consultancy relating to apparent discrepancies detected at the outcome of the Accounting Control;
- technical consultancy relating to the analysis of the control system in use at the Calenzano warehouse;
- daily analysis of the remote-level readings used at the Calenzano warehouse.

49. Eni SpA - Milan Public Prosecutor's Office - Proc. Pen. 12333/2017. *In February 2018, a decree of search and seizure was notified with reference to the hypothesis of an association crime aimed at slandering and the false information given to the Public Prosecutor. The measure investigates, among others, a former external lawyer of Eni, the former Chief Legal and Regulatory Affairs of Eni, currently Chief Gas & LNG Marketing and Power Officer of the Company. According to as reported in the decree, the association aimed to hinder judicial activity in the penal proceedings of Milan that see Eni and some of its directors and executives involved, among others. Furthermore, Eni does not appear to be under investigation.*

As a result of the above, the Control and Risk Committee, after consulting the Board of Statutory Auditors, agreed, together with the Supervisory Body, to entrust an independent third party with



the performance of an assignment for internal verification of relevant documents and facts with respect to the events connected with the aforementioned proceeding, including forensic analysis. The appointment was conferred on 22 February 2018 and, in the Final Report of 12 September 2018, presented to the Control and Risk Committee, to the Supervisory Body and to the Board of Statutory Auditors, it is reported that from the analyzes carried out, and with respect to the hypotheses formulated by the Milan Public Prosecutor in the decree, there is no factual evidence regarding the involvement of Eni's former Chief Legal and Regulatory Affairs in the commission of the crimes hypothesized by the Public Prosecutor. At the same time, on 19 April 2018, the Board of Directors appointed two external consultants, a criminal lawyer and a civil lawyer, to receive independent legal consultancy in relation to the facts under investigation. The results were reported in two reports dated 22 November 2018 and 14 February 2019, which did not highlight circumstances that are in fact suitable to detect the direct involvement of Eni people in the commission of the crimes hypothesized by the Public Prosecutor. The reports were presented to the Board of Directors and to the Board of Statutory Auditors of Eni, as well as sent to Eni's Supervisory Body.

What are the names of the executives and administrators "involved" regarding the alleged obstruction of judicial activity? What is the name of the "third party", obviously independent, assigned to verify the penal proceedings in question? What was the cost?

How much do the two external consultants appointed as independent by the Board of Directors cost us and what are their names?

Answer

As far as the company is aware, the only Eni executive currently under investigation is the former Chief Legal and Regulatory Affairs of Eni. The assignment was entrusted to the consulting company KPMG Advisory. The services were remunerated on a daily basis and applying the contractually defined professional rates, according to the level of the consultants employed in the execution of the activities, in line with as normally required for this type of professional services.

The two consultants appointed by the Board of Directors are Lawyer Auletta, civil lawyer, and Lawyer Siniscalchi, criminal lawyer; the consultants were paid fees in line with those of the market for similar positions.

50. Eni SpA - Milan Public Prosecutor's Office - Abuse of privileged information. *In March 2019, Eni's Chief Upstream Officer was notified of a request to extend preliminary investigations (previously unknown) conducted by the Milan Public Prosecutor in relation to a hypothesis of violation of article 184 of Legislative Decree 58/1998 (Consolidated text of the provisions on*



financial intermediation - "TUF"; abuse of privileged information) which is presumed to have been committed in the period between 1 November and 1 December 2016. The hypothesis is not better specified in the notified deed.

What is the name of the Chief Upstream Officer? Is it Antonio Vella? Currently, what role does the party under investigation play, whoever it may be? Are you considering an independent study?

Answer

As reported in the litigation section of the 2018 annual financial report, the only deed received from the Judicial Authority that is conducting the investigation is a request for extension of preliminary investigations. At present, an opinion has been requested concerning the assumptions of commercial law pertaining to the alleged crime.

51. Eni Foundation: How much did it spend in 2018? What is the total amount of funding received? How much personnel is employed? What interventions did it carry out in Italy?

Answer

In 2108, Eni Foundation spent € 1,168,594.17 and received a contribution of € 3,389,902 from the founder Eni SpA, declared pursuant to Law no. 124/2017. The difference between the amount spent and the contributions received from Eni is attributable to projects initially planned for 2018 that will start in 2019.

Eni Foundation uses the skills and know-how of Eni and uses 3 Eni resources seconded 50% in Eni Foundation. In Italy, Eni Foundation does not carry out projects. In 2018, Eni Foundation was a partner of the Istituto Superiore di Sanità in the 'Mondo Vaccini' exhibition, a journey through the history and current relevance of vaccines, their significance and their value for the protection of public health.

52. *"The reasons were notified of the sentence (issued on 20 September, for four years of imprisonment, in abbreviated trial) of the two mediators Obi Emeka and Gianluca Di Nardo. The sentence of Judge Giusy Barbara focuses on the fact that Eni's top management was not only aware of the criminal fact ("the management of Eni and Shell was fully aware of the fact that part of the \$ 1.092 billion paid was used to remunerate Nigerian public officials ... It was not mere connivance, but of aware adherence to a predatory project to the detriment of the Nigerian state"), but even agreed and expected a return, so much so that Eni's management was "relegated" \$ 50 million at the end of the various money transfers "to be shared among them" (taken from the website: <https://valori.it/manager-piu-potenti-dei-politici-perche-eni-e-descalzi-sono->*



intoccabili/).

Is it true that management has received the aforementioned € 50 million?

Answer

As already stated repeatedly, we confirm the full correctness and legitimacy of the transaction concluded in 2011 in relation to the OPL 245, which was also confirmed by in-depth studies by international consultants who reviewed every aspect of the affair, from a regulatory, technical and economic point of view and in terms of compliance with international best practices. Eni's management has not received the aforementioned € 50 million. This reconstruction, without any response, was also denied by the results of the first-level hearing currently underway at the VII section of the Court of Milan.

52. BIS All the parties of independent firms who have spoken out on matters subject to investigations and trials, in the event that in the future they clash with sentences that have become final, will they give us back the money? Will they be liable for professional negligence? Or will we not even charge them for the responsibilities that may arise?

Answer

Every evaluation on this point cannot be separated from a concrete analysis of any contradictory elements, as well as their actual relevance with respect to the duties of good faith to which the consultants are bound, between contents of the consultancy and procedural evidence, analysis that must necessarily be postponed to the moment in which they will be finalized in disputes in progress.



Shareholder Domenico NARDOZZA

The ARPAB regarding the oil spill from the Val D'Agri-Basilicata oil center, in the observations of 20 June 2017 referring to the subsoil surveys present under the oil storage tanks, stated that "The investigations proposed by ENI in the document analyzed **are not adequately finalized, well quantified and appropriately located**" and issued a recommendation stating that "the proposal of investigations will have to be reformulated taking into account the **significant volume that must be investigated in its entirety, the preliminary geological model, the project information and the high seismicity in the area**".

Since as ARPAB stated in Point 3 of the Observations - Arpab - of 20/06/2017, clearly indicated that the geological-technical surveys indicated by the Working Group after the site inspection of 18 May 2017 and foreseen by the Technical Standards for Construction in Seismic Zone (MD 14/01/2008 and Circular no. 617/CSLLPP of 2 February 2009), have been completely disregarded and:

- a) *that the geological surveys of the foundation soil of the tanks were limited to the land surrounding the tanks and were not carried out on the ground below the tanks, as required by the Norms and prescribed by Arpab, although it was precisely that part of land that was most to be investigated, having been affected by the passage of significant amounts of oil during the spill;*
- b) *that the geological-technical surveys **did not take into account** the preliminary geological model, i.e. **that the tanks were built on a filling area**, levelled with quarry material, on the occasion of the construction of the industrial area of Viggiano, after the 1980 earthquake and lying on a compluvium called "Fossa del Lupo" **whose stability in the event of an earthquake had to be verified and proven by means of appropriate investigations;***
- c) *that Eni also seems not to have taken into account that the entire load of the tanks is transferred to the surface foundations constituted by an annular structure that supports the tanks and from this to a very limited and concentrated portion of ground below, **at risk of collapse** after additional load due to double bottoms created ex novo by ENI;*
- d) *that **the geological-technical investigations have not taken** into any account that **the tanks are located in an area of high seismicity** and that therefore the Norms for construction in seismic area foresee a survey plan, a geotechnical model of the subsoil and an executive design of the foundations, that is of the construction-land system, which takes into account the seismic actions on the ground and on the work;*



e) that **the periodic monitoring that ENI will carry out** to identify possible tank settlement phenomena **certainly does not appear to guarantee the stability and integrity of the tanks** following an earthquake that could easily destroy the annular foundation on which they are located, with consequent breakage of the tanks and the leakage of enormous quantities of crude oil,

1. **All of the above having been stated in points a) b) c) d) e), the question is, with regard to the facts and criticalities described above, what precautions and what technical measures has Eni SpA adopted and intends to adopt to ensure the stability and integrity of all 4 tanks?**

Answer

It should be noted that the restart of the COVA in July 2017 took place following the authorization of the Basilicata Region, issued following Eni's completion of the plant inspection and control plan and based on the positive opinions of all the control bodies involved that verified compliance with the requirements including those relating to the safety conditions of the tanks.

a) - With reference to point 3 of the mentioned inspection report, in order to investigate the integrity of the soil below the oil storage tanks, a geotechnical survey campaign was carried out as described below.

The investigations began on 24/05/2017 and were as follows.

- site surveys, consisting of 8 vertical surveys with continuous core drilling, 12 horizontal surveys, 8 inclined surveys, 8 static penetration tests and/or heavy dynamic penetrometric tests. The inclined surveys allowed to investigate also the ground below the tanks;

- laboratory investigations (chemical and geotechnical) on 86 soil samples taken during the surveys. The geotechnical laboratory tests were aimed at determining the general physical and mechanical characteristics, through the performance of edometric compression tests, direct cutting tests and triaxial compression tests.

b) c) d) - The area was the subject of numerous investigation campaigns in the past, which made it possible to reconstruct with due detail the stratigraphic structure of the subsoil, the groundwater regime and the properties of the ground.

Following the results of the integrative geotechnical investigation campaign carried out in the area occupied by the 4 storage tanks, the substantial equivalence of all the geotechnical parameters was evident, which guarantees the performance levels of the tank quite similar to those of the original project both in terms of bearing capacity and in terms of settlements.



With regard to stability in the event of an earthquake, all the tanks were built in accordance with current technical regulations. Furthermore, the seismicity of the area was considered in accordance with current technical regulations.

The equipment of the tanks with a double hull has not altered in any way the calculations related to the dimensioning of the circular crown of foundations from which the bottom of the tanks is cleared.

e) It is stated that with regard to stability in the event of an earthquake, all the tanks were built in accordance with current technical regulations.

- Furthermore, in compliance with the requirements of the Control Body in July 2017, as part of the geotechnical investigations to verify the suitability of the ground for the operation of the oil storage tanks, a periodic annual verification was implemented of the differential settlements of the tanks on the foundations. The campaign includes the following activities:

- installation of control points
- execution of levelling measures
- return of results

The review enabled to spot the relationship between the load conditions acting on the foundations and the related settlements. It is therefore possible to assess whether the extent of the settlements and their distribution along the entire development of the annular foundation is compatible with the performance requirements of the tanks. The data collected from the 2017 and 2018 campaigns confirm the stability of the tanks.

- 2. Since the aforementioned criticalities represent a high risk, at the Oil Center in Val D'Agri-Basilicata, in the event of a seismic event the breakage and/or settlement of the foundation soil or of the surface foundation, the question is, what are the technical reasons and opportunities that have led Eni SpA not to ensure immediate adaptation of the foundations of the center and the consequent immediate blockage of the activities of the Cova?**

Answer

On the basis of the aforementioned technical evidence, it is reiterated that the stability of the tanks was in no way compromised or modified following the spill event and the installation of the double hulls. Furthermore, the monitoring prescribed by the Control Body is in place on the tanks, unambiguously confirming the safety conditions.



Moreover, from investigations carried out by the association Mediterraneo no triv in the person of its President Antonio Alberti and at the Seismic Office of the Basilicata region in March 2017, it emerged that **the executive project of the modernization of the COVA, filed on 02/12/1999 with No. 3469 at the Seismic Office of the Basilicata region, was missing Volumes 2 and 3 of the foundation file.** These volumes, according to the index annexed, included the executive project of the annular foundation structures of the tanks but were however removed. Since before the start of the construction of the double bottoms at the V 220 TB-001 A, B, C, D tanks, it **does not appear that ENI filed any new executive project** containing the verification of resistance to seismic actions, following structural modification of the work, as required by current legislation, the question is:

3. **Whether Eni has realized and presented at the Seismic Office of the Basilicata Region, the new Executive Project accompanied by the relative geological-technical survey and the related calculations that prove the adequacy of the surface annular foundations on which the four tanks are located, with 43 meters diameter each, 14 meters high containing stabilized oil, given that the tanks are important work because they each contain 16,000,000 liters of stabilized oil, whose ineffective stability involves high seismic risk of a major accident.**

Answer

Eni transmitted the technical report to the control body in July 2017, concerning the results of the supplementary geotechnical investigation campaign on the four tanks of the Val D'Agri Oil Center, which confirms that the initial design conditions were in no way influenced as a result of the spill event.

Furthermore, it should be pointed out that the installation of a double hull in the tanks does not modify in any way the calculations related to the sizing of the circular crown of foundations from which the bottom of the tanks is cleared.

4. **ENI, in relation to the containment basins of tanks V220 TB-001 A, B, C, D, declared to ISPRA, and this declaration was reported in the Conformity Assessment Table of the documentation sent by the operator with respect to the preliminary requirements for restarting the plant (Point 2 of the Table on pages 25 and 26 of the DGR 733 OF 17/07/2017), that:**
 - a) **"The containment basins have dimensions in plan of m. 74.20 x 74.70, bounded by walls in reinforced concrete for a height above ground of 4 meters and a variable thickness from 60 cm (bottom) and 30 cm. (top);**



- b) the floor is composed of squares of concrete base with dimensions 4.65 x 4.65 meters for a thickness of 15 cm, interspersed with expansion joints in waterproofing material (Maperflex PU70);
- c) the vertical walls also interspersed with technical joints sealed with waterproof material (Maperflex PB25);
- d) the surface of each basin is equal to 5,542.74 sqm;
- e) the capacity volume is 22,179.96 cubic meters."

What ENI declared has not been adequately verified and ISPRA has expressed the following opinion in this regard: "Documentation in accordance with the provisions".

From what instead results from the documentation of ENI **the containment basins present a realization discontinuity starting from the perimeter of the tanks themselves**. In fact, as shown in the ENI document "Summary of inspection activities for maintenance of oil storage tanks V220TB001 A/B/C/D", annexed to the letter sent by ENI to NOE (Ecological Operating Unit) on 3 March 2017, on page 4 of said annex, ENI described how the bases of the tanks are made and from this description it appears that under the bottoms of the tanks, there is not a thickness of 15 cm of concrete base, but a layer of 8 cm of bituminous conglomerate.

This layer was found to be absolutely unsuitable, in fact it caused the percolation into the subsoil of the oil leaking from the tanks, rendering the action of the containment basin ineffective, which was supposed to collect this spill from the bottoms themselves, preventing dispersion into the subsoil.

In light of the above, the question is:

5. **Whether the surface under the tank was made with squares of concrete base with thickness of 15 cm?**

Answer

The base of each tank consists of a circular reinforced concrete crown with a diameter of 45,750 mm, a height of 2,000 mm and a thickness of 750 mm. Inside this crown, and below the bottom of the tank, the following layers are present, starting from the bottom:

1. First layer formed by lean concrete 100 mm thick
2. Second layer formed by mechanically compacted quarry mixture in successive layers 200 mm each for a total of about 2000 mm
3. Third layer (in contact with the bottom of the tank) formed by bituminous conglomerate having a thickness of 80 mm.



4. The discontinuity between the containment basin and the perimeter of the tanks, as observed in the preliminary remarks to question 6, exists, but as for the joints between the cement plates of the containment basin, its waterproofing is guaranteed by a special waterproof expansion joint.
6. **The question is what are the technical reasons that have led Eni SpA not to order the closure of the COVA and thus be able to arrange the restoration of the continuity of the containment basins also under the location of the bottoms of the storage tanks V220 Tb-001 A, B, C, D, given that from the recent judicial inquiries ordered by the Public Prosecutor's Office there is a judicial hypothesis that all 4 tanks and not just one leaked oil, and that the leakage should be related to the year 2010 and not to the year 2017 as always declared by Eni.**

Answer

Immediately after the spill was discovered, Eni halted production and shut down the COVA for three months to carry out integrity checks of all plants, which did not find any process faults (underground lines, relaunch pumps, etc.). Furthermore, as a result of selective core drilling carried out within the oil centre boundary, and specifically around the tanks, and further technical checks, it was possible to ascertain that the oil leakage had been caused by a leakage from the only tank D. The plant shutdown in April 2017 was therefore implemented to take into account the concerns of the Authorities and of local communities and to enable the authorities in charge to verify the effectiveness of the safety plan. It should also be noted that the re-start of the plants in July 2017 took place using only tanks with double bottoms and therefore any possibility of subsequent leakage could be ruled out.

The hypotheses of spills from other tanks of the Val d'Agri Oil Center different from that identified in tank D, discovered in February 2017, are unfounded because the scientific dating of the leaked product makes it possible to state with certainty that the leakage occurred at the earliest 6 months prior to the laboratory analysis on the samples.

The episodes prior to 2012 and 2013 relating to problems on other tanks were promptly subjected to appropriate restoration interventions. They did not produce any environmental impact and did not present any element that could link them to the oil recovered starting from 2017 given the entirely different dynamics that characterized them.

In the Arpab Observations of 20/06/2017, point 11 of the Table, regarding the **integrity check of the Viggiano-Taranto Pipeline**, Arpab recommended that ENI carry out the inspection of the pipeline with



the Intelligent Pig by November 2017, as suggested in the Final Attestation on the reliability of the Pipeline, by the Italian Welding Institute, which carried out a survey with Intelligent Pig in November 2013. Regarding this recommendation of ARPAB, **ENI reiterated that it would proceed with the subsequent inspection in 2018**. The assessment made by Arpab regarding this finding of ENI was: "The opportunity to proceed according to the timing indicated by the Italian Welding Institute" is confirmed.

Due to the foregoing:

- 7. The question is whether ENI SpA complied with the recommendation made by Arpab by November 2017, given that the pipeline is also an integral part of the plant considered to be at risk of a major accident and subject to the Seveso III law, and wonders whether Eni performed the extraordinary maintenance necessary to ensure the efficiency and durability of the pipeline and all the pipelines that connect the extraction and re-injection wells to and from the Cova.**

Answer

The pipeline that connects the Val d'Agri Oil Center with the Taranto Refinery is regularly inspected by Ultrasonic Intelligent Pig. This control method allows to determine the presence of any corrosive phenomena in a very punctual way along the entire pipeline. The results of the last inspection, carried out in October 2017, confirmed the safety conditions of the pipeline operation.

Furthermore, it is recalled that the Viggiano-Taranto pipeline protection and monitoring system also includes a cathodic protection system that ensures, through electrical action, the absence of corrosive phenomena of the metal structure; weekly and six-monthly visual inspections of the entire pipeline are also carried out. Finally, a control system with vibro-acoustic technology against leakages due to forced entry is being implemented.

The analysis of the data returned by the aforementioned inspection processes, entrusted to Companies of primary level in the metallurgical and structural reliability sector, confirms the absolute integrity of the asset.

ENI, as reported in point 3 of the Conformity Assessment Table of the documentation sent by the operator with respect to the preliminary requirements for restarting the plant, drawn up by ISPRA, declared that the Revision of the COVA Anti-pollution Plan, which will take into account the scenarios of updated release, will be finalized by 31 December 2017.



This statement should have meant that the authorization for the commissioning of the COVA was to take into account this timing and the lack of a Revised Anti-Pollution Plan to date based on the incident that occurred and should have postponed the authorization to restart the COVA after the development and approval of said Anti-Pollution Plan; instead, by authorizing the return of the COVA back into service, the repetition of a major accident would again find the Operator and the competent authorities unprepared for the management of a major accident such as that which had occurred, perpetrating new and greater damage to the environment. In fact, the Ministry of the Environment and conversely the CTR classified the incident as Major (see Report of the CTR no. 06 of 12 July 2017 - page 35 of the DGR 733).

In light of as indicated above, the question is:

- 8. if ENI SpA prepared and presented an updated Anti-Pollution Plan regarding what happened and regarding the event of the dispersion of oil from the COVA, and what must be done to clean up the area.**

Answer

The COVA is provided with a plan for preventing oil spills and managing emergencies that was applied at the time of the incident. Subsequent to the 2017 tank event, Eni released updates of this plan respectively in in December 2017 and October 2018. Please refer to the answers to questions 13 and 15 and 7 of the shareholder Marino for what has been done to clean up the area.

As shown in the Arpab Observations of 20/06/2017 point 2 of the Table (page 38 of DGR no. 733), Arpab recommends that ENI use a single maintenance management program, as the one used to manage the underground lines is not suitable. As a result, Arpab required ENI to adapt said Maintenance Management Program within 90 days from the restart of operations.

- 9. In light of the above, the question is what are the tools and measures that ENI has adopted to verify and properly maintain the plants on the date that the Cova was reopened after the closure and shutdown of activities ordered by the Basilicata Region following the dispersion of oil.**

Answer

Eni has adopted a single maintenance management system and has informed the Authorities of this.

The maintenance plans applied to the Val D'Agri Oil Center (COVA) are in accordance with the Guidelines for the Maintenance Management System that regulate procedures, operating



instructions, best practices, for each type of maintenance (Accidental, improvement, predictive and preventive). The maintenance plans are also implemented in accordance with the provisions of the standard and the manufacturers of the individual plant components.

In particular, the management and implementation of maintenance and asset integrity activities carried out at the COVA envisage:

1. Accidental Maintenance Maintenance interventions that must be carried out in the event of a sudden failure or of an "on condition" activity signal to restore the functionality of the item (upon breakage or corrective);
2. Improvement Maintenance Improvement intervention/action or small change that does not increase the asset value of the entity
3. Preventive Maintenance Cyclical Maintenance (programmed or systematic), i.e. intervention carried out according to pre-established schedules or use cycles; these maintenance operations are planned jointly by the production scheduling and maintenance service.

We spend about € 50 million per year for the ordinary maintenance of the Val d'Agri Oil Centre and to carry out investment projects aimed at improving the asset integrity.

It should also be noted that the Val D'Agri Oil Center was chosen as the first Eni plant where Eni's digital transformation plan is being implemented, which uses digitalisation as an asset prevention and protection system, as a further tool to guarantee worker safety and as an accelerator of the integrated sustainable growth model. The COVA is the first Lighthouse in the world of Eni, that is to say a fully digitalised plant with the most innovative technologies. The Viggiano Oil Center was chosen for its importance and centrality in the Eni system.

It should be noted that the restart of the COVA in July 2017 took place following the authorization of the Basilicata Region, issued following Eni's completion of the plant inspection and control plan and based on the positive opinions of all the control bodies involved that verified compliance with the requirements. The plan included:

1. the inspection, testing and eventual restoration of underground networks,
2. monitoring and prevention of corrosion of lines containing crude oil and
3. the controls and activities for the realization of the double bottom in the storage tanks for the tanks used for the operation of the plant at the time of the restart.



With contract no. 2500013991 dated 29/07/2013 signed between ENI SpA and the National Institute of Geophysics and Volcanology, a study of the "*research services, studies and surveys in the geophysical, seismological and geochemical field*" carried out in Val D'Agri was commissioned and carried out by INVG, the activity of which was carried out by the Institute but on the exclusive mandate of Eni SpA.

10. In light of the above the question is whether the study highlights the existence of a correlation between the activity of oil extraction and re-injection carried out in Val D'Agri and the increase in seismicity of Val D'Agri.

Answer

The study in question deals with a series of issues from geological and geophysical to seismological and geochemical on hydrocarbon cultivation activities in Val d'Agri.

Specifically, as regards the hypothesized existence of a correlation between the activity of "oil extraction and re-injection" and the increase in seismicity of Val d'Agri, the answer that the study provided is exactly in line with what was already known, i.e. that there is no increase in seismicity in Val d'Agri.

The study found and confirmed the presence since 2006 of micro-seismicity only and within the extent of the area close to the section of the Costa Molina 2 re-injection well of surface water, detected by the existing monitoring network and which is characterized for the very low energy, well below the threshold of human accretion which is about Magnitude 3 on the Richter scale and in any case below the danger threshold. Furthermore, the micro-seismicity has decreased over time until almost disappearing from 2013 onwards.

Seismicity monitoring has been implemented by Eni since 2001, i.e. 5 years before the re-injection activities began and this certainly represents a unique case of high scientific value in Italy and in the world.

The study provided elements of further scientific value, the results of which have been published in the most prestigious scientific journals or presented in various congresses of global importance on the subject. Even more recent and integrated studies on seismicity in Val d'Agri have confirmed these results.

Finally, it should be noted that in 2017, an agreement was signed between the Ministry of Economic Development, the Basilicata Region, INGV (national institute of geology and volcanology) and Eni, in which the Val d'Agri field was included in the experimentation program application of the "Orientations and Guidelines for monitoring seismicity, soil deformation and pore pressures in the context of human activities" (ILG) issued by a group of experts under the direction of the MiSE. This agreement requires monitoring to be carried out exclusively and independently by INGV, thus ensuring further transparency and high competence.



- 11. Eni SpA is asked to report whether solvents were used during the recovery of the oil dispersed by the Cova and whether they are still used?**

Answer

It should be noted that no solvents were used since the removal was carried out hydraulically by the piezometers/wells equipped with adequate pumping systems.

- 12. If Eni SpA intended to adapt the control and recording system for emissions into the air given that from the report of the Parliamentary Commission of investigation on the illegal activities connected to the waste cycle and on environmental crimes to be correlated - established by law 7 January 2014 no. 1 and chaired by the Hon. Alessandro Bratti, it emerged that "the register that they had to fill in on incidental events, responding to requirement no. 35, was completely empty, as no anomaly was an incidental event for them"(ref. Page 112 report point 3.5).**

Answer

The incident events register is an integral part of the HSE Integrated Management System and in particular of the Safety Management System for the Prevention of Major Accidents. Specifically, all incidental and near-miss events, including those of an environmental nature, are recorded and analyzed according to the procedure "Management of accidents, injuries, near-miss, medical treatment, first aid cases". For each event, the causes are established and the subsequent corrective and preventive actions are evaluated. All events are recorded in a database register that is common for all Eni SpA.

The atmospheric emissions of the Val d'Agri Oil Center, authorized with the specific AIA Resolution of the Basilicata Region, are continuously monitored through analyzers positioned on the emission points (chimneys). Pursuant to current legislation and in compliance with the provisions of the AIA authorization, the continuous emissions monitoring system (SME) reports, records and stores any anomalies that may be found on the emission points. Every anomaly or emission transitory is immediately registered, reported to the competent Bodies and analyzed to establish the causes and subsequent corrective and preventive actions. All this takes place through specific operating control and monitoring procedures that have been shared with and communicated to the competent bodies.

- 13. With regard to the dispersion of oil from the Val D'Agri Oil Center and as ascertained in February 2017, the question is whether Eni prepared an estimate of dispersed oil, and of recovered oil.**



Answer

Eni estimated 400 tons of oil spilled from tank D. In March 2019, around 339 tons were recovered. The calculation method used provided an estimate of the total quantity consistent with the results deriving from the calculation model elaborated on the direct data relating to the total area affected by the presence of free product and the thicknesses of the intervals involved in correspondence with the surveys carried out.

- 14. With regard to the dispersion of oil from the Val D'Agri Oil Center and as ascertained in February 2017, the question is whether it made an economic estimate of the damage caused to the environment in Basilicata.**

Answer

On the basis of the existing national legislation in line with the European Environmental Damage Directive, the latter is compensated exclusively by means of reclamation and restoration interventions. Only in case of partial or complete default of the party who is obligated to perform environmental restoration, the liable party could be condemned to compensate the environmental damage, where the compensation amount is equivalent to the cost for the restoration. In the present case, the company promptly commenced performing its environmental obligations and the interventions are still in progress.

- 15. Also with regard to the aforementioned oil spill from the Cova and which went well beyond the perimeter of the plant but also of the ASI industrial center, the question is whether Eni SpA ascertained the contamination of the groundwater and of the ground and if it prepared an estimate of the economic costs already incurred and those to be incurred for the recovery of dispersed oil and the operations for reclamation and restoration of the area.**

Answer

The first element to be highlighted is that the contamination affected only the ground and the waters of the surface water within the industrial area of the COVA.

The contamination did not affect Lake Pertusillo. The analyses of the lake waters conducted by the control entities have never detected the presence of hydrocarbons coming from the activities of the COVA neither inside the lake nor in the Agri river.

The delimitation surveys carried out made it possible to determine the total extent of the area affected by the contamination which results to be approximately 2.6 hectares (ha) of which 2.0 ha



inside the COVA (total area of COVA 17 ha) and 0.6 ha in the industrial area outside the COVA. This is the corridor along the route of the drainage within the industrial zone (total area 140 ha including COVA).

As required by current environmental legislation, Eni prepared emergency safety activities (MISE) and carried out the characterization activities. A total of 351 surveys were carried out, of which 245 were equipped with piezometers with analysis of ground and groundwater. This allowed defining the conceptual model of the site and delimiting the contamination of the ground and the surface water. The costs incurred at 31 December 2018 amounted to € 157 thousand. Currently, further investigations are underway aimed at implementing the characterization analysis of the specific site that will allow to define the reclamation objectives and consequently estimate the costs of the reclamation activities to be carried out.

- 16. In light of the hypothesis of an environmental disaster put forward by the Public Prosecutor's Office and the facts described above concerning the dispersion of oil, the question is whether Eni SpA prepared a study on the risks of class actions that the Lucanians could promote for all past and present financial and non-financial damages and if an estimate was made of the effects that such judicial actions could have on the economic structure of the company.**

Answer

In relation to the oil spill in February 2017, Eni believes that the conditions for a possible class action are not met. With regard to compensation for any direct damage to people, the same has already substantially taken place. To this end, already in May 2017, on the basis of the results of the activities of MISE immediately implemented, Eni contacted all the persons impacted, even simply in prospective terms. To date, these negotiations have already been definitively concluded with compensation for any potential financial and non-financial damage involving 12 private individuals (for a total of about 7.5 hectares of land); while for the remaining 3 potentially involved subjects (for a total of less than 2 hectares of land), negotiations are being defined.

- 17. In consideration of all the serious facts as set out above, the question is whether Eni SpA intends to arrange the renewal and replacement of the executives of the Val D'Agri Oil Center under investigation and charged for serious crimes by the Potenza-Basilicata prosecutor and whether the management of the matter, also dismissed if not even denied by Descalzi, involves his necessary resignation as necessary eventuality.**



Answer

All the people who have been employed and are currently employed at the Cova have been selected on the basis of technical skills and have proven skills in prolonged experiences in similar or more complex plants in Italy and abroad and apply best practice operational processes.

- 18. The question is whether Eni SpA promoted a study to understand and evaluate the impacts that the news of the judicial hypothesis of environmental disaster in Basilicata-Val D'Agri had on the Lucanians and on the opinion of investors, and what mitigation measures it intends to adopt or has already adopted.**

Answer

For three years, Eni has been equipped with Artificial Intelligence tools and Big Data analysis for monitoring, measuring and analyzing reputation, in order to guide our actions in an increasingly predictive and preventive, as well as reactive, perspective.

Within this system, Basilicata is a priority theme and is subject to constant monitoring and analysis in real time, with specific focus on local stakeholders and on issues that impact their perception of the company's activities and their "sentiment".



Shareholder Re:Common²

Nigeria

1. In September 2018 two middlemen involved in the OPL 245 deal, Emeka Obi and Gianluca Di Nardo were convicted of international corruption offences connected to Eni's deal for Nigeria's OPL 245 oil block. The company along with current senior managers Mr Descalzi, Mr Casula and Mr Pagano as well and former managers Mr Scaroni and Mr Armanna are currently the subject of an ongoing trial in Milan with international corruption charges. Criminal charges have also been laid in Nigeria against Eni and Mr Casula while a civil claim has been brought by Nigeria against the company in the English High Court accusing Eni of "Fraud and/or Bribery". The case centres on the payment of \$1.1bn in Eni's 2011 transaction for OPL 245 which was transferred to Malabu Oil and Gas, a company found by the English High Court to be owned by former Nigerian oil minister and convicted money launderer Dan Etete. The money transferred to Malabu is alleged by Italian and Nigerian prosecutors to have funded a vast bribery scheme to pay Nigerian public officials. While the company understandably should not comment on ongoing criminal matters, the cases raise a number of governance and material risks that should be addressed by the management immediately. The company has previously announced a \$13.5bn integrated development plan for OPL 245's two prospective fields, Zabazaba and Etan with first oil expected in 2020. Eni has not yet reported securing a Final Investment Decision, presumably due to the ongoing criminal prosecutions around the company's deal for the OPL 245 block. Eni's recent Strategy Presentation for 2019-2022 does not include the Zabazaba project.

Preliminary remarks to answer 1

"It is recalled that Eni was not a party to the abbreviated proceedings that saw the sentencing of Gianluca Di Nardo and Emeka Obi. The investigations carried out in this proceeding (which appear to have been appealed by the same) do not affect Eni SpA and are based on partial evidence gathered during the investigation phase, evidence that was contradicted in the trial phase currently pending before the seventh section of the Court of Milan in which the extent of the means of evidence has allowed, so far, to confirm the correctness and legitimacy of the company's actions. Eni looks forward to the conclusion of the trial of which it is a part, having absolute confidence in the decision that the Court will adopt in this case".

Providing the foregoing, it is answered that:

² The translation into Italian of the questions formulated in English was done by the Company to allow a better reading of the document. The official text of reference remains the English one formulated by the Shareholder.
Shareholders' Meeting 2019



- **Why has the OPL 245 block not been included in Eni's strategy presentation?**
- **Perchè il blocco OPL245 non è stato inserito nella strategy presentation?**

Answer

- The final investment decision of this project requires as precondition the conversion from exploratory licence (OPL - Oil Prospecting Licence) to extractive licence (OML - Oil Mining Licence). Since license 245 has not yet been converted from exploratory to extractive, the project is included in the strategic plan subject to this conversion.
- **What estimate does Eni have for first oil on the Zabazaba project?**
 - **Quali sono le previsioni Eni per il first-oil del progetto Zabazaba?**

Answer

- For the reasons mentioned above, Eni is currently unable to make accurate forecasts regarding the date of first oil extraction.
- **What has been the financial impact of delays to the project?**
 - **Quali sono stati gli impatti finanziari dei ritardi del progetto?**

Answer

- There are no significant financial impacts related to the delay of the project as the group has not yet made any investments related to the development of OPL 245.

2. An expert witness called by Eni in the Milan court case on the 18th of April, Felicia Kemi Segun, stated that Eni's contractual terms for OPL 245 resembled a "Sole Risk" contract, a type of contract she believed had not been awarded to an International Oil Company since the mid-1990s. An independent analysis of the OPL 245 contracts carried out by Canadian consulting firm Resources for Development concluded that at a future oil price of \$70 per barrel Nigeria could expect a Government Take (revenues from the block after costs) of just 41% from the block. This would rise to an estimated 45% if the country paid \$650m plus interest to "back-in", buying back a stake in the license. This falls substantially below the 65%-85% the International Monetary Fund recommends mature oil producing nations should secure and is also substantially below the 60% government take Nigeria would be expected to receive under the 2003 production sharing contract terms under which Shell had previously held a stake in the OPL 245 license. It also is substantially below the projected 65% Nigeria would expect to receive under the terms of its more recent 2005 model production sharing contract



terms, the most contemporary contract terms to the 2011 deal Eni and Shell secured. The projected financial losses to Nigeria over the expected lifetime of the OPL 245 license compared to the 2005 model PSC terms would be \$5.8bn, equivalent to twice the Nigerian Federal Health and Education budgets combined. A letter from Nigeria's most senior civil servant in the Petroleum sector, the Director for the Department for Petroleum Resources, shortly before Eni's deal was agreed, deemed the agreement "highly prejudicial to the Federal Government", this objection appears to have been overruled by Nigerian ministers at the time, now accused of being bribed.

Preliminary remarks to answer 2

It must be said that the Resources for Development report was commissioned by the Global Witness organization for a fee. Global Witness, like Re.Common, was not recognized as having the right to intervene as a plaintiff in the proceedings pending before the Court of Milan. Eni has already separately informed Global Witness that its estimates are affected by a number of errors in the calculation and from a methodological, technical, legal and economic-financial standpoint. Eni has also distrusted Global Witness from further disseminating these incorrect findings that interfere with certain of Eni's sensitive financial data, subject to independent certification, thus altering the information available to the market. Any other party that may disseminate will therefore assume responsibility similar to that of Global Witness.

Providing the foregoing, it is answered that:

- **Does the company's management believe that such disadvantageous economic terms for Nigeria are compatible with the company's commitment to valuing "long terms partnerships with the countries and communities where we operate" as stated in Eni's mission statement?**
- **Il management ritiene che tali condizioni economiche svantaggiose per la Nigeria siano compatibili con l'impegno dell'azienda di valorizzare "partnership a lungo termine con i paesi e le comunità in cui operiamo", come affermato nella mission di Eni?**

Answer

Eni believes that the Resolution Agreement signed between itself, Shell, the Federal Government of Nigeria and NNPC is fair and constitutes a clear example of its commitment to building stable and lasting partnerships with the countries and populations of the countries in which it operates, and confirms (with specific reference to Nigeria) that its commitment does not stop only at the contribution to economic growth ensured by the development of the project to the payment of taxes, but also includes the overall operations in the Nigerian territory where Eni:



- has already contributed (only example among international oil companies) to the development of significant agricultural development initiatives;
- has already developed access to energy sources for domestic use by creating transport infrastructures and allocating a portion of its existing gas production (thus sacrificing a part of its profitability otherwise achievable with commercialization on the foreign market) to the domestic market;
- has already implemented important infrastructures in the health sector.

As part of the penal proceedings currently underway at the VII section of the Court of Milan, international experts:

- David Kotler of Access, a recognized world expert in the Oil & Gas sector, who was asked at the hearing on 10 April 2019 and whose complete audio testimony is available at the following link: <https://www.radioradicale.it/scheda/570637>; and

- Pasquale Lucio Scandizzo, resident representative and senior advisor of the World Bank, of which he is still Senior Economic Consultant, already holder of the chair of Economic and Financial Policy at the Faculty of Economics of the University of Rome Tor Vergata, asked at the hearing of 6 May 2019, whose complete audio testimony is available at the following link: <https://www.radioradicale.it/scheda/571962>;

confirmed the general fairness of the economic terms of the Resolution Agreement.

In particular, Pasquale Lucio Scandizzo, among others, gave the following conclusions.

Applying the correct technical, fiscal, contractual and financial data, the terms of the Resolution Agreement, thanks also to the back-in option granted in favour of the Government of Nigeria, ensure, in the event of actual development of the field, the creation of a net increase (value 2011) of the gross domestic product (therefore including the value of direct and indirect taxation) equal to over \$ 41 billion over more than 20 years of license duration, in addition to the creation of more than 200 thousand jobs, together with the creation of stable and lasting professional skills in the country.

The profitability of the Resolution Agreement (contrary to as reported) is clearly higher than the previous production sharing scheme established by the Nigerian Government through the NNPC in 2003.

Considering the type of capital project bearing the mineral risk typical of the extractive environment in deep waters (as in the case of OPL 245 which is known to be offshore several hundred KM from the coast and in deep offshore due to depths of over 1,000 meters) and therefore taking into



account a fair and adequate remuneration of the equity capital, the “government take” for the Nigerian counterpart of the Resolution Agreement including the exercise of back-in rights is equal to 69%, well above the benchmarks recorded by the multilateral world organizations (the IMF data reported by Resources for Development are out of context for Nigeria and already obsolete as detectable from open sources). It is therefore intrinsically incorrect to state that the terms would have been disadvantageous for Nigeria.

3. The judgement by Justice Barbara in September 2018 convicting two middlemen involved in the OPL 245 case, as described on page 212 of the Annual Report, while separate to the ongoing Milan trial of Eni and its managers nevertheless makes numerous findings of facts which raise several pressing governance and risk questions for the company. The court held that “the sum of \$1,092,040,000 paid by ENI and Shell passed, through the Federal Government of Nigeria, to Malabu, and then was distributed to a wide plethora of recipients, among whom there were also the public officials” including “President Goodluck Jonathan and the Minister of Petroleum Madueke” and other public officials. The court also saw evidence that lead it to “conclude that the management of ENI and Shell oil companies...was fully aware of the fact that a part of the \$1.092 billion paid would be used to remunerate Nigerian public officials which had a role in this affair and that as hungry ‘sharks’ had circled around the prey. This did not involve mere connivance, but a conscious attachment to a predatory project to the detriment of the Nigerian State”. The court also found that “In light of the documents analysed in this chapter, this Court considers proven, beyond any reasonable doubt, that, within the context of the transaction concerning the purchase of the oil prospecting licence OPL 245, some managers of the Italian oil company planned and possibly achieved, for reasons that will shortly be explained, a criminal plan to increase the price paid by ENI in order to obtain originally through Emeka Obi and later Gianfranco Falcioni the kickback of a considerable sum of money, in the order of USD 50 million, to share between themselves.”

The court did note that Eni and its managers’ trials were ongoing however, these findings raise serious questions for the company.

Preliminary remarks to answer 3

“First of all, we recall the considerations already made to question no. 1 regarding the irrelevance for Eni of the investigations carried out in the Di Nardo/Obi proceeding. In particular, Eni recalls the assessments made during the current trial by taking the relevant testimonial and documentary evidence before the VII section of the Court of Milan (which for all purposes constitute known and public facts on the date of presentation of the questions of the shareholder Re.Common) that:



a. The funds due to the Government of Nigeria as per the contract between ENI/Shell were paid in compliance with the contractual terms crediting an account of the Government of Nigeria at JP Morgan in London, where they were held in a term escrow account pending the Government's deliberations through its legitimate representatives (among other things, succeeding in various administrations over time in a period that saw several finance ministers arrange payment orders);

b. The payment arrangements made by the Government of Nigeria (following the fulfilment by Eni of its contractual obligations) to settle its own and separate obligations towards Malabu Oil & Gas Limited with a view of redeeming any previous dispute so to dispose of the license without restrictions and free of any onus, have been expressly approved on several and subsequent occasions by the competent English anti-money laundering/anti-corruption authority (SOCA), requested by JP Morgan itself as an express function of the potential (but not proven) involvement of Dan Etete, with respect to which the aforementioned authority, after having carried out the verifications of its own competence, has not raised any objections whatsoever. It is necessary to note that a contractual structure designed for corruption purposes certainly would not have involved the use of one of the largest world banks, subjected to the control and supervision of an anti-money laundering authority of one of the most advanced countries in the world (Great Britain), which in fact (when involved) authorized payments from the Nigerian government to Malabu. Also this choice confirms and proves the absolute fairness and prudence of Eni and its departments in choosing the way to execute its obligations at the highest and best level available according to market practices;

c. The suggestions no longer apply as instilled by the statements of Vincenzo Armanna who reported alleged confidence received from a presidential security officer named Vicotr Nawfor regarding the receipt of relegation by Eni's managers through the disbursement of \$ 50 million in cash at the house of Roberto Casula in two trolleys. Mr. Viktor Nawfor, heard as prosecutor at the hearing held on 23 January 2019 (whose complete audio is available at the following link: <https://www.radioradicale.it/scheda/563344?i=3941984>) denied Mr. Armanna confirming under oath that he does not know him and also affirming that he does not know any Italian manager of Eni. There are no other sources of evidence or statements in the ongoing proceeding before the VII section of the Court of Milan concerning these alleged relegations.

Providing the foregoing, it is answered that:

- **Given the close involvement of several senior managers of Eni in the OPL 245 deal and its negotiations including Mr Descalzi, Mr Casula and Mr Pagano who currently standing trial**



what process has been followed for determining whether these employees or others should be suspended?

- Considerato lo stretto coinvolgimento di alcuni manager di Eni nell'affare OPL 245 e nelle sue negoziazioni, tra cui i signori Descalzi, Casula e Pagano, che attualmente sono sotto processo, quale procedura è stata seguita per determinare se questi dipendenti o altri debbano essere sospesi dal proprio incarico?
- Given the ongoing trial of Eni and Mr Descalzi in which the charges he faces carry a potential seven-year jail term does the company acknowledge that Mr Descalzi has a potential conflict of interest?
- Considerato il processo in corso di Eni e del signor Descalzi in cui le accuse a suo carico hanno una pena detentiva potenziale di sette anni, la società riconosce che il signor Descalzi ha un potenziale conflitto di interessi?
- In view of the criminal proceedings under way in Milan against Eni, a company indicted pursuant to Legislative Decree 231/2001 for the alleged offence of international corruption, which is also being prosecuted against its manager Descalzi, and the seriousness of the criminal and administrative penalties resulting from a possible conviction, does the company acknowledge that the current Chief Executive Officer Descalzi has a potential conflict of interest with Eni? Is Eni's Supervisory Board aware of this situation? If so, what is its position?
- In considerazione dei procedimenti penali in corso a Milano nei confronti di Eni, una società accusata ai sensi del D.Lgs. 231/2001 per il presunto reato di corruzione internazionale, che ha comportato anche l'iscrizione nel registro degli indagati del CEO Descalzi, e della gravità del reato e delle sanzioni amministrative risultanti da una possibile condanna, la società riconosce che l'attuale Amministratore Delegato Descalzi ha un potenziale conflitto di interessi con Eni? Gli organi di controllo di Eni sono a conoscenza di questa situazione? Se sì, qual è la loro posizione?
- What organisational and management measures have been adopted to exclude the Chief Executive Officer and other Eni directors and managers accused of irregularities in the Milan process, or to avoid their interference, from any decision on Eni's choices in the OPL 245 process?
- Quali misure organizzative e gestionali sono state adottate per escludere l'Amministratore Delegato, altri direttori e dirigenti Eni accusati di irregolarità nel processo di Milano, o per evitare la loro ingerenza, da qualsiasi decisione sulle scelte di Eni nel processo OPL 245?



- **Does the Company believe that its organisational and management model, adopted pursuant to Legislative Decree 231/2001, is effective and adequate to prevent the risk of committing predicate offences in so far as such a model would allow a person accused of international corruption to remain in the role of managing director with full powers? Is Eni's Supervisory Board aware of this situation? If so, what procedures has it undertaken to implement the organisation and management model?**
- **La Società ritiene che il proprio modello di organizzazione e gestione, adottato ai sensi del D. Lgs. 231/2001, sia efficace e adeguato per prevenire il rischio di reati dichiarati nella misura in cui tale modello consentirebbe a una persona accusata di corruzione internazionale di rimanere nel ruolo di direttore generale con pieni poteri? L'Organismo di Vigilanza di Eni è consapevole di questa situazione? In caso affermativo, quali procedure ha intrapreso per implementare il modello di organizzazione e gestione?**

Answer

- As it is well known, independent third parties, identified and appointed by the Board of Statutory Auditors and by the Eni Watch Structure executed a full forensic audit in the preliminary investigation phase (and also after the filing of the investigation documents), encompassing an extensive and interference-free review that confirmed the correctness of the work of the company and its top management.

The further activities carried out more recently through third-party and independent experts for the defence of Eni before the VII section of the Court of Milan confirm the correctness of the conclusions previously reached, also in relation to the position of the individual managers and ex-managers of Eni concerned;

- The above excludes in root that Claudio Descalzi had conflicts of interest in relation to the performance of his duties with respect to the pending charge against him in the OPL 245 proceeding before the VII section of the Court of Milan. The board of directors has confirmed on three occasions (on the basis of the evidence mentioned above) its confidence in the company structures and in Mr. Descalzi himself;
- The defence strategies in proceeding 245 are adopted by Eni's legal management under the guidance of the CCR, in coordination with the appointed external councillors (who are different and separated from the lawyers of the individual managers concerned). The updates on the progress of the trial are provided to the CCR and to the board of statutory auditors in which neither Mr. Descalzi nor any of the other managers concerned are part or have a role;



- The organizational model adopted by Eni, together with the regulatory and organizational tools that make it up and conform to it, have been designed in line with the provisions of the law and industry best practices. The supervisory activities, the monitoring and independent audits carried out extensively and regularly by the competent corporate bodies and functions, did not highlight any critical issues such to determine a modification of the existing organizational model. The control bodies and the supervisory body 231 are aware of significant legal proceedings 231 and continue to monitor its developments, promoting, each for its own competence, the most appropriate initiatives aimed at the constant improvement of control systems in place.

4. At Eni's 2014 Shareholder meeting, in the written Questions and Answers (page 47) the company was asked "what did Eni understand to be the involvement/role of Etete in Malabu?" In response the company stated that "Regarding the alleged role of Dan Etete in Malabu, no clear evidence was found during the preliminary audits conducted by the Eni legal department under the anti-corruption procedures, particularly in relation to his connection with the company." A 2010 due diligence investigation by The Risk Advisory Group commissioned by Eni in stated that "Whatever the formal ownership structure of Malabu, all of the sources to whom we have spoken are united in the opinion that Dan Etete is the owner of the company". Justice Barbara further found that this due diligence and Eni's emails showed Eni "beyond a reasonable doubt, was fully aware that it had Dan Etete as counterparty". The court also found that "All the witness statements and documents that have been admitted in these proceedings disprove the claim that ENI had not always been aware that its counterparty in the OPL 245 sale was Chief Dan Etete."

Preliminary remarks to answer 4

The results of the trial tests conducted in the proceedings before the VII section of the Court of Milan confirmed the full and timely application of the anti-corruption due diligence procedures in force at Eni at the time considered, as well as their adequacy. With regard to the findings of the investigations carried out on Malabu Oil & Gas for reputational purposes, the witnesses Michele De Rosa, Donatella Ranco and Enrico Caligaris, respectively in the hearings of 05 December 2018 and 27 February 2019 (whose complete audio is available at the following link: <https://www.radioradicale.it/scheda/559018>; <https://www.radioradicale.it/scheda/566581>) confirmed that on the actual ownership of Malabu uncertainty continued to exist between the official results of the Nigerian register of companies, the claims made by third parties and the (unqualified) information that came from the due diligence reports commissioned to TRAG. The witness Alexander Leslie, representative of TRAG called by the public prosecutor, declared under oath in the public hearing of 17 April 2019 (whose complete audio is available at the following link: <https://www.radioradicale.it/scheda/571319>) that the information



concerning the proprietary involvement of Dan Etete in the equity capital of Malabu were received from indirect, unverified and anonymous sources, thus confirming the position of overall uncertainty already expressed by Eni managers. Precisely this permanent uncertainty with respect to the information available from certain and official sources, in which Dan Etete was not found, led Eni to submit each offer to Malabu under the precedent condition (among others) of satisfying the results of the due diligence. This condition was obviously and subsequently not met when the negotiation and the contractual structure saw the Nigeria Federal Government become the legitimate contractual counterparty of Eni and Shell.

Providing the foregoing, it is answered that:

- **Given this finding that Eni was fully aware of Dan Etete's role in Malabu and the OPL 245 deal how does the company explain its apparently misleading answer to shareholders at a previous Annual General Meeting?**
- **Alla luce del fatto che Eni era pienamente consapevole del ruolo di Dan Etete in Malabu e nell'affare OPL 245, come spiega la società la sua risposta apparentemente fuorviante fornita ai propri azionisti in una precedente assemblea?**

Answer

The response provided in the previous annual shareholders' meeting of 2014 continues to be correct.

5. Justice Barbara found that Mr Bisignani "maintained relations with ENI; in the person of the CEO Scaroni and the General Manager Descalzi" and that Mr Scaroni and Mr Bisignani "sponsored" the now convicted middleman Emeka Obi's role in the deal. The court further documented conversations about the OPL 245 deal between Mr Bisignani and Mr Descalzi and found that that "Claudio Descalzi - who at the time was the "Number 2" of the most important Italian company, as well as of one of the world's leading oil companies - at that time was subdued to the demands made by Luigi Bisignani. Mr Bisignani was a private citizen whose name had already come out in some of the most controversial and well-known investigations in Italian judicial history, namely the investigation dealing with the "P2 lodge" and the so-called "Enimont bribe" and had already been definitively convicted of serious criminal offences such as illegal financing of political parties and embezzlement and had entered into a plea bargain agreement for the criminal offence of corruption."

Preliminary remarks to answer 5

The considerations in preliminary remarks 1 are recalled. It is also recalled that by provision of



7 November 2018 (whose complete audio is available at the following link: <https://www.radioradicale.it/scheda/556594>) conversations with Mr. Bisignani were declared unobtainable in the OPL 245 trial before the XII section of the Court of Milan.

Providing the foregoing, it is answered that:

- **How has the company assessed these specific allegations against Mr Descalzi?**
- **In che modo l'azienda ha valutato queste specifiche accuse contro il signor Descalzi?**
- **Has any internal or external audit examined the relationship of Mr. Descalzi and Mr Bisignani?**
- **Il rapporto tra i signori Descalzi e Bisignani è stato esaminato da parte di audit interni o esterni?**
- **Has Mr Descalzi been interviewed by any audit regarding his role in OPL 245?**
- **Il signor Descalzi è stato intervistato nell'ambito di un audit interno ed esterno in merito al suo ruolo in OPL 245?**

Answer

- Each assessment carried out in relation to the hypotheses in question is already contained in the "forensic" activities referred to in answer 3;
- The statements made by Mr. Descalzi during interrogation in the OPL 245 proceeding before the Milan prosecutor's office (of particular scope and duration, equal to over 13 hours) and discussion with Vincenzo Armanna were examined and found in the forensic audit referred to in the answers to question 3.

6. On 17th April 2019 the Economic and Financial Crimes Commission (EFCC) of Nigeria secured arrest warrants from the Abuja Courts against Mr. Roberto Casula, who has been charged with conspiracy and official corruption since 2017 in Nigeria. Statements by the EFCC suggest Mr Casula may be added to Interpol wanted lists. In 2018 media reports stated that Mr. Casula took a leave of absence from his role as the Chief Development, Operations & Technology Officer of Eni. Mr Casula is also on trial in Milan on International Corruption charges alongside Eni.

Preliminary remarks to answer 6

Eni recalls that the arrest warrants issued on 17 April 2019 in question were pronounced "unheard of for the part" during a pending proceeding in Nigeria in blatant violation of procedural rules and



protection of personal rights. And indeed neither Mr. Casula nor the other parties involved in the proceeding in question ever received a notification of pending investigations or proceedings against them, nor were they (and are still) aware of any accusations or charges against them on that occasion. Among other things, Mr. Casula is already charged for the same offense in the OPL 245 proceeding in Milan, for which the arrest warrants appear in general violation also of the principle "ne bis in idem" for which the same individual should not be subjected to trial twice for the same fact. As a result of the in-depth verifications carried out, it does not appear that any procedure has been initiated for the request of an international arrest warrant to Interpol. The revocation of these illegitimate arrest warrants was requested from the court concerned in Nigeria.

Providing the foregoing, it is answered that:

- **Can the management clarify what if any current role Mr. Casula still holds at Eni or any body affiliated to Eni?**
- **Il management può chiarire quale posizione ricopre attualmente il sig. Casula in Eni o in qualunque altra affiliata di Eni?**
- **What process has Eni's board followed to assess whether Mr Casula should be formally suspended or face other action?**
- **Quali procedure ha formalmente seguito il CdA Eni per valutare se il sig. Casula dovesse essere formalmente sospeso o sottoposto ad altro provvedimento?**
- **Has any internal or external audit examined the role of Mr. Casula and the specific allegations against him? If yes, who carried out the due diligence, what were the terms of reference for the audit and who set those terms of reference? What were the findings of such audit, if performed?**
- **E' stato esaminato in base a un audit interno o esterno il ruolo del sig. Casula e le specifiche accuse nei suoi confronti? Se si, chi ha eseguito la due diligence, quali erano i termini di riferimento dell'incarico e chi ha stabilito tali termini? Quali sono state le conclusioni di tale audit, se svolto?**
- **Is Mr. Casula benefiting from a company insurance covering his legal expenses and for how much?**
- **Il sig Casula è beneficiario di una polizza assicurativa a copertura delle sue spese legali e per quale ammontare?**

Answer

- **Since April 2018, Mr. Casula has not held operational positions at Eni SpA and affiliated operating companies and deals with innovation initiatives and activities;**



- There are no new elements of any nature in relation to this point in order to initiate further checks;
- The investigations concerning Mr. Casula are contained in the activities described in question 3;
- Mr. Casula, like all the executives of the Company, benefits from the provisions of article 15 of the National Collective Bargaining Agreement that guarantees the coverage of legal expenses for proceedings regarding functions performed for the company.
- **Given that Mr Casula is now the subject of an arrest warrant in Nigeria will the company require Mr Casula to present himself to the authorities?**
- **Considerato che il sig. Casula è soggetto a un mandato di arresto in Nigeria, la Compagnia richiederà al sig. Casula di presentarsi alle autorità?**

Answer

No.

7. According to media reports in early April Eni board approved the shifting of Mr. Massimo Mantovani from the position of chief legal officer of mid-stream Division to another more junior position in London. Mr. Mantovani is reportedly under investigation by Milan public prosecutor office concerning an alleged conspiracy involving Eni's external lawyers, a public prosecutor of Siracusa and others, aimed at derailing the Milan investigation into Eni's deal for Nigeria's OPL 245 oil block.

Preliminary remarks to answer 7

The company believes to be an offended party from whatsoever perspective linked to or connected to any allegations relating to plots or misdirection of investigative activities with any prosecutor's office of the Italian State. Eni has already formally declared to be an offended party in the related investigation no. 12333/17 RG.NR. at the Milan Public Prosecutor's Office and will pursue in every appropriate occasion the protection of its reputation against anyone who has already confessed own involvement or otherwise, will be liable as may eventually be inferred from the conclusion of the investigation in progress.

Providing the foregoing, it is answered that:

- **What process has Eni's board followed to assess whether Mr Mantovani should be formally suspended or face other action?**
- **Quale procedura ha seguito il CdA Eni per valutare se il sig. Mantovani dovesse essere formalmente sospeso o sottoposto ad altro provvedimento?**



- **Has any internal or external audit examined the role of Mr Mantovani and the specific allegations against him?**
- **E' stato condotto un audit interno o esterno che abbia esaminato il ruolo del sig. Mantovani e le specifiche accuse nei suoi confronti?**
- **If yes, who carried out this audit, what were the terms of reference for the audit and who set those terms of reference? What were the findings of such audit, if performed?**
- **Se si, chi ha eseguito l'audit, quali erano i termini di riferimento dell'incarico e chi ha stabilito tali termini? Quali sono state le conclusioni di tale audit, se svolto?**

Answer

- The board has received the results of:
 - an internal audit carried out by the Internal Audit Department, initiated following the publication of the first press articles on the matter;
 - an independent third-party review of evidence and facts that are relevant with respect to the events connected with the aforementioned proceeding, including forensic analysis, entrusted by the Control and Risk Committee, together with the Supervisory Body, after consulting the Board of Statutory Auditors, to the consulting company KPMG Advisory,
 - a further evaluation of a panel of jurists identified by the Board;
- As a result of the verification activities in question, no circumstances of criminal relevance have been highlighted or investigative allegations confirmed that could highlight the involvement of Eni employees in the facts under investigation;
- the aforementioned checks offered some operational findings concerning negligence and management-operational deficiencies of the controls required by the company regulations relating to the legal procurement process.
- The Company reacted to these remarks by adopting the overall measures deemed appropriate both in terms of corporate responsibilities (also with the support of the analyzes provided by a panel of labour lawyers), and redefining the scope of the legal department, and finally strengthening the operations of the controls of the operating processes of the legal department, also through the creation of a dedicated governance function.

8. During her examination in Milan Court on 19th December 2018 as part of the trial concerning Eni's deal for OPL 245 involving Eni and several of its managers, Eni board member Ms. Karina Litvack declared that the chair of the board, Ms Emma Marcegaglia, in a board meeting on 29th April 2015



told all board members that, in the context of tensions around the company's response to anti-corruption issues raised with the management by Ms. Litvack and former board member Prof. Zingales, an upcoming review on the functioning of the board *"offers the perfect opportunity to send a strong message to board member Zingales: The time has come for him to leave"*.

- **Can the chair of the board confirm if she made such a statement? If yes, is such a statement compatible with Eni's ethical principles as well as zero-tolerance approach against corruption?**
- **La Presidente del CdA può confermare se fece una tale affermazione? Se cioè in occasione di una sessione di autovalutazione del CdA abbia detto: "è l'occasione perfetta di mandare un forte segnale al consigliere Zingales: è arrivato il tempo che lasci il CdA". Se sì, è una tale affermazione compatibile con i principi etici dell'Eni come pure con il principio di tolleranza zero nei confronti della corruzione?**
- **After Ms. Litvack publicly revealed such a position by the chair of the board, has an internal audit been conducted on the governance of the board? If so what body carried out this audit and what measures were taken to avoid any conflict of interest?**
- **Dopo che la signora Litvack ha pubblicamente rilevato tale posizione della Presidente del CdA, è stato condotto un audit interno sulla governance del CdA? Se sì, quale dipartimento ha svolto tale audit e quali misure sono state adottate per evitare qualsiasi conflitto d'interessi?**

Answer

The Chairman does not confirm in the most absolute manner the content of the extrapolations of the testimony given by the Director Litvack.

9. During the same hearing in Milan's Court Ms. Litvack revealed that she received explicit pressure from members of the Control Risk Committee of the board to step down from this committee after she was notified by the Siracusa public prosecutor's office of an investigation into her and others about an alleged conspiracy against the appointment of current Eni CEO. Ms. Litvack declared that she did not want to self-suspend herself and thus Ms. Marcegaglia invited her for dinner to convince her to do so.
- **Can Ms. Marcegaglia confirm if she put such pressure on Ms. Litvack to step down from the Control Risk Committee of the board?**
 - **La sig. Marcegaglia può confermare se esercitò pressione sulla signora Litvack per dimettersi da membro del Comitato Controllo Rischi del CdA?**
 - **Is such behaviour by the chair of the board in line with Eni's ethical principles?**



- **Tale comportamento da parte della Presidente del CdA è in linea con i principi etici dell'Eni?**

Answer

- The Chairman does not confirm in the most absolute manner the content of the extrapolations of the testimony given by the Director Litvack. The company does not consider it appropriate to comment on the content of extrapolations that do not comply with the related reports.
 - The same considerations apply to the Board.
 - The considerations made by the President apply to the Control and Risk Committee.
10. Following the closure of the Siracusa investigation with no finding of wrongdoing against Ms Litvack a new investigation was opened by Milan public prosecutor's office into an alleged conspiracy involving bribery of the Siracusa public prosecutor and an effort to derail the Milan investigation on OPL 245 allegedly linked to members of Eni's senior management.

[See preliminary remarks to answer 7.](#)

- **Has an internal or external audit into these allegations been carried out?**
- **E' stato svolto un audit interno o esterno su tali accuse?**
- **If yes, who carried out this audit, what were the terms of reference for the audit and who set those terms of reference? What were the findings of such audit, if performed?**
- **Se si, chi ha eseguito l'audit, quali erano i termini di riferimento dell'incarico e chi ha stabilito tali termini? Quali sono state le conclusioni di tale audit, se svolto?**

Answer

[See answer to question 7.](#)

11. In December 2016 the Council of Ethics for Government Pension Fund Global (GPF) warned of the risk of gross corruption at Eni. The council noted "Eni has not substantiated that its anti-corruption programme will be implemented effectively throughout its operations. This relates particularly to the 'tone from the top'". The council pointed to ongoing cases against Mr Descalzi and Mr Casula and noted "irrespective of the outcome of these cases, the Council believes that these allegations make it difficult for group management to communicate a zero tolerance for corruption either internally or to its business partners."



- **In light of the ongoing criminal trials and allegations against its managers, does Eni's board believe that company's actions or lack of actions around these allegations set an appropriate "tone from the top" for zero tolerance of corruption?**
- **Alla luce del processo penale in corso e delle accuse nei confronti dei propri managers, il CdA dell'Eni ritiene che le azioni della Compagnia o la mancanza di azioni riguardo tali accuse costituiscano un appropriato impulso dal vertice per la tolleranza zero nei confronti della corruzione?**

Answer

As represented several times, from the independent forensic review of the OPL 245 transaction, no evidence emerged of unlawful conduct by Eni or its managers that could undermine the "tone from the top" with respect to the zero tolerance principle of any corrupt conduct.

Top level commitment has always been a key element of Eni's Anti-Corruption Compliance Program, through the direct commitment and constant attention of the Board of Directors and top management on anti-corruption issues, so much so that:

- the adoption and amendments of the Anti-Corruption MSG are carried out by resolution of Eni's Board of Directors and the update/issue of the individual anti-corruption regulatory instruments are monitored by the control bodies;
- in 2016, on the request of the Board of Directors, the "Integrated Compliance" division was set up, separated from the Legal function and reporting directly to the CEO of Eni to ensure full integration in business activities, with the aim of ensuring the continuous improvement of company compliance programs and encouraging the widespread dissemination of the compliance culture;
- within the "Integrated Compliance" department, the anti-corruption unit maintains a periodic information flow in favour of the Supervisory Body, the Board of Statutory Auditors, the Control and Risk Committee and the Chief Financial Officer of Eni;
- all the top management of Eni (in particular the Chief Executive Officer who has promoted the capillary transmission first-hand) is constantly involved in training and communication initiatives on anti-corruption issues, actively participating and promoting the participation of its people in such initiatives.

Moreover, confirming the solidity of Eni's Anti-Corruption Compliance Program in terms of scope and operations, in January 2017, the company was the first industrial company in Italy to obtain certification of compliance with ISO 37001:2016 (the first international standard for the management of anti-corruption systems). In December 2017 and December 2018, the certification



body also carried out the surveillance audits required by the aforementioned ISO standard with the aim of verifying the operation of the Anti-Corruption Compliance Program. Both surveillance audits were successfully concluded.

Moreover, Norge Investment Bank, as part of its own Responsible Investment Report 2018 published in February 2019, positively acknowledged all the actions and initiatives undertaken by Eni.

Republic of Congo

1. On 13 April 2017, during the Shareholders' Meeting, in response to a question we asked about the existence and nature of ENI's current or past business relations with Petro Services, which can be traced back to Alexander Haly, President Marcegaglia declared: "to date, there are no contractual links with Petro Services in Congo".

On 9 May 2018 with the publication of the article "*Bugia sugli strani affari in Congo. "L'imbarazzo dei vertici ENI"*" (Lie on the strange affairs in the Congo. The embarrassment of ENI's top management) in *Il Fatto Quotidiano* of 9 May 2018, revelations emerge about a longstanding and significant commercial relationship between Petro Services and ENI.

On May 10, 2018, again at the Shareholders' Meeting, we asked for explanations on why Eni had not revealed the entity of its relations with the above mentioned company the previous year, thus assessing as misleading the answers given by Eni to its shareholders on its relationship with the companies of Haly. The Chairman, Marcegaglia, admitting that the information she provided to shareholders the previous year was incomplete due to an error she made during the reading phase, confirms the existence of business relationships (concluded a couple of months earlier) with Petro Services, the company owned by Alexander Haly, for an amount of approximately 104 million dollars.

On March 10, 2019 a new investigation by Paolo Biondani "*ENI-Congo: che tesori di famiglie*" (ENI-Congo: what treasures of families) was published on the *Espresso*, in which it was stated: "...among the members of the oil field that is at the centre of the alleged exchange of bribes between Italy and the Congo there is the usual Haly. Which now seems to have a clearer role: it is the historic administrator and current holder of the African companies that would have been created, Via Cipro and Luxembourg, by Mrs. Ingioba Descalzi.

In short, then, Alexander Haly, the managing director of one of ENI's business partner companies that in Congo (but not only in Congo as we shall see) would have collected 104 million dollars from ENI, according to the *Espresso*, would be the same Alexander Haly manager of confidence of Ms. Ingioba



Descalzi, to whom she would have transferred control of various African companies in April 2014, shortly before the appointment of her husband to the top of ENI.

[See preliminary remarks and answer to question 2](#)

- **When asked last year about the nature of the relationship between her partner Haly and another company that can be traced back to Mrs. Descalzi, Elengui Limited, ENI, in the words of President Marcegaglia, denied any connection. In the light of the information that has emerged this year, it is not possible to do the same. Could Eni explain in detail to all shareholders the nature of this relationship between its business partner Haly and Mrs. Ingioba Descalzi?**
 - **Quando venne chiesto l'anno scorso circa la natura delle relazioni tra il suo partner Haly e un'altra società che risaliva alla signora Descalzi, la Elengui Ltd, nelle parole della Presidente Marcegaglia era negata qualsiasi connessione. Alla luce delle informazioni emerse quest'anno, non è più possibile fare lo stesso. L' Eni può spiegare in dettaglio a tutti gli azionisti la natura delle relazioni tra il suo business partner Haly e la signora Ingioba Descalzi?**
2. According to the same investigation published by the Espresso "ENI-Congo: what treasures of families", there are three other companies in addition to Petro Services in Congo: Petro Services in Gabon, Petro Serve Shipping in Mozambique and Petro Serve Shipping in Ghana, which have received only from the ENI group over 310 million dollars. These companies would all be controlled by a Dutch holding company: Petroserve Holding Nv, whose top manager is Alexander Haly. Above the Dutch holding company there is a Luxembourg public limited company called Cardon Investment, which in turn is controlled by a certain Cambiasi Holding in Cyprus. According to the investigation, Cardon Investment would be attributable to Ms. Ingoba Descalzi, wife of the CEO, who allegedly sold the entire pyramid of companies to Alexander Haly.

[Preliminary remarks to answers 1 and 2](#)

In April 2018, following the notification to Eni:

- a. of a further documentation request, following that of March 2017, and*
- b. to Roberto Casula, then Chief Development Operation & Technology Officer, of a search decree from which he is among the parties under investigation, the Board of Statutory Auditors, the Watch Structure and the Control and Risk Committee of Eni have resolved to jointly appoint a third-party law firm (DLA) and a professional consultant (Protiviti) to carry out an independent, forensic review*



of the matter. This review lasted over eleven months. The activities performed revealed no evidence that Eni managers/employees committed criminal offences in relation to the international corruption allegations as part of the award of concessions in the Republic of Congo in favour or to the detriment of the company, nor found otherwise mismanagement in favour of the suppliers who were awarded the contracts (through competitive bids and in substantial compliance with the current procurement procedures) of the services in favour and/or to the detriment of Eni.

Providing the foregoing, it is answered that:

- **Does ENI deny or confirm that it has paid at least 310 million euro to these companies?**
- **Eni può confermare o smentire che ha pagato almeno €310 milioni a tali compagnie?**
- **Does the Chief Executive Officer not think that there would be a very serious conflict of interest if ENI had paid EUR 310 million to an umbrella of companies attributable to his wife?**
- **Il CEO dell'Eni non pensa che ci sarebbe stato un conflitto d'interessi molto serio se Eni avesse pagato €310 milioni a un gruppo di società affiliate al proprio coniuge?**
- **How did the Control and Risk Committee assess this matter?**
- **Come valuta questo tema il Comitato Controllo e Rischi?**

Answer to questions 1 and 2

• As part of the aforementioned independent audits, among other things, there was no evidence that there are or were any companies related to Marie Magdaleine Ingoba among Eni's suppliers: in particular, the checks carried out at company registers and through publicly available information:

- confirmed that on 8 April 2014, Haly indirectly acquired shares of Cardon,
- did not provide evidence of the identity of the transferor - of the actual ultimate beneficiary.

We also recall that, from publicly available information, Ms Ingoba (through her lawyer) denied on 11 March 2019 the content of an article published by the Italian magazine "l'Espresso";

• the companies belonging to the "Petroservice" group operate not only in Congo, but in several African countries where they are suppliers of various international companies operating in the Oil & Gas sector, including Total, Chevron, Exxon, Petrobras, Technip, etc. in the sectors of ship charter, logistics and general services;



- Petroservice Congo and its subsidiaries, in line with as communicated in the previous shareholders' meeting for the period 2012-2018, rendered services and other supplies for around \$ 104 and 70 million respectively. The total amount of supplies received under the contracts awarded to Petroservice therefore amounts to \$ 174 million for services actually rendered to support upstream activities;
 - the broader checks carried out have not found any conduct aimed at favouring the suppliers who were awarded contracts in favour and/or detriment of Eni.
3. Also according to the Espresso investigation of 14 October 2018 entitled: "Miss Congo & Lady ENI", from the papers of a maxi court case in France on hundreds of millions of dollars which left the state coffers of Congo and were reinvested in France to buy luxury real estate would emerge the name of Ms. Ingioba Descalzi associated with that of Julienne Sassou Nguesso, daughter of the Congolese president as shareholders, along with the entrepreneur Hubert Pendino, of a company registered on the Mauritius island and called African Beer Investment Ltd.
- **Could the Chief Executive Officer explain the nature of the relationship between his wife and the daughter of the President of the Congo?**
 - **Il CEO potrebbe spiegare la natura delle relazioni tra il proprio coniuge e la figlia del Presidente del Congo?**

Answer

The Company is unaware of and does not comment on any relationships between third parties, noting also in this case that the circumstances as referred to by the press have been denied.

4. **According to the production sharing contracts dated 30 January 2014, AOGC became "associated to" ENI's Mwafi 2, Foukanda 2, Djambala 2 and Kitina 2 licences at some point in 2013. On what precise date did AOGC first become "associated to" these licences? What form did AOGC's "association" to ENI's four licences in 2013 take? What rights and responsibilities did this "association" attribute to AOGC? Which entity – ENI, Congo's Ministry of Hydrocarbons, SNPC, or another – was responsible for selecting AOGC to be "associated to" those licences in 2013? If another entity was responsible, please provide its name.**
4. **Secondo i contratti di ripartizione della produzione del 30 gennaio 2014, l'AOGC è diventata "associata" alle licenze di ENI Mwafi 2, Foukanda 2, Djambala 2 e Kitina 2 a un**



certo punto nel 2013. In quale data precisa l'AOGC è diventata da principio "associata" a queste licenze? Quale forma ha preso l'"associazione" dell'AOGC alle quattro licenze di ENI nel 2013? Quali diritti e responsabilità ha attribuito a AOGC questa "associazione"? Quale entità – l'ENI, il Ministero degli idrocarburi del Congo, la SNPC, o un altro – fu responsabile di selezionare l'AOGC quale "associata" a tali licenze nel 2013? Se un'altra entità fu responsabile, si prega di fornire il suo nome.

Answer

As part of the process of awarding of the fields Mwafi 2, Foukanda 2, Djambala 2 and Kitina 2 by the Government of the Republic of the Congo, the Governmental Steering Committee set up to implement the Presidential Directive on the promotion and development of the Congolese national private sector (subsequently implemented in the new Hydrocarbons Code) assigned an interest in each of the abovementioned fields to AOGC, designating this company as a member of the "Group Contracteur" (of which Eni is also a party) for the purposes of signing the Production Sharing Agreement for the performance of oil operations. The assignment to AOGC, after winning approval at the Presidential Steering Committee, was ratified by the Ministries of Hydrocarbons and Finance, of the Parliamentary Commissions of the Chamber and Senate, of the Senate and National Assembly and of the Constitutional Court.

Subsequent verifications made by Eni concluded that AOGC was an ongoing business, established and operating in the Oil & Gas sector with autonomous organization, structure and economic capacity.

As part of these agreements, SNPC (state-owned company operating in the sector) is the holder of the licences, while Eni is in charge of oil operations.

Production sharing contracts for licenses were signed on 30 January 2014.

The formation of "Groupe Contracteur" or similar structural/contractual figures by a government is an applied practice in many countries in the oil sector and in many areas of the planet, including Africa and the Middle East.

- 5. Did AOGC pay for its eventual eight to ten per cent interests in the Mwafi 2, Foukanda 2, Djambala 2 and Kitina 2 licences? If so, how much did AOGC pay for each licence interest? How was this calculated and by whom? If not, why not?**



5. L'AOGC ha pagato per le sue partecipazioni finali dall'8% al 10% nelle licenze Mwafi 2, Foukanda 2, Djambala 2 e Kitina 2? Se è così, quanto ha pagato AOGC per ciascuna partecipazione? Come è stato calcolato e da chi? Se no, perché no?

Answer

The terms of the agreements relating to the licences Mwafi 2, Foukanda 2, Djambala 2 and Kitina 2 apply to all of the members of the Groupe Contracteur without exceptions, in compliance with the applicable law (therefore all the members of the Consortium are responsible pro quota for the financial obligations linked to the execution of the contract).

6. Please give details of all of Ernest Olufemi Akinmade's past or current affiliations to ENI, including but not limited to his roles, job titles, direct or indirect employments, consultancies, and the dates at which Mr Akinmade was affiliated to ENI in these or other ways.
6. Si prega di fornire i dettagli di tutte le affiliazioni passate o attuali di Ernest Olufemi Akinmade a ENI, quali a titolo di esempio i suoi ruoli, posizioni di lavoro, rapporti di lavoro subordinato diretti o indiretti, consulenze, e le date in cui il signor Akinmade era affiliato a Eni in questi o altri modi.

Answer

- Mr. Ernst Olufemi Akinmade is a well-known Nigerian explorer-geologist and one of the best experts in the field of sub-Saharan Africa;
- He was an employee of a Nigerian subsidiary of ENI until September 2006 and therefore left the group over 13 years ago;
- He carries out independent activities in the Oil & Gas sector through his own consulting company;
- After leaving the group he worked as a technical consultant in support of an arbitration proceeding initiated and won by the ENI group against NNPC (Nigerian state subsidiary) concerning the violation of tax clauses by the latter on the contract of PSC related to the "Abo" field;
- Mr. Akinmade has also carried out occasional scouting activities due to market opportunities and geophysical analysis in Nigeria and neighbouring areas in the sector and has not had any contractual relations with the Eni group for several years.



Coral FLNG, Mozambique

Recently the Ministry of Economy and Finance told creditors that government's total revenues from Coral FLNG would amount to \$11.5 billion over the lifecycle of the project.³ This figure is much less than Eni (\$16 billion)⁴ or the Minister of Mineral Resources and Energy (\$24.5 billion)⁵.

The 2006 Exploration and Production Concession Contracts (EPCCs)⁶ – which have been made public thanks to the EITI commitment by the Mozambican government - provides very favourable terms for the international oil companies. We understand from independent analysts that the share of divisible revenues flowing to the government in a base case (\$70/bbl) would be just around 50%. The overall government take would be thus relatively low compared with other countries in the region. According to the IMF, petroleum-producing countries could expect a government take of 65–85%.

Given the scale of Mozambique's natural gas resources, the precise share of after cost revenues is probably less important than the time in the lifecycle of the project when those revenues will arrive. The 2006 EPCC is unusually rear-loaded. The Production Tax rate of 2% for the first ten years is unusually low. The government share of profit oil in the early years is also unusually low due to a relatively high cost recovery limit (75%) and a very modest share of profit gas when factor R is less than 1 (15%). Independent analyses show that the "effective royalty rate" - ERR - for the Area 4 contract is only 5.7%. In the early years of the project, therefore, more than 94% of production will flow to the contractor through the allocation of cost gas and profit gas.

Therefore annual revenue for the government from Coral FLNG could remain just around \$100-200 million per year from project start-up in 2022 through 2030 or later, which is highly concerning given the current debt crisis that the country is facing.

- 1. Does Eni agree that the government share in the early years will be less than 6% based on the 2006 EPCCs?**
- 1. Eni conferma che la quota del governo nei primi anni del progetto sarà inferiore al 6% sulla base dell'Exploration and Production Concession Contracts del 2006?**

3 Projected government revenues from gas projects, Ministry of Finance, Government of Mozambique, 2018, p. 6. - www.inp.gov.mz/pt/content/download/1372/9256/version/1/file/Republic+of+Mozambique_Government+Revenues+from+Gas+Projects.pdf

4 https://www.eniday.com/en/human_en/coral-mozambique-flng/

5 <https://clubofmozambique.com/news/govt-expects-over-77-billion-dollars-in-taxes-over-the-life-span-of-two-lng-projects-mozambique/>

6 <http://www.inp.gov.mz/en/Policies-Legal-Framework/Exploration-and-Production-Contracts/Area-4-Bacia-do-Rovuma>



Answer

The Coral FLNG project represents the first project to develop gas resources discovered in the Mozambican offshore. This is a technologically advanced project, the first in Africa that envisages the production of gas from ultra-deep waters with the use of a new built-in floating LNG, which will allow to quickly anticipate revenue flows for the country.

The reserves that will be developed by the Coral FLNG project represent about 5% of the gas reserves ascertained in Area 4, which are estimated at 2400 billion cubic meters of gas.

To discover these reserves, the concessionaires invested \$ 1.8 billion to execute an exploration programme at their total and exclusive risk.

Since Coral FLNG is the first development project of Area 4, it will have to recover the past exploration costs, as foreseen by the EPCC, as well as the costs to build the infrastructures necessary to develop the offshore operating activity, which had never been done before in Mozambique.

The project, including the past costs, the costs to build the common infrastructures and the financing costs, foresees a total investment of approximately 11 billion, which will be recovered through the revenues generated by production; also in this case, the concessionaires will retain the mineral and the industrial risk of the project. In the initial stages, the concessionaires will only be able to recover the significant costs incurred; based on Eni's scenario assumptions, the project pay-out time is expected after 17 years.

It is therefore unfair to evaluate the project in terms of Government Take in its initial phase, when revenues are utilized to recover the project investments; it is advisable to assess the project's returns over its full-life. In addition, subsequent development projects in Area 4 will benefit in proportional from lower past exploration expenses and start-up costs, and will therefore generate greater Government Take even in their initial production phases.

2. **Can Eni clarify that no withholding taxes are anticipated for the Coral South FLNG project?**
2. **Eni può chiarire che non è stata anticipata alcuna ritenuta d'imposta per il progetto Coral South FLNG?**

Answer

We cannot understand the meaning of the question. Therefore, we limit ourselves to clarifying that the corporate structure of the project and its qualification is foreseen by Decree Law 02/2014 and was also agreed on and authorized by the Government.



3. **Does the company's management believe that such disadvantageous economic terms for Mozambique are compatible with the company's commitment to valuing "long terms partnerships with the countries and communities where we operate" as stated in Eni's mission statement?**
3. **Il management ritiene che tali svantaggiosi termini economici per il Mozambico siano compatibili con l'impegno della società a valorizzare "partnership di lungo termine con i paesi e le comunità in cui operiamo", come dichiarato nella missione aziendale di Eni?**

Answer

The company believes that the contractual and economic terms set by the EPCC, assigned following an international tender, are absolutely fair to Mozambique. Eni's technical capacity and knowledge of the regional context have made it possible to discover 2,400 billion cubic meters of gas in an unexplored and infrastructure-free basin, which represent a huge resource for the country. The Coral FLNG project, together with the subsequent development phases of Area 4, will generate billions of Dollars of investment in the country for the next 30 years. This constitutes an enormous value to Mozambique, which had no gas resources, in terms of economic and employment growth (as recently also stated by the Standard Bank report available on the web). This is a long-term partnership that creates value and development and is absolutely in line with Eni's mission and values.

A series of decisions since the signing of the EPCC in 2006 have further increased the economic benefits to the contractor at the expense of government revenue. Prominent examples include the decision to allow the cost of LNG facilities to be recoverable within the EPCC framework as well as removing restrictions on debt financing in the 2/2014 Decree Law (LNG facilities), and allowing the financing arm of the FLNG vessel to be located in the jurisdiction of the United Arab Emirates benefiting from a Double Taxation Agreement between these and Mozambique in the Decree 13/2017 (FLNG Financing). In order to finance the construction of the FLNG vessel, the Area 4 partners also created a separate company, known as a Special Purpose Vehicle (SPV), in the United Arab Emirates (UAE). The legal name of the company is Coral South FLNG DMCC. It is registered in the Dubai Multi Commodities Centre (DMCC) Free Trade Zone. The collective result is that the government share is modest, and it comes late in the project lifecycle.

4. **Have Area 4 partners, led by Eni, registered in the UAE not only to take advantage of the tax benefits associated with the Free Trade Zone, but from exemptions on withholding taxes on dividend and interest payments under the Mozambique-UAE Double Taxation Treaty?**



- 4. I partner dell'Area 4, di cui Eni è operatore, hanno registrato la società negli Emirati Arabi Uniti per avvalersi non solo dei benefici fiscali associati alla "Free Trade Zone", ma anche delle esenzioni sulle ritenute alla fonte sui dividendi e sugli interessi pagati in base al trattato contro la doppia imposizione Mozambico-UAE?**

Answer

In the preliminary remarks to the question, it is worth mentioning that in application of the provisions of Mozambique Decree Law no. 2/2014 of 2 December 2014 that regulates the legal and contractual regime of the Rovuma projects, the project financing of the Coral South development was approved by the Central Bank of Mozambique. Also according to the provisions of the aforementioned Decree Law and in the context of marketing and project financing activities, it is envisaged that Special Purpose Entities (SPE) required for the project may be incorporated in foreign countries in order to facilitate obtaining loans from international banks and financial institutions and making it possible to register and redeem securities (pledges on shares and corporate current accounts). In this context, the incorporation of the SPE in the UAE was approved by the Ministry together with the approval of the Articles of Association. This SPE also includes the Mozambican state company ENH among its partners. The sole purpose of the SPE is to guarantee project financing with the contribution of third-party financing at the best market conditions. The structure through SPE has facilitated obtaining project financing in a country at financial risk. The structure is absolutely transparent and there is a look-through. It is usual for projects of this scope that even withholding taxes relating to interest on third-party debt see an advance definition to give stability to the economic evaluation of the project.

- 5. In addition to the \$4.7 billion in project finance for Coral FLNG, will the companies also add more affiliated-party debt for midstream and upstream development costs through the Dubai financing vehicle?**
- 5. Oltre ai \$4,7 miliardi del project financing del progetto Coral FLNG, i partner aggiungeranno un ulteriore finanziamento infragruppo per i costi di sviluppo upstream e midstream attraverso il veicolo finanziario di Dubai?**

Answer

The Coral South FLNG DMCC vehicle is used exclusively for third-party financing of the Coral South FLNG project. There will be no shareholder financing through the UAE vehicle.

- 6. In Eni's view, are there any limits on the ratio of debt to equity applicable to either cost recovery within the EPCC and IRPC?**



6. Secondo il parere di Eni, esistono limiti al rapporto debito/patrimonio netto applicabile al recupero dei costi all'interno dell'EPCC e dell'IRPC?

Answer

The total value of the loan, which also benefits the state company, was determined and approved by the authorities in charge, thus sharing the effects both on the EPCC and on the applied taxation.

7. The tolling fee that will be charged by the Coral South FLNG company in Mozambique to the upstream partners will be based on capital, operating and financing costs. The EPCCs assume that affiliated party goods and services will be provided at cost. Will the tolling fee also allow for a "rate of return" for the Coral South FLNG midstream company?
7. Il corrispettivo per la lavorazione (tolling fee) che sarà addebitata dalla società Coral South FLNG in Mozambico ai partner sarà determinato sulla base dei costi del capitale, operativi e di finanziamento. Gli EPCC presuppongono che i beni e i servizi dei partner saranno forniti al costo. La Tolling fee consentirà anche un "tasso di rendimento" per la midstreamer Coral South FLNG?

Answer

No, according to the agreements, all costs incurred by the CORAL FLNG company will be debited to the EPCC without application of any mark-up fee.

8. Will a similar financing structure be used, including a Dubai SPV to consolidate project finance for the LNG facilities and affiliated-party financing for midstream and upstream, for the Area 4 Exxon-led onshore LNG projects?
8. Sarà utilizzata una struttura di finanziamento analoga, tra cui uno "special purpose vehicle" di Dubai per consolidare il finanziamento dei progetti per gli impianti di GNL e i finanziamenti delle parti affiliate per il midstream e l'upstream, per i progetti onshore di GNL dell'Area 4 gestiti da Exxon?

Answer

Exxon Mobil is the operator of the Midstream project and the project financing structure has yet to be finalized.

9. Are Eni and its partners seeking additional fiscal concessions concerning onshore project development in Area 4?
9. Eni e i suoi partner stanno cercando ulteriori concessioni fiscali per lo sviluppo dei progetti onshore nell'Area 4?



Answer

The Area 4 partners did not request tax breaks for the development of onshore projects; the project uses the tax regime provided under the EPCC of Area 4.

- 10. What is Eni's policy on the disclosure of existing extractive industry contracts, particularly in light of the new EITI standard that will require all new contracts to be disclosed from 2021 onwards?**
- 10. Qual è la politica dell'Eni in materia di informativa relativa ai contratti in essere dell'upstream, in particolare alla luce dei nuovi standard EITI che prevedono la trasparenza su di tutti i nuovi contratti dal 2021 in poi?**

Answer

Eni has been a member of EITI since 2005 and proactively participates in the initiative also through the Multi Stakeholder Group at country level. Therefore, Eni will comply with the principles/standards defined by EITI.

- 11. According to industry best practice on comprehensive contract disclosure, will Eni disclose soon the Coral South Supplemental Agreement 2016 and potentially the BP Gas Sale Agreement 2016?**
- 11. Secondo le prassi del settore in materia di completa informativa sui contratti, Eni divulgherà presto l'accordo "Coral South Supplemental Agreement 2016" e potenzialmente l'accordo per la vendita di gas con BP del 2016 "BP Gas Sale Agreement 2016"?**

Answer

The Coral South Supplemental Agreement (CSSA) and the BP SPA are both subject to confidentiality clauses. The government of Mozambique may choose to publish the CSSA, but Eni cannot disclose it unilaterally. The LNG Sale & Purchase Agreement (LNG SPA) is a commercial agreement not included in the EITI disclosure provisions, also for the purpose of complying with the competition rules.

Questions in relation to ENI CBCR for 2017

- 1. BELGIUM: According to the CbC report for 2017, ENI FINANCE INTERNATIONAL SA is responsible for Internal Group Finance. Can you please provide the revenue and profit**



before tax (loss) figures for 2017 for this entity? Please confirm whether any corporate income tax was paid/accrued in relation to this entity's results (profit/loss). Please confirm the number of employees employed by this company. Please confirm whether ENI has a tax ruling in place with the Belgian Government in relation to the activities of this entity.

- 1. BELGIO: Secondo il rapporto CBCR per il 2017, ENI FINANCE INTERNATIONAL SA è entità dedicata ai finanziamenti infra-gruppo. Potete fornire i ricavi ed utili (perdite) ante imposte per il 2017? Si prega di confermare se le imposte sul reddito delle società sono state pagate/stanziate in relazione ai risultati di questa entità. Si prega di confermare il numero di dipendenti della società. Si prega di confermare se ENI ha ottenuto, ed attualmente è in vigore, un tax ruling con il governo belga in relazione alle attività di questa entità.**

Answer

In 2017, ENI FINANCE INTERNATIONAL SA recorded financial income net of funding costs of approximately € 86 million with a pre-tax result of approximately € 76 million and income taxes of approximately € 38 million (the taxes paid in 2017 amount to about € 49 million). At 31 December 2017, the staff of ENI FINANCE INTERNATIONAL SA amounted to 32 resources. ENI FINANCE INTERNATIONAL SA obtained in 2015 a tax ruling from the local tax administration, effective 5 consecutive fiscal years starting from 1 January 2016, renewable upon request. The tax ruling specifically establishes the criteria for determining the remuneration of the loans granted.

- 2. JERSEY: Please confirm that EUR 6,420,000 of profits in the local subsidiary are subject to full taxation in Italy. If not, please confirm which amount is subject to taxation in Italy.**
- 2. JERSEY: Confermare che €6.420.000 di profitti nella controllata locale sono soggetti integralmente ad imposizione in Italia. In caso contrario, si prega di confermare quale importo è soggetto a tassazione in Italia.**

Answer

This is the share of profit attributable to the 50%-held investee Transmediterranean Pipeline Co Ltd; the profit of the investee based on the Italian legislation concerning Controlled Foreign Companies is subject to separate taxation with Eni SpA in the reference period. See the annual financial report 2017 (Italian version) page 357 note no. 19.



3. **NETHERLANDS:** Please provide a breakdown of the related party activities that generate profits of EUR 248,997,000 in The Netherlands. Please confirm whether these profits arise in relation to intra-group payments for interest, royalties, management or other charges? These are currently taxed an effective tax rate close to 1%, can you please confirm whether ENI has a tax ruling(s) in place with the Dutch tax authorities? If so, please provide details in relation to what level of corporate taxation Dutch entities owned by ENI and covered by the ruling(s) are subject to in The Netherlands.
3. **PAESI BASSI:** Si prega di fornire una ripartizione delle attività delle parti correlate che generano utili di €248.997.000 nei Paesi Bassi. Si prega di confermare se tali profitti derivano da pagamenti intragruppo per interessi, royalties, spese di regia o altri oneri? Questi sono attualmente tassati con un'aliquota fiscale effettiva circa dell'1%, potete confermare se ENI ha attualmente in vigore un interpello fiscale (tax ruling) con l'Amministrazione Finanziaria Olandese? In tal caso, fornire dettagli in relazione alla tassazione effettiva delle società olandesi possedute da ENI e rientranti nell'ambito del tax ruling con i Paesi Bassi.

Answer

The CBCR reporting criteria indicate that the pre-tax profits recognized in the reference year are the sum of the pre-tax profits of all Group entities resident in the tax jurisdiction (i.e. 53 Companies in the Netherlands) and in particular, with reference to the main Eni Group sub-holding companies (i.e. Eni International BV), the pre-tax profit excludes intercompany dividends, as the profits are reported by the affiliated operating companies that generate those profits.

Eni International BV carries out financial and management activities in the country and the profits deriving from these activities for the 2017 period amounted to approximately \$ 22 million, which did not generate taxes for the use of tax losses carry-forward in the Eni International BV consolidated tax return.

The difference of € 248 million relates gains on investments, which are excluded from not taxation due to the tax rule on the participation exemption.

Taxes paid of € 4.8 million refer to the companies Eni Gas & Power Trading BV, Eni Benelux BV and Blue Stream Pipeline Co BV, which are not included in the tax consolidation of Eni International BV.

There is no Tax Ruling in force for Eni International BV and its subsidiaries. The 50%-owned Blue Stream Pipeline Co BV investee has a ruling in place confirming the branch exemption on income generated abroad.



4. **Norway:** The profits of EUR 516,329,000 is subject to effective taxation of 1%. Please provide an explanation. Has ENI agreed a tax ruling with the Norwegian tax authorities? If so, please provide details to explain what level of corporate taxation ENI Norge SA is subject to in Norway.
4. **Norvegia:** gli utili di €516.329.000 sono soggetti a un'imposizione effettiva dell'1%. Si prega di fornire una spiegazione. L'ENI ha concordato tax ruling con le autorità fiscali norvegesi? In tal caso, fornire dettagli per spiegare la tassazione effettiva a cui ENI Norge SA è soggetta.

Answer

Eni, through its local law subsidiary Eni Norge SA, did not pay taxes in 2017 because it used tax loss carry-forward and received a reimbursement of € 21,560,000 in relation to the exploration costs incurred. The company is subject to 78% taxation (in 2017, 23% Corporate Income Tax + 55% Special tax rate on petroleum; from 1 January 2019, rates redefined at 22% and 56% respectively). There is no Tax Ruling in force for Eni Norge SA.

5. **Switzerland:** Of profits before tax of EUR 17,719 in the country, how many relate to the activities of ENI Suisse SA. How many employees work for ENI Suisse SA.
5. **Svizzera:** quale quota parte del risultato ante imposte di €17.719 nel paese è relativo alle attività di Eni Suisse SA. Si prega di confermare il numero di Dipendenti della società.

Answer

The pre-tax result for Eni Suisse SA is € 17,221. At 31 December 2017, the staff of Eni Suisse SA amounted to 79 resources.

6. **Algeria:** Please confirm how much corporate tax was paid/accrued in Algeria in 2017. Please provide the breakdown between corporate tax (paid/accrued) and taxes in kind (paid/accrued) in the country. Please confirm whether ENI benefits from any corporate tax exemption/holidays in Algeria. Please provide details of any PSAs with the Algerian government. What is the production entitlement of Algeria, what level of royalties have been agreed and what level of corporate profits/corporate taxation of these profits?
6. **Algeria:** si prega di confermare l'importo dell'imposta sul reddito pagata / stanziata in Algeria nel 2017. Si prega di fornire la ripartizione tra le imposte sul reddito delle società (pagate/stanziate) e le imposte in natura (pagate/ stanziato) nel paese. Si prega di confermare se ENI beneficia di qualsiasi esenzione fiscale, anche temporanea, in Algeria. Si prega di fornire dettagli di eventuali PSA con il governo algerino. Qual è la quota di



spettanza di produzione dell'Algeria, quale aliquote di royalties è state concordate e qual è l'aliquota di imposizione sui redditi della società.

Answer

We confirm the amounts reported in ENI CBCR 2017. Taxes were paid mainly in kind. Eni did not benefit from tax exemptions in 2017 but was subject to the tax regime in force in the country, which essentially provides for the application of a 38% corporate income tax rate in addition to a windfall tax (TPE) that applies to profit oil with variable rates increasing from 5% to 50% depending on production levels.

In the country, there is a regime of royalties (redevance) introduced in 2005 by the law 05-07 for concession contracts issued in the new contractual areas that provides for the application of a withdrawal on revenues through increasing rates from 5.5% to 20% depending on production levels, prices and geographical areas.

The terms of the PSA contracts in force in the country and the country's production entitlements are covered by confidentiality clauses and therefore no disclosure can be made. Eni publishes the production entitlements and other data required by Legislative Decree 18 August 2015, no. 139 in implementation of Directive 2013/34/EU, the EU Accounting Directive (2013).

- 7. Angola: Please confirm how much corporate tax was paid/accrued in Angola in 2017. Please provide the breakdown between corporate tax (paid/accrued) and taxes in kind (paid/accrued) in the country. Please confirm whether ENI benefits from any corporate tax exemption/holidays in Angola. Please provide details of any PSAs with the government of Angola. What is the production entitlement of Angola, what level of royalties have been agreed and what level of corporate profits/corporate taxation of these profits? Please confirm the revenue and profits attributable to Burren Energy Congo Limited in 2017 and any corporate taxes paid/accrued.**
- 7. Angola: si prega di confermare l'importo dell'imposta sul reddito pagata / stanziata in Angola nel 2017. Si prega di fornire la ripartizione tra le imposte sul reddito delle società (pagate/stanziate) e le imposte in natura (pagate/ stanziato) nel paese. Si prega di confermare se ENI beneficia di qualsiasi esenzione fiscale, anche temporanea, in Angola. Si prega di fornire dettagli di eventuali PSA con il governo angolano. Qual è la quota di spettanza di produzione dell'Angola, quale aliquote di royalties è state concordate e qual è l'aliquota di imposizione sui redditi della società. Si prega di confermare i ricavi e gli utili attribuibili a Burren Energy Congo Limited nel 2017 e tutte le imposte societarie pagate / stanziato.**



Answer

We confirm the amounts reported in ENI CBCR 2017. All taxes have been paid in cash. Eni did not benefit from tax exemptions in 2017 but was subject to the tax regime in force in the country, which provides for the application of a 50% rate to corporate profits deriving from Production Sharing contracts and the application of a rate of 89.73% (PTT 70% plus 65.75% PIT deductible from PTT) to corporate profits deriving from concession contracts. The royalties' regime provides for the application of a 20% withdrawal on revenues from the production sale of concession contracts only.

The terms of the PSA contracts in force in the country and the country's production entitlements are covered by confidentiality clauses and therefore no disclosure can be made. Eni publishes the production entitlements and other data required by Legislative Decree 18 August 2015, no. 139 in implementation of Directive 2013/34/EU, the EU Accounting Directive (2013).

With regard to Burren Energy Congo Ltd, see the answer to question 14.

- 8. Egypt: Please confirm how much corporate tax was paid/accrued in Egypt in 2017. Please provide the breakdown between corporate tax (paid/accrued) and taxes in kind (paid/accrued) in the country. Please confirm whether ENI benefits from any corporate tax exemption/holidays in Egypt. Please provide details of any PSAs with the government of Egypt. What is the production entitlement of Egypt, what level of royalties have been agreed and what level of corporate profits/corporate taxation of these profits?**
- 8. Egitto: si prega di confermare l'importo dell'imposta sul reddito pagata / stanziata in Egitto nel 2017. Si prega di fornire la ripartizione tra le imposte sul reddito delle società (pagate/stanziate) e le imposte in natura (pagate/ stanziare) nel paese. Si prega di confermare se ENI beneficia di qualsiasi esenzione fiscale, anche temporanea, in Egitto. Si prega di fornire dettagli di eventuali PSA con il governo egiziano. Qual è la quota di spettanza di produzione dell'Egitto, quale aliquote di royalties è state concordate e qual è l'aliquote di imposizione sui redditi della società.**

Answer

We confirm the amounts reported in ENI CBCR 2017. In 2017, Eni did not benefit from tax exemptions but was subject to the tax regime that provides for the application of a rate of 40.55% for corporate profits deriving from Production Sharing contracts through which Eni operates in the country. Taxes were paid mainly in kind. There is no provision for royalties in the country.



The terms of the PSA contracts in force in the country and the country's production entitlements are covered by confidentiality clauses and therefore no disclosure can be made. Eni publishes the production entitlements and other data required by Legislative Decree 18 August 2015, no. 139 in implementation of Directive 2013/34/EU, the EU Accounting Directive (2013).

9. **Libya: Please confirm how much corporate tax was paid/accrued in Libya in 2017. Please provide the breakdown between corporate tax (paid/accrued) and taxes in kind (paid/accrued) in the country. Please confirm whether ENI benefits from any corporate tax exemption/holidays in Libya. Please provide details of any PSAs with the government of Libya. What is the production entitlement of Libya, what level of royalties have been agreed and what level of corporate profits/corporate taxation of these profits?**
9. **Libia: si prega di confermare l'importo dell'imposta sul reddito pagata / stanziata in Libia nel 2017. Si prega di fornire la ripartizione tra le imposte sul reddito delle società (pagate/stanziate) e le imposte in natura (pagate/ stanziato) nel paese. Si prega di confermare se ENI beneficia di qualsiasi esenzione fiscale, anche temporanea, in Libia. Si prega di fornire dettagli di eventuali PSA con il governo libico. Qual è la quota di spettanza di produzione della Libia, quale aliquote di royalties è state concordate e qual è l'aliquota di imposizione sui redditi della società.**

Answer

We confirm the amounts reported in ENI CBCR 2017. In 2017, Eni did not benefit from tax exemptions but was subject to the tax regime that provides for the application of a rate of 65% for corporate profits deriving from Production Sharing contracts (EPSA) through which Eni operates in the country. Taxes were paid mainly in kind. The royalties provided for in the EPSA contracts provide for the withdrawal of 16.67% of the value of equity production.

The terms of the PSA contracts in force in the country and the country's production entitlements are covered by confidentiality clauses and therefore no disclosure can be made. Eni publishes the production entitlements and other data required by Legislative Decree 18 August 2015, no. 139 in implementation of Directive 2013/34/EU, the EU Accounting Directive (2013).

10. **Nigeria: Please confirm how much corporate tax was paid/accrued in Nigeria in 2017. Please provide the breakdown between corporate tax (paid/accrued) and taxes in kind (paid/accrued) in the country. Please confirm whether ENI benefits from any corporate tax exemption/holidays in Nigeria. Please provide details of any PSAs with the government of Nigeria. What is the production entitlement of Nigeria, what level of**



royalties have been agreed and what level of corporate profits/corporate taxation of these profits?

10. Nigeria: si prega di confermare l'importo dell'imposta sul reddito pagata / stanziata in Nigeria nel 2017. Si prega di fornire la ripartizione tra le imposte sul reddito delle società (pagate/stanziate) e le imposte in natura (pagate/ stanziare) nel paese. Si prega di confermare se ENI beneficia di qualsiasi esenzione fiscale, anche temporanea, in Nigeria. Si prega di fornire dettagli di eventuali PSA con il governo nigeriano. Qual è la quota di spettanza di produzione della Nigeria, quale aliquote di royalties è state concordate e qual è l'aliquota di imposizione sui redditi della società.

Answer

We confirm the amounts reported in ENI CBCR 2017. Eni did not benefit from tax exemptions in 2017 but was subject to the tax regime in force, which provides for the application of a 50% rate to corporate profits deriving from Production Sharing contracts and a rate of 85% and 30% to profits deriving from the production of oil and gas respectively in concession contracts. Taxes were paid mainly in kind. The royalty's regime in force in the country provides for the application of variable rates up to 20% of the value of equity production differentiated in relation to oil/gas and onshore/offshore activities and parametrised also in relation to the depth of production levels.

The terms of the PSA contracts in force in the country and the country's production entitlements are covered by confidentiality clauses and therefore no disclosure can be made. Eni publishes the production entitlements and other data required by Legislative Decree 18 August 2015, no. 139 in implementation of Directive 2013/34/EU, the EU Accounting Directive (2013).

11. Kazakhstan: Please confirm how much corporate tax was paid/accrued in Kazakhstan in 2017. Please provide the breakdown between corporate tax (paid/accrued) and taxes in kind (paid/accrued) in the country. Please confirm whether ENI benefits from any corporate tax exemption/holidays in Kazakhstan. Please provide details of any PSAs with the government of Kazakhstan. What is the production entitlement of Kazakhstan, what level of royalties have been agreed and what level of corporate profits/corporate taxation of these profits?

11. Kazakhstan: si prega di confermare l'importo dell'imposta sul reddito pagata / stanziata in Kazakistan nel 2017. Si prega di fornire la ripartizione tra le imposte sul reddito delle società (pagate/stanziate) e le imposte in natura (pagate/ stanziare) nel paese. Si prega di confermare se ENI beneficia di qualsiasi esenzione fiscale, anche temporanea, in Kazakistan. Si prega di fornire dettagli di eventuali PSA con il governo in Kazakistan.



Qual è la quota di spettanza di produzione della Kazakistan, quale aliquote di royalties è state concordate e qual è l'aliquota di imposizione sui redditi della società.

Answer

We confirm the amounts reported in ENI CBCR 2017. Eni did not benefit from tax exemptions in 2017. The taxes paid refer to the application of a corporate income tax of 33.5% on profits. Taxes were paid in cash. There is no provision for royalties in the country.

The terms of the PSA contracts in force in the country and the country's production entitlements are covered by confidentiality clauses and therefore no disclosure can be made. Eni publishes the production entitlements and other data required by Legislative Decree 18 August 2015, no. 139 in implementation of Directive 2013/34/EU, the EU Accounting Directive (2013).

- 12. Singapore: Please confirm how profits of eur11,570,000 are split between the 2 entities in Singapore. Please confirm whether profits of ENI Trading and Shipping SPA are subject to full corporate taxation in Italy. If not, please confirm which amount is subject to taxation in Italy.**
- 12. Singapore: Si prega di confermare come i profitti di €11.570.000 sono suddivisi tra le 2 entità a Singapore. Si prega di confermare se i profitti di ENI Trading e Shipping SPA sono integralmente soggetti all'imposizione in Italia ad aliquota piena. In caso contrario, si prega di confermare l'ammontare soggetto ad imposta in Italia.**

Answer

Profits of € 11,570,000 are entirely attributable to the permanent establishment of ENI Trading and Shipping SPA; ENI Trading and Shipping SPA income, including that of foreign branches, is subject to ordinary taxation in Italy.

- 13. Bermuda: Please confirm to what level of corporate taxation either in Bermuda or other countries have accumulated earnings of eur300,732,000 was subject to. Please confirm what type of intra-group or related party transactions gave rise to these profits (where more than one source of income, please provide a breakdown).**
- 13. Bermuda: si prega di confermare a quale livello di tassazione delle società, sia in Bermuda o altri paesi, è stato assoggettato gli utili non distribuiti €300.732.000. Si prega di confermare quale tipo di transazioni intragruppo o parti correlate hanno dato origine a tali profitti (se più di una fonte di reddito, si prega di fornire una ripartizione).**

Answer



Accumulated earnings of € 300,732,000 refer respectively to i) Burren Energy (Bermuda) Ltd (€ 112,000) subholding of Burren Energy Congo Ltd (see question 14) and Eni Turkmenistan Ltd and ii) Burren Shakti Ltd (€ -91,012,000) and to iii) Eni Turkmenistan Ltd (€ 391,632,000).

Burren Energy (Bermuda) Ltd and Burren Shakti Ltd are companies resident in the UK for tax purposes.

See the annual financial report 2017 (Italian version) page 344 note 9 for Burren Energy (Bermuda) Ltd, page 344 note 8 for Burren Shakti Ltd and page 347 note 9 for Eni Turkmenistan Ltd.

See the annual financial report 2017 (Italian version) page 347 note no. 9.

- 14. British Virgin Islands: Please confirm to what level of corporate taxation either in the British Virgin Islands or other countries have accumulated earnings of eur 625,804,000 was subject to. Please confirm what type of intra-group or related party transactions gave rise to these profits (where more than one source of income, please provide a breakdown).**
- 14. Isole Vergini britanniche: si prega di confermare a quale livello di tassazione delle società, sia nelle Isole Vergini britanniche o in altri paesi, sono stati assoggettati profitti non distribuiti di €625.804.000. Si prega di confermare quale tipo di transazioni intragruppo o parti correlate hanno dato origine a tali profitti (se più di una fonte di reddito, si prega di fornire una ripartizione).**

Answer

The accumulated earnings of € 625,804,000 refer to Burren Energy Congo Ltd. The subsidiary's profits are subjected in the country to an income tax mainly with a rate of 55%.

See the annual financial report 2017 (Italian version) page 344 note no. 9.

- 15. Cayman Islands: Please confirm whether Eni Indonesia Ots 1 Ltd is incorporated in the Cayman Islands in order to avoid any future capital gains taxes arising from a sale of licences currently owned by this company. If this is not the reason for incorporating this entity in the Cayman Islands, please explain what additional benefit this incorporation provides vis a vis its incorporation in Italy or UK.**
- 15. Isole Cayman: Si prega di confermare se Eni Indonesia Ots 1 Ltd è incorporata nelle Isole Cayman al fine di evitare future tasse sulle plusvalenze derivanti da una vendita di licenze attualmente di proprietà di questa società. Se questo non è il motivo per incorporare questa entità nelle Isole Cayman, si prega di spiegare quali benefici aggiuntivi questa incorporazione fornisce rispetto alla sua incorporazione in Italia o nel Regno Unito.**



Answer

The company was acquired by third parties (Hess) in 2014. The company's profits are taxed in Indonesia, where they are produced. In the event of a sale of the company, the country of incorporation is not relevant as under Indonesian local legislation also indirect assets sales are subject to tax rates of 5% and 7% applicable to the asset value in the case of exploration and development and production, respectively. See the annual financial report 2017 (Italian version) page 346 note no. 8.

- 16. Trinidad and Tobago: According to the business activity description, Eni Trinidad and Tobago Ltd is involved in manufacturing or production. Yet, it has no employees. Can you please provide details as to what give rise of profits of eur 27,803,000?**
- 16. Trinidad e Tobago: secondo la descrizione dell'attività aziendale, Eni Trinidad e Tobago Ltd è in una fase di produzione. Eppure, non ha dipendenti. Potete fornire dettagli in merito a ciò che dà origine a profitti per €27.803.000?**

Answer

The company participates in the PSC related to the NCMA gas block where production activities are conducted by the Operator BG (Shell). The technical/administrative support activities are provided by the Eni Venezuela departments based in the capital Caracas.

- 17. United States: Please provide details of profit/loss earned by ENI Finance USA Inc. Please confirm whether this entity paid/accrued any corporate income tax for 2017. Please confirm the number of employees employed by this entity.**
- 17. Stati Uniti: si prega di fornire i dettagli dei profitti / perdite relativi ad ENI Finance USA Inc. Si prega di confermare se questa entità ha pagato / accumulato alcuna imposta sul reddito delle società per il 2017. Si prega di confermare il numero di dipendenti impiegati in questa società.**

Answer

In 2017, Eni Finance USA Inc. did not pay/accrue income taxes because the company is part of the US consolidated tax return, which is currently at a loss, which sees as the consolidating company Eni Petroleum Co. Inc. Eni Finance Usa had a tax base of € 3.5 million for 2017. At 31 December 2017, the staff of ENI Finance USA Inc. amounted to 8 resources.

Energy transition



(on behalf of ShareAction)

In its Annual Report, Eni states that the company "intends to play a leading role in the energy transition process, supporting the objectives of the Paris agreement."

Whilst Eni has targets for its operational emissions, the company has so far refused to take responsibility for its Scope 3 emissions. An analysis by the Transition Pathways Initiative finds that Eni's future carbon intensity remain significantly above that required to meet the Paris pledges made by governments, which fall short of meeting Articles 2.1a and 4 of the Paris Agreement ('the Paris Goals'). Furthermore, it is concerning to see that Eni's main lever to reduce the emissions of its products is to increase the share of gas in its hydrocarbon portfolio.

Institutional investors are becoming increasingly vocal about the need for oil and gas majors to align their business models with the Paris Goals. A group of CA100+ investors have filed a resolution at BP asking the company to set out its business strategy consistent with the Paris Goals, and similar agreements have been reached with other high-carbon companies such as Equinor and Glencore.

- 1. Will Eni commit to set out its business strategy which the board considers, in good faith, to be aligned with the Paris Goals?**
- 1. Eni si impegnerà a definire una strategia aziendale ritenuta in buona fede dal consiglio di amministrazione in linea con gli obiettivi di Parigi?**

Answer

[See answer to question 3 below.](#)

- 2. Will Eni commit to publish details of how the company evaluates the consistency of each new material capital investment with Paris goals?**
- 2. Eni si impegnerà a pubblicare dettagli su come l'azienda valuta la coerenza di ogni nuovo significativo investimento con gli obiettivi di Parigi?**

Answer

[See answer to question 3 below.](#)

- 3. Will Eni commit to publish emissions reduction targets covering the emissions of its products, in line with the Paris goals?**
- 3. Eni si impegnerà a pubblicare obiettivi di riduzione delle emissioni tali da azzerare le emissioni delle proprie produzioni, in linea con gli obiettivi di Parigi?**

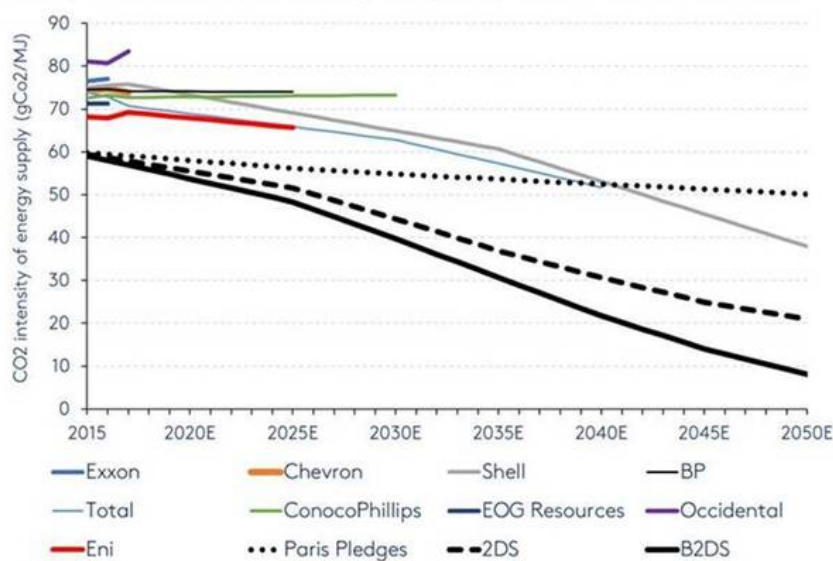
Answer to questions 1-2-3



The TPI shows Eni in a virtuous path of reduction standing at the lowest level of emission impact among peers.

The study refers to the Eni targets declared for 2025, which in March 2019, were relaunched showing greater commitment and attention to the climate issue.

Figure ES1. Carbon intensity pathways (Scope 1 and 2 emissions plus Scope 3 emissions from use of sold products) for nine of the top ten oil and gas companies, versus low-carbon benchmarks



Eni supports the Paris agreements and is committed to playing a leading role in energy transition, progressively reducing its carbon footprint.

Eni's decarbonisation strategy is structurally integrated into the Company's business model and is planned to be implemented through short, medium and long-term actions.

In 2019, Eni confirmed all the targets previously announced, regarding the assets operated. In particular:

- Improve **the overall operational efficiency by 2% per year** in 2014-2021;
- **Reduce the GHG emission intensity of the Upstream business by 43% by 2025 vs 2014;**
- **Zero process gas flaring by 2025;**
- **Reduce fugitive methane emissions in the Upstream by 80% by 2025 vs 2014.**

Furthermore, in 2019, Eni launched a **new medium-term target**: net zero carbon footprint in the Upstream by 2030. The target refers to Scope 1 emissions calculated on an equity basis and will be reachable through:



- **the minimization of direct upstream GHG emissions through the progressive use of all available decarbonisation levers (energy efficiency, renewable energies...);**
- and compensation of residual upstream emissions through direct participation in forestry projects (identified REDD+ projects with a potential of more than 20 Mton/year of CO2 capture by 2030).

Other elements of Eni's strategy will be:

- a **progressive growth of low carbon sources in the Eni portfolio**, with an **increase in the gas quota** up to 60% of production in 2030, and an increase in **biofuel** capacity;
- an increase in **low environmental impact and emission** sources, such as **energy from renewable sources**, where Eni has the ambition to reach an installed capacity of more than 10 GW by 2030;
- and a **circular approach** that **maximizes** the use of waste as feedstock, and that **transforms** and **extends** the useful life of the assets.

This decarbonisation process aims to make the company carbon neutral **in the long term**, implementing an integrated plan for energy transition, starting from maximizing efficiency and reducing direct emissions, promoting a low carbon impact energy mix, developing circular economy and offset initiatives through the development of forestry projects. Finally, a key role will be played by the **CCS/CCUS**.

All the actions taken by Eni in this area are amply illustrated in the "Non-financial statement", contained in the annual financial report, and in the "Eni For-decarbonisation" report.

Regarding our investment choices:

- Eni takes into account the dual challenge that the IEA reiterates in its scenario vision: the growth in energy demand by 30% in 2040 (New Policy scenario), especially in developing countries, and the need to decarbonise by reducing emissions by an amount of 45% to 2040 in the SDS scenario. Our mission is to give access to energy by promoting a sustainable energy mix, which is why we promote the role of gas and the development of renewables.
- The profitability of the main investment projects is tested through a sensitivity to carbon pricing, both in the Final Investment Decision (FID) and in the six-monthly monitoring of projects, based on the following two sets of assumptions: hydrocarbon prices and CO2 cost as estimated in the Eni long-term scenario (with a cost for CO2 of 40 \$/ton at 2015 inflated); hydrocarbon prices and CO2 cost as per the low carbon scenario IEA SDS.



Furthermore, to verify the resilience of the portfolio in a 2nd scenario, management has stress-tested the book value of all the CGUs (Cash Generating Units) of the upstream sector, adopting the IEA SDS scenario assumptions; this stress test highlighted the substantial stability of asset book values and no impact on fair value.

The attainment of zero net emissions in upstream (on an equity basis) by 2030 currently concerns only direct emissions (scope 1) and is an initial step along a longer-term trajectory of the company, aiming at growing the business in a way compatible with the objectives of the Paris agreement.

The definition of Eni's ambitions on indirect emissions (scope 2 and scope 3) will be another milestone on which we are working, taking into consideration the need of building a rigorous approach applicable to all Eni's business. In building this approach we will factor in policies, technologies and evolution of energy value chains in the long term.

Mozambique

(on behalf of Justica Ambiental!/ Friends of the Earth Mozambique)

1. Climate change: Eni has regularly spoken of its commitment to combating climate change. Yet, Eni's own environmental impact assessment (EIA) of 2014 admits that the gas project will increase carbon emissions of Mozambique by a significant amount.

1.1 According to Eni's 'Path to Decarbonisation 2017':

- Objective 1: "Reduction in direct GHG emissions: the goal is to reduce upstream emission intensity by 43% in 2025 compared to 2014 through projects to eliminate process flaring, reduce fugitive emissions of methane and energy efficiency projects; the investments to support these targets amount to over €0.55 billion in 2018- 2021, at 100% and with reference only to upstream operated activities" (p.17)

However, according to the EIA Chapter 12: Onshore Environmental Impact Assessment and Mitigation:

- "It is evident that by 2022, the first year of full operations of the LNG Facility, GHG emissions from the Project could account for nearly 10 percent of Mozambique's national GHG emissions." (p.18)
- "Given growth in national emissions over time, by 2028 the Project could account for around 6 percent of national GHG emissions." (p.18)



- “The Project is estimated to emit approximately 13 million tonnes of CO2 per year during full operation of six LNG Trains. The Project GHG emissions will increase the level of Mozambique’s GHG emissions by 9.4 percent when six LNG Trains are projected to be operational in 2022.” (p.18)
- “The duration of the impact is regarded as permanent, as science has indicated that the persistence of carbon dioxide in the atmosphere is said to range between 100 and 500 years and therefore continues beyond the life of the project. The increase in Mozambique’s national GHG emissions and the long residence time in the atmosphere indicates that the impact would have a Medium intensity during the construction phase when GHG emissions are low, and a High intensity during the operational phase, when GHG emissions are orders of magnitude higher. Given the international extent and permanent nature of the impacts as well as the high intensity of the impact on Mozambique’s national GHG emissions, the magnitude of the negative impacts is considered to be Medium during the construction phase and High during the operational phase. The probability of increased levels of GHG emissions with the proposed Project is definite. In light of the above, the significance of the impact of GHG emissions from the Project on Mozambique’s national GHG emissions can be considered MAJOR.” (p.20)

And according to the EIA Non-technical Summary:

- “Given the scale and nature of the Project, while good practice can be employed to reduce the GHG emissions, the overall significance of the impact is not expected to significantly change post-mitigation.” (p.14)

Can Eni explain this misalignment between Eni’s own environmental impact assessment and Eni’s own Path to Decarbonisation?

Eni può spiegare il disallineamento tra la valutazione dell'impatto ambientale di Eni e il percorso di Eni verso la decarbonizzazione?

Answer

Eni is committed to a double challenge: contrasting energy poverty and reducing emissions in line with the Paris objectives. Our decarbonisation strategy aims to reduce the emission intensity of our activities upstream by 43% in 2025 compared to the levels of 2014 and to achieve the net zero upstream emission in 2030 on direct equity emissions. They are targets for Eni's entire production portfolio and should therefore be analyzed in this perspective. Furthermore, the promotion of the use of gas is one of the relevant levers for a more sustainable energy mix already in the short to medium term, as a bridge to a low carbon future. For this reason, the LNG projects in Mozambique are in line with the business strategy that is targeting a 60% share of gas production by 2030. In addition, they will help to give access to energy in Mozambique and to the countries that will import



that LNG by displacing more polluting sources according to a more sustainable energy mix. In any case, we are working on further mitigation and operational and energy efficiency actions that allow an ever lower carbon impact of our activities, also through our R&D.

1.2 Also in Eni's 'Path to Decarbonisation 2017':

- Objective 3: "Green business development through i) a growing commitment to renewable energy (approx. 1 GW power capacity installed by 2021) based on a distinctive model founded on the integration with existing assets, generating extra value due to industrial, logistic, contractual and commercial synergies"

Does Eni have any immediate plans for building renewable energy plants for Mozambique, considering the huge opportunities for solar and hydro power? [this does not include biofuels]

Eni ha dei piani immediati per la costruzione di impianti di energia rinnovabile per il Mozambico, considerando le enormi opportunità di energia solare e idroelettrica? [questo non include i biocarburanti]

Answer

We are interested in development in Mozambique and we are following the evolution of the legislative and regulatory context in order to define the entry methods and the existing opportunities.

2. Access to Documents: JA! Is willing to have access to the following documentation. Is Eni prepared to share these documents with us? If not, please provide reasons:

2. Accesso a documentazione: Eni è pronta a condividere questi documenti con noi? In caso contrario, indicare i motivi:

Answer

See answer 2.3.

2.1 Eni's exploration license awarded by the Mozambican government for its projects in Mozambique

2.1 Licenza di esplorazione di ENI concessa dal governo del Mozambico per i progetti nel paese

Answer

See answer 2.3.



2.2 Eni's DUAT (Direito de Uso e A proveitamento de Terra), which gives Eni the right to use the land for its projects in Mozambique

2.2 Il DUAT (Direito de uso e a proveitamento de terra) che dà a Eni il diritto di sfruttamento del terreno per i suoi progetti in Mozambico

Answer

See answer 2.3.

2.3 Eni's latest EIA for its work in Mozambique, if the final EIA is not the document from 2014.

2.3 L'ultima valutazione d'impatto ambientale di Eni per i suoi progetti in Mozambico, in caso tale valutazione non sia quella del 2014.

Answer to questions 2.1-2.3

It is already a public document.

3. Questions regarding documentation:

3.1 On what date did Eni receive its exploration license for its projects in Mozambique?

3.1 In quale data Eni ha ricevuto la licenza esplorativa per i suoi progetti in Mozambico?

Answer

December 2006, with Effective Date in February 2007.

3.2 On what date did Eni start any operations (including infrastructure, land assessment etc)?

3.2 In quale data Eni ha avviato qualsiasi operazione (comprese le infrastrutture, la valutazione del terreno ecc.)?

Answer

In 2008, with seismic studies. The exploration activity started in September 2011 (preparation for the operation started in 2010). With regard to development activities, operations began in 2018 with resettlement activities in Afungi (ExxonMobil Operator with Anadarko) and in 2017 for the CORAL South project.

3.3 On what date did Eni complete its EIA?

3.3 In quale data Eni ha completato la sua valutazione d'impatto ambientale?



Answer

The final EIA of the Coral South project was filed in March 2015; the approval by the MITADER was granted in September 2015 with the relative licence also issued in September 2015.

The final EIA of the Rovuma LNG project was filed in February 2014; the approval by the MITADER was granted in June 2014 with the relative licence issued in August 2017. With regard to Resettlement activities, the MITADER issued the related environmental licence in July 2017. On 22 February 2018, licences were issued for the Marine Terminal, the MOF (Material Offloading Facilities), the Onshore Shared Facilities between AREA 1 and AREA 4 (Roads, Airstrip, Fence) and licences for the exclusive facilities of Area 1 and Area 4.

3.4 On what date did Eni receive the DUAT?

3.4 In quale data Eni ha ricevuto il DUAT?

Answer

Final DUAT issued on 28-09-2017.

3.5 Although the company held public meetings, did Eni receive consent from the communities who will be affected to develop the project? [Note the distinction between consent and consultation]

3.5 Anche se l'azienda ha organizzato incontri pubblici, Eni ha ricevuto il consenso delle comunità che saranno interessate dallo sviluppo del progetto? [Nota la distinzione tra consenso e consultazione]

Answer

According to Mozambican law and international standards, all inputs and concerns resulting from consultation with local communities have been included in the EIA process.

3.6 Please provide the names of consultants that Eni has contracted and the specific type of assessment they are doing.

3.6 Si prega di fornire i nomi dei consulenti che Eni ha ingaggiato e il tipo specifico di valutazione che stanno svolgendo.

Answer

The EIA was prepared by the companies IMPACTO and ERM as direct contractors of AREA 1 (Anadarko). As it is a joint EIA, Eni did not directly hire any contractor.



4. RINA:

4.1 Has Eni contracted RINA for any work on its projects in Mozambique?

4.1 Eni ha stipulato contratti con RINA per qualsiasi lavoro relativo ai suoi progetti in Mozambico?

Answer

The Mozambique project in its different entities (MRV, Coral and ERB) has assigned several contracts to the supplier Rina.

4.2 What type of work was RINA contracted for?

If the answer to the first question is 'yes', then please consider the following question:

In 2012, an incident involving RINA was widely publicised in the international media. A clothing factory in Karachi, Pakistan, burnt down in a fire which killed 250 workers. RINA was the risk assessor for this building, and a mere three weeks before the fire, RINA had approved the safety of the building, awarding it an SA800 certificate, deeming the building safe and free of fire-hazards. It transpired soon after the fire that no RINA employee nor their Pakistani subcontractor had actually done a physical inspection of the building, but had instead made the assessment through a telephone conversation. The subsequent investigation of the debris further confirmed these allegations. Anybody who had visited the building should have noticed the obvious defects and fire risks. In November 2018, the European Centre for Constitutional and Human Rights, Clean Clothes campaign, and a coalition of victims and trade unions filed a formal complaint with the OECD about the incident and the way in which no one has been held accountable even though responsibility has been well researched and documented. According to the ECCHR: "Responsible for the audit and the certification was Italian company RINA, which not only failed to visit the factory itself, but whose Pakistani subsidiary RI & CA (Regional Inspection & Certification Agency) allegedly also did not set foot in the factory. This subcontractor's audit failed to notice a range of infractions on the international standards it was upholding (SA 8000) and Pakistani safety standards regulations that would prove fatal, including an illegally constructed floor, and defunct fire alarm system, as well as the presence of child labour and structural excessive overtime. The auditing report even falsely claimed the presence of multiple, safe and freely available emergency routes and sufficient firefighting materials, whereas in reality doors were locked, routes were blocked and the only available fire extinguisher did not work."



4.2 Per quale tipo di lavoro è stato stipulato un contratto con RINA?

Answer

Contracts have been stipulated with RINA for the activities of: Permits & Consent Support Services, HSE Management Certification, Technology Validation, geophysical and geotechnical activities. None of the activities involved in relations with RINA involve the performance of audits and certifications pursuant to the SA8000 standard.

If the answer to the first question is "Yes", please consider the following:

4.3 Is Eni aware of this case?

4.3 L'Eni è consapevole del coinvolgimento di RINA in questo caso? (cioè un incidente in una fabbrica in Pakistan che ha causato la morte di 250 lavoratori)

Answer

See answer to question 4.5.

4.4 Did Eni taken the actions of RINA in this case into account when contracting the company to do the assessment?

4.4 Eni ha preso in considerazione le accuse nei confronti di RINA in relazione a questo caso quando ha stipulato il contratto con la stessa per la valutazione di rischio?

Answer

See answer to question 4.5.

4.5 Why is Eni working with a company who has committed these actions?

4.5 Perché Eni collabora con un'azienda che ha commesso tali infrazioni?

Answer to questions 4.3-4.5

Eni became aware of the involvement of RINA in the matter from the media and asked the company for the necessary clarifications, obtaining (i) confirmation that neither the company nor any employee appear to be involved in investigations or proceedings in Pakistan relating to the affair of fire of the Ali Enterprises factory and (ii) information that the criminal proceeding in Italy for the alleged crimes referred to in article 477 of Italian Criminal Code (i.e. "falsification committed by a public official in certificates or administrative authorizations") was filed in December 2018.

5. Funding:



5.1 What is Eni's financing target needed in order to begin operations?

5.1 Qual è l'obiettivo di finanziamento dell'Eni necessario per avviare le operazioni?

Answer

The target for Rowuma LNG is to have the project 70%-funded by third-party financing institutions.

5.2 What is the amount that Eni has already raised in financing?

5.2 Qual è l'importo che l'Eni ha già raccolto attraverso il finanziamento?

Answer

The amount of the loan is being arranged.

5.3 Please provide a breakdown of the amount of funding or credit that each financier is providing (including from private banks and state agencies).

5.3 Si prega di fornire una ripartizione dei finanziamenti o aperture di credito concesse da ciascun ente finanziatore (comprese banche private e agenzie statali).

Answer

The amount of the loan is being arranged.

6. Civil Society

6.1 Is Eni working with any non-governmental organisations in Mozambique who are not funded by the company?

6.1 Eni collabora con organizzazioni non governative in Mozambico che non sono finanziate dalla società?

Answer

Eni, according to its model intended to support community development, is collaborating with a number of NGOs which are partnering Eni in implementing the Company's planned actions in the field of social responsibility. All NGOs partners are selected through public bids. Area 4 concessionaires, on the basis of the agreed stakeholder engagement strategy, regularly engage with NGOs and civil society representatives to provide updates on project development, incorporating valuable feedback and advice from the community.

6.2 If not why not?

6.2 In caso negativo perché?

Answer



[See answer to question 6.1.](#)

7. Planting forests: Recently the Financial Times reported that Eni will plant a forest of 81 000 square km's. [Eni to plant vast forest in push to cut greenhouse gas emissions (15/02/2019)] The forest is supposed to cover land in Ghana, Mozambique, South Africa and Tanzania.

7.1 Please could Eni provide details of the exact areas that will be used for the forest and the amount of space in each country in square km's.

7.1 Si prega Eni di fornire i dettagli delle aree esatte che saranno utilizzate per il progetto forestazione e la superficie occupata in ogni paese in km quadrati.

Answer

[See answer 7.5.](#)

7.2 Has Eni done an EIA, or any environmental or social assessment for this project?

7.2 Eni ha fatto una valutazione d'impatto ambientale o qualsiasi altro assessment ambientale o sociale di tale progetto?

Answer

[See answer 7.5.](#)

7.3 How many people/ communities will be affected by the planting of the forests, and what are the names of these communities/ villages?

7.3 Quante persone/comunità saranno interessate dalla piantagione delle foreste, e quali sono i nomi di queste comunità/villaggi?

Answer

[See answer 7.5.](#)

7.4 How much agricultural land will be used for the planting of the forests?

7.4 Quanta terra agricola sarà utilizzata per piantare le foreste?

Answer

[See answer 7.5.](#)

7.5 Has Eni already signed agreements with the governments involved to plant the forests?

7.5 Eni ha già firmato accordi con i governi coinvolti per piantare le foreste?

Answer



Answer to questions 7.1-7.5

- Our approach is not to plant new forests but to preserve existing, primary and secondary forests in developing countries that play a crucial role in absorbing CO₂ from the atmosphere and preserving biodiversity.
- In particular, Eni intends to implement forestry projects, certifiable as REDD+ (Reducing Emissions from Deforestation and Forest Degradation, a framework defined and recognized within the UNFCCC), which aim to reduce emissions due to deforestation and forest degradation, preserve biodiversity and contribute to the socio-economic development of local communities, through activities in line with sustainable forest management.
- To implement the targeted REDD+ projects, Eni is collaborating with the governments of countries, local communities and the dedicated United Nations agencies, to support the implementation of REDD+ strategies, in line with the National Development Plans and the 2030 Agenda through partnerships with international developers such as BioCarbon Partners, Peace Parks Foundation and Southpole.
- We pursue an approach that aims at the sustainable management of forests, their conservation and the increase in the carbon stored by forests, in synergy with local communities, key players for the conservation of forests; this is an essential part of global efforts to mitigate climate change.
- In full respect of local communities, and with their active participation, Eni is working to reduce the causes of deforestation by proposing local development alternatives compatible with the territorial context and the forest area to be protected. The main activities proposed are represented by economic diversification initiatives, such as sustainable agricultural projects and the promotion of eco-tourism, initiatives aimed at increasing access to energy and Clean Cooking, as well as education and professional training programs.
- This allows local communities to grow and preserve natural ecosystems and biodiversity.
- We are considering **various initiatives in different countries**, within the framework of the REDD+ projects.
- We have already established the **first partnerships** with international developers, for a total CO₂ abatement potential by 2030 for over 20 million tons per year. The following are among the countries we are considering: **Zambia, Mozambique, Zimbabwe and Mexico**.
- Eni also initiated contacts directly with the government representatives of Ghana, Congo, Mozambique, Indonesia and Mexico, aimed at developing new initiatives, also in the context of REDD+.



- We are also launching a new pilot project in **Ghana**, to be developed in 2 areas for a total area of **60,000 hectares**.

8. Impacts on communities: JA! Regularly visits the villages and communities who are already impacted or will be impacted by Eni's gas projects. The following impacts or actions have already taken place:

- Thousands of people have already been forcefully relocated against their will
- Most of these people have not yet been compensated for the loss of their homes, or the compensation process has been inept. For example, in the villages of Milamba and Quitupu, every household will be compensated for their loss of land with 1.5 hectares of land in another area. There are people with 10 ha of land who will now receive 1.5 ha of land.
- Fishing communities, such as Milamba have been moved 10 km from the sea, making fishing impossible. They have also lost access to their fishing ground, which they are now forbidden to use. Ultimately, they have lost their livelihoods.
- The people of Senga will lose their agricultural fields and will instead be compensated with fields that are far from their homes and some are not arable.

According to Eni's Statement on Respect for Human Rights: "Eni designs and implements community grievance mechanisms as part of its efforts to foster dialogue with local communities over project developments and potential impacts." (p.3)

8.1 What grievance mechanisms are in place for the communities that will be affected?

8.1 Quali meccanismi di protesta (grievance) sono attivabili dalle comunità che saranno interessate?

Answer

For the communities affected by the Rovuma LNG project (and the resettlement) the grievance mechanism in place is a mechanism presented in the Resettlement Action Plan (RAP) approved by GOM in June 2016. The mechanism is managed by the Area1 Anadarko (AMA1) operator that guarantees for Area 1 and Area 4 the execution of the resettlement according to the provisions of the RAP JOA (note that Area 4 has been led in this activity by ExxonMobil - midstream operator - since December 2017).

8.2 Have the communities been utilising these mechanisms?

8.2 Le comunità stanno utilizzando tali meccanismi?



Answer

Yes, since 2013 when planning and data collection for the social baseline began to support the preparation of the action plan for the Resettlement Action Plan.

8.3 The communities claim that they have attempted to raise the issues, but do not receive appropriate attention or timely responses, if any. Why is this their experience?

“Eni is committed to taking action to avoid the resettlement of local communities. In such cases where this cannot be avoided, Eni carries out free, prior and informed consultations with the affected people in order to reach joint agreements, fair compensation and improvements to living conditions, in line with the IFC Performance Standards” (p.3)

8.3 Le comunità sostengono di aver tentato di sollevare i problemi, ma non ricevono un'attenzione adeguata o risposte tempestive, se del caso. Perché è questa la loro esperienza?

Answer

Based on the information received from the AMA1 and EM Companies, there are no major complaints or delays in responding to claims.

8.4 How is Eni ensuring fairness in its compensation, considering that the current system, from what we have personally seen, and heard from the affected communities, is currently unfair.

8.4 In che modo l'Eni garantisce equità nei risarcimenti, considerando che l'attuale sistema, da quello che abbiamo personalmente constatato, e ascoltato dalle comunità colpite, è attualmente non equo.

Answer

Based on the information received from AMA 1 and ExxonMobil, there are no significant issues or delays in responding to claims. In 2016, Eni commissioned a third party (Environmental Resources Management) to perform a conformity assessment that confirms the consistency with IFC international standards and Eni's internal MSG.

8.5 Were any Eni officials personally present at public participation meetings in any of the villages? If so, please provide dates and village names?

8.5 I funzionari dell'Eni sono stati personalmente presenti alle riunioni di partecipazione pubblica in qualcuno di questi villaggi? Se è così, si prega di fornire date e nomi dei villaggi.



Answer

The corporate team that deals with community relations was present at all public meetings and at the 4 public consultations required by the Law. During the 2013-2017 period, more than 800 community meetings were held jointly with the AMA1 team. All meeting results were published and made available to the public on the Mozambique LNG website. The community and the villages where the meetings took place are those involved in the implementation of the resettlement as indicated in the Resettlement Action Plan (RAP) or: Quitupo, Senga.

South Africa

(on behalf of the South Durban Community Environmental Alliance (SDCEA))

1. With reference to the offshore oil and gas exploration in KwaZulu-Natal, South Africa, Exploration Drilling within Block ER236, off the East Coast of South Africa which is being conducted by Eni and Sasol, there has been no meaningful public participation and coastal communities have been excluded by public participation process. The public consultations only focused on areas of Richards Bay, Durban and Port Shepstone. These three areas do not represent the entire coastline of KwaZulu Natal. Many areas have been excluded from the public participation process including Kosi Bay, Sodwana Bay, St Lucia, Hluluwe, Mtubatuba, Mtunzini, Stanger, Tongaat, La Mercy, Umdloti, Verulam, Umhlanga, Central Durban, Bluff, Merebank, Isipingo, Amanzimtoti, Illovo, Umkomaas, Ifafa Beach Scottsburgh, Margate, Mtwalume, Port Edward and surrounding townships like Chatsworth, Inanda, Umlazi, Phoenix, KwaMakhuta. All these areas will be directly and indirectly affected in the case of an oil spill. There was also no advertising or participation in the rural communities of KwaZulu-Natal.

Moreover, the period of time to comment on the draft EIA was insufficient considering that the IsiZulu EIA's were only made available at a later stage and they are still not entirely accessible to the public because relevant documents to comment on the draft EIA are only available on line at the Environmental Resource Management website, while the access to internet is still limited in all above mentioned communities.

It is the company's responsibility to ensure that all communities have access to the EIA and that they are put in the conditions of commenting. The first document released in January 2018 which was the scoping report was only in English, despite the requests for IsiZulu copies.

ENI publicly declares to promote communities' engagement and other processes to ensure respect for host communities rights, but this did not materialize with reference to the offshore oil and gas exploration in KwaZulu-Natal.



- **How does the company justify the violation of its own commitments on the issue of communities participation to public consultations?**
- **In che modo la società giustifica la violazione dei propri impegni sulla questione della partecipazione delle Comunità consultazioni pubbliche?**

Answer

The public participation process was conducted according to the requirements established in the applicable legislation in South Africa. A preliminary database has been compiled of authorities (local and provincial), non-governmental organizations, landowners and other parties concerned. The "EIA draft scoping report" project was advertised in four newspapers.

Online website notifications with the "EIA draft scoping report" have been filed in 12 locations.

All comments received during the initial consultation period were recorded and a copy of the 'EIA draft scoping report' was made available in 3 different libraries.

All comments received by 5 March 2018 have been included in the final report.

A total of three public conference meetings were held in the following locations:

- Richards Bay (The Richards Hotel) - 6 February 2018
- Durban (Tropicana Hotel) - 7 February 2018; and
- Port Shepstone (Port Shepstone Country Club) - 8 February 2018.

A further (fourth) follow-up meeting took place, at the request of the South Durban Community Environmental Alliance (SDCEA) on 28 February 2018 at the Austre Community Hall with the presence of the language translator isiZulu.

Following the requests raised during the meeting held 28 February, the comment period was further extended to 5 March 2018.

Subsequent five Open House meetings took place from 3 to 10 October 2018 to present the final EIA. The meetings took place in Port Elizabeth, East London, Richards Bay, Durban and Port Shepstone. The final EIA report was released for public comment in 5 libraries and was made available online.

At the request of the participants in the open-house meetings in KwaZuluNatal, the final EIA report was translated into isiZulu and the period dedicated to comments was subsequently extended by three weeks to end on 8 November 2018. During the public meetings in



KwalaZuluNatal there were three Isizulu translators. An isiXhosa translator was present at the Eastern Cape meetings.

A summary of the main comments, questions and related answers have been included in the final report of the EIA.

2. **With reference to local employment and job creation of both direct employed in O&G activity or along the supply chain of the O&G industry according to the EIA, how many jobs this development will create and what kind of jobs will it create?**
2. **Con riferimento all'occupazione locale e alla creazione di posti di lavoro sia direttamente nelle attività oil&gas che lungo la catena di approvvigionamento dell'industria oil&gas in linea con la EIA, quanti posti di lavoro questo sviluppo creerà e, più in generale, che tipo di posti di lavoro creerà?**

Answer

The project, in this phase, consists in the drilling of an offshore exploration well, for a limited period of time of about 3 months and therefore, there will be some job opportunities that will require specific skills related to oil and gas. The activities related to the onshore logistics base will be carried out by local companies and there will also be benefits for the local economy associated with the procurement of goods and services for exploratory drilling activities.

In the case of hydrocarbon discovery, new scenarios could be opened with development opportunities and relative positive effects on the employment and economy of the country.

3. **Can the company make the contract signed with the Department of Environmental Affairs and Petroleum Agency South Africa (PASA) where it is stated that ENI has permission to conduct seismic testing in the South African Ocean publicly available?**
3. **La società può rendere pubblicamente disponibile il contratto con il Dipartimento di affari ambientali e Agenzia petrolifera del Sud Africa (PASA) laddove si afferma che Eni ha il permesso di condurre test sismici nell'oceano sudafricano?**

Answer

The seismic acquisition in our Block was performed in Multiclient mode by a contractor and therefore, the relative permits and authorizations were obtained directly by the contractor that carried out the seismic acquisition.



Shareholder Giulio SAPELLI

- 1. The problem of long-term development is increasingly important for a globalized energy company like ENI, especially in energy transition. Geopolitical problems become more essential than ever. Energy is produced by sources and the continuous research of sources must be composed with an international strategic vision and a long-term vision of fossil reserves on the one hand and of opportunities to prepare the carriers (that are not sources) that give life to "integrative energies" commonly understood as "renewables". For this reason, a formidable improvement is needed in all segments of both the value chains and the decision-making chain of strategic prospecting capacity. The question is to illustrate the steps taken in this field and what improvements are still intended to be implemented in this increasingly complex market and power...**

Answer

In recent years, Eni has taken on the global issue of decarbonisation, carving out a leading role in involving the O&G sector, contributing in a fundamental way to the creation of OGCI (Oil and Gas Climate Initiative), participating in the Task Force on Climate related Financial Disclosure (TCFD) of the Financial Stability Board, creating specific committees to support the Board of Directors, a dedicated business structure and setting clear objectives for the medium and long term.

Having therefore made it clear that decarbonisation is a fundamental issue for the future of the planet, the potential repercussions on traditional activities and on the geopolitics of energy in general, Eni has developed an integrated plan for energy transition, starting from maximization of efficiency and reduction of direct emissions of its traditional activities, promoting a low carbon impact energy mix, favouring natural gas over oil in the overall mix of sources, developing circular economy initiatives.

Eni has set a target for 2030 of zero net CO₂ emissions from its upstream operations, leveraging on greater efficiency and large forest preservation projects.

Eni has also developed a new activity related to renewable sources with a well-diversified development plan both in terms of geographical distribution and technologies, in which we will use innovative solutions developed also by our research and development and we will synergistically use the position acquired with traditional activities in many production areas.

From a geopolitical point of view, the diversification started was particularly significant with the entry into new countries, such as Mexico and the Middle East, in order to reduce the geographical



concentration, and also adding a diversification of business with significant investments in these countries also downstream.



Shareholder Marco Bava

1. Have we had international fines?

Answer

No.

2. What have we done to put pressure on the Egyptian government? Since we intend to get out of fossil coal, will we start with Egypt?

Answer

We have not pressured the Egyptian government. Egypt is one of our long-term partners in the development of gas, which is the fossil source of transition to the low-carbon scenario.

3. Is the choice in Confindustria by Marcegaglia of Raffaello Montante due to blackmail?

Answer

The issue is not relevant to Eni.

4. Has Eni ever paid the Mafia?

Answer

Never.

5. Dear President, since I had the opportunity to meet your father who was physically on the side of minority shareholders, I invite you to protect the information to minority shareholders instead of when you during the shareholders' meeting, answering a question stated that "there are currently no contractual links between ENI and Petro Services in Congo". It was not true. So much so that at the next meeting, on 10 May 2018, you admitted the "incompleteness" of the information provided to the shareholders, due to "hasty reading", and confirmed that Eni instead had commercial relations with Petro Services for \$ 104 million. All this intends to underestimate the event, as if it were physiological, as well as historical, despite the code of ethics. At the end of 2018, a rogatory in Luxembourg ordered by the Milan prosecutor's office added another element to the "incompleteness" of Eni's president: Petro Services, formally managed by Alexander Haly, was controlled by Marie Magdalena Ingoba. It is Madò, the owner of a Luxembourg-based company, Cardon Investments Sa, which controls Petro Services Congo, a supplier of Eni Congo, to which it chartered ships and provided services from 2012 to 2017. On 8 April 2014, Descalzi's wife, then head of Eni's Exploration



division, sold Cardon Investments, and therefore also Petro Services, that works for Eni, to Alexander Haly, a businessman born in the United Kingdom but based in Montecarlo. Six days after the sale, on 14 April 2014, then Prime Minister Matteo Renzi indicated Descalzi as head of Eni. So the oil company led by Descalzi entrusted many million-dollar jobs to a company of Descalzi's wife. This is what the cards in the hands of the Milanese public prosecutors Fabio De Pasquale, Sergio Spadaro and Paolo Storari say. Today Madò lives in Paris and travels the planet, she is a business woman with interests all over the world, mentioned in the Panama Papers, involved in a judicial inquiry in France. But she does not forget her place of origin, where her fortunes began, i.e. the restricted circle of business of the Democratic Republic of Congo, which revolves around the personal affairs of its eternal president, Denis Sassou Nguesso. Regarding her daughter, Julienne Sassou Nguesso, Madò is also a partner in a company based in Mauritius, African Beer Investment Ltd. In the 2018 shareholders' meeting, answering the questions of Re: Common (the association that has been investigating and campaigning against corruption for years), you explained that the PO Box 4801 of Point Noire, the economic capital of Congo, was the domicile of both Petro Services and Elengui Ltd, an offshore company of Marie Magdalena Descalzi based in the British Virgin Islands: but only because, "as the number of PO boxes available in Congo is limited, the same PO box is assigned to numerous people and/or companies". The rogatory letters have also denied this statement by the president of Eni. Now the company management, including Descalzi, is under investigation for international corruption in Congo and on trial for international corruption in Nigeria. And three other companies in the Petro Services galaxy collected more than \$ 310 million from Eni, according to an inquiry by l'Espresso. They tell Re: Common: "Already last year, we had tried to have explanations as to why so much reticence. The latest news on Haly's relations with Ms Descalzi explain everything". The point is that the reticence is not of the party concerned, but do you not think ENI should never pay bribes?

Answer

[Eni confirms its zero tolerance policy against corruption.](#)

6. However, since the beginning of your mandate, in May 2014, you have distinguished yourself for the energy with which you defended the head of the legal office Massimo Mantovani from the criticisms of the two directors Karina Litvack and Luigi Zingales for the management of the case of Nigerian bribes. Now that you have discharged Mantovani (investigated for criminal association), there is talk about you for the Sicilian



investigation into the former Vice-President of Confindustria Antonello Montante. Is it true that you two are very close, and Montante owes you (president from 2008 to 2012) the striking Confindustria ascent and not only?

Answer

The facts of the question do not concern Eni; in any case, the Chairman does not comment on facts that are the subject of criminal investigation.

7. However, we begin to suspect that your friendship also involved Eni. Investigators note that Nazario Saccia (not under investigation), an officer of the Caltanissetta Finance Police, was hired by Eni as security manager in 2010, a few months after he led a spectacular search at the Gela petrochemical with his colleague Ettore Orfanello, arrested a year ago with Montante. In a call between the two at the beginning of 2016, when Montante was already under investigation for Mafia, according to a note from the Mobile Squad of Caltanissetta, "Saccia explained to Orfanello that he did not like certain situations inside Eni and Montante, through you president Marcegaglia, could assert his will, satisfying him". In the dialogue between the two former colleagues of the Finance Police, is there reference to the gratitude that both nurture for Montante, a detail that seems to allude to the Sicilian entrepreneur's ability to influence Eni?

Answer

Nazario Saccia was hired by Eni in December 2010 to cover the position of Security Manager for the then Refining & Marketing Division. The insertion took place after the evaluation process carried out by the various relevant company departments, which considered the professional profile and the consolidated experience acquired by the candidate fully in line with the requirements of the position. Obviously, the company has no information on the aforementioned telephone interceptions. Nazario Saccia filed a complaint with the interested authorities to protect his reputation and honour with reference to the news reported these days by some media.

8. Does Mr. Descalzi believe that it is enough to have Salvini's support for immunity?

Answer

The issue is not relevant to Eni.

9. WHY does his wife have an offshore and secret company with the daughter of the president-dictator of the French Congo? The papers were discovered in France in a search, as part of an inquiry into the recycling of Congolese public money, reinvested in France on dozens of villas, apartments and luxury hotels, to the benefit of the president's



family and collaborators (for life)? In fact, the wife of the CEO of ENI and the daughter of the president-dictator of French Congo seem to be in business together in an offshore company, covered by anonymity, in the tax haven of the Mauritius Islands. A deal managed by an alleged treasurer-nominee of the Congolese president, former general Denis Sassou Nguesso. Which since 1979 is the dominus of that African nation, where the Italian state giant has become the first multinational of gas and oil. The papers of the company at the center of the case were discovered in France in a search ordered by the investigating judges of Paris, who investigate the alleged laundering of hundreds of millions of Dollars released from the public coffers of Brazzaville, the capital of Congo. Money reinvested in France, through a dense network of trustees and offshore companies, to buy dozens of luxury villas, apartments and hotels, to the direct benefit of family members and collaborators of the lifetime president Sassou Nguesso. In Congo, half the population lives on one Euro a day. (...) Marie Madeleine Ingoba, the wife of Claudio Descalzi, the manager who has been at the helm of ENI since 2014. The lady is a Congolese citizen and met her husband when Descalzi, at the beginning of his career, led the group's branch in the former French colony. (...) In no Italian investigation had the offshore company ever emerged which, according to the French investigation, unites the wife of the Italian manager with the daughter and with the presumed treasurer of the Congolese president. The names of its shareholders are not public. The Mauritian registers only report that the company was established in 2012 and is still active: according to the papers seized in France, it has managed breweries, but can do business of any kind all over the world. L'Espresso, in the issue on news-stands from Sunday 14 October 2018, published all the news emerged with the French investigations. The journalistic investigation also reveals the secrets of other offshore companies, which have sold Eni shares of deposits in Congo, collecting millions of Dollars from the Italian state group. The confidential documents of tax havens, discovered by the Icij journalistic consortium and examined by l'Espresso, also link these offshore fields to Pendino: the presumed treasurer-nominee of the Congolese president. What does Mr. Descalzi answer?

Answer

[Eni does not comment on circumstances relating to activities involving third parties. Please refer to answers 1 and 2 provided to RE: Common, concerning the Republic of Congo, which explain this issue.](#)



Furthermore, from the reading of the denial of Marie Magdaleine Ingoba published in "L'Espresso" of 17 March 2019, which Eni found on open sources, the shareholder can draw the same information as Eni has. Without prejudice to the fact that these are circumstances inherent to third parties, from the reading of the denial, it can be deduced that Marie Magdaleine Ingoba does not have entrepreneurial ties with the President of the Republic of Congo, nor has she ever given utility to the same or members of her family.

- 10. A € 1.1 billion deal to buy the Opl-245 oil block in Nigeria without even concluding due diligence with Malabu, the company behind which former oil minister Dan Etete hid. It is one of the passages of the last hearing of the Milan trial where the current CEO of Eni, Claudio Descalzi, his predecessor, Paolo Scaroni, the chief operation and technology officer of the Italian multinational, Roberto Casula, is charged for international corruption. Four top Dutch Royal Shell managers including Malcolm Brinded, former executive director for Upstream International, and alleged intermediary Luigi Bisignani. Yesterday, questioned by the prosecution, spoke Michele De Rosa (not investigated), Eni executive, at the time head of the Anti-Corruption Legal Unit, who explained how the due diligence had not been concluded because the times were too close. Part of the trial is played out on this point, because the magistrates are trying to understand if between 2010 and 2011, when the deal closed, Eni was aware of the fact that Etete was involved, already convicted in France in 2007 for money laundering. Next week, there will be another hearing, but in the meantime in Nigeria actions to put Opl-245 into operation continue. And the difficulties are not over yet. In 2016, Eni launched a tender to award a contract for the construction of an Fpso (Floating production storage offloading), i.e. a floating production, storage and unloading unit. At the end of 2017, it seemed that the contract was now insured to Blue Water - a company specialized in this field based in the Netherlands - coupled with our Saipem as subcontractor. Moreover, the BlueWater/Saipem offer amounted to around \$ 5.4 billion, of which 2.96 billion carried out in Nigeria. Blue water is a global giant of Fpso production and in that case Saipem - which is one of the largest oil contractors in Africa - was the local content (in Nigeria it is mandatory by law that the relevant part of the work is carried out by local companies and be done on the territory to have a positive impact on the economy). The other offers were from Bumi Armada, a Malaysian company, and Bw Offshore, Norwegian, for about \$ 7.6 billion. Regarding la Verità, the offer of our investee together with the Dutch giant also guaranteed the highest percentage of work in Nigeria. Everything seemed complete, but something went wrong. Blue Water was ousted. And with it Saipem. In practice, it could not have guaranteed the contract from a financial point of view, i.e. immediately**



anticipating part of the investment waiting to receive the revenues in the following twenty years. Although Blue Water sought the necessary guarantees from the Chinese company CmiH (China merchants industry holdings). It was not enough. So in the end, Saipem could do nothing but take note of the matter, despite its main shareholders being Eni (30.54%) and Cassa Depositi e Prestiti (12.55%). And then? At this point, the road was paved for the second classified, i.e. Bumi Armada, which had already won a tender in the first months of 2015 for the same supply, therefore for the same Fpso relating to the OPL 245 block. However, the tender of three years ago was never assigned and the contract did not go well: Eni's reason for the non-assignment was the lack of local content. There was one more problem. The partner of Bumi Armada is Century group, where the CEO is Ken Etete, nephew of the former Nigerian oil minister Etete, the same former minister who in 1998, had assigned himself the Opl-245 license, practically giving himself the field at no cost. The relationship between Dan and Ken was made known to public opinion only thanks to the Panama papers scandal of April 2016. Now the contract - through the new 2016 tender - could go to the same group. Not only. The economic results of Bumi Armada have fallen in the last year, so much so that a loss is estimated in 2018 of about € 220 million: in practice, its turnover would correspond to about 6% of the value of the contract that Eni should award. Asked by *la Verità*, the San Donato company, with a specific question about whether the Fpso contract could go to a relative of the family of Dan Etete, on trial, explains: "Since the tender is in progress, we cannot give detailed indications on the participating companies. In any case, the issue raised does not arise as there was no contract award. However, we reiterate that the tender is being carried out according to standards of absolute competitiveness and transparency, in full compliance with the rigid system of internal controls and rules that the company has adopted, including the carrying out of appropriate due diligence with respect to the participants." In any case, is it necessary to understand what were the effects of the exclusion of Blue Water/Saipem on employment levels in Italy and Nigeria, such as the derived impact on the Eni income statement? Besides the fact that assigning a contract to Etete's nephew was not inappropriate?

Answer

It is confirmed that the contract has not been awarded and the tender is still in progress. For this reason, since it is confidential and commercially sensitive, no further details can be provided.

As already expressed in the past, we however reiterate that the tender is being carried out according to standards of absolute competitiveness and transparency, in full compliance with the



rigorous system of internal controls and rules that Eni has adopted, including the carrying out of appropriate due diligence with respect to the participants.

11. Asking for explanations from Eni's top management, on contracts concluded under investigation, seems to be a complicated task. In spite you are asked by a Board Director such as Karina Litvack, or her colleague, Luigi Zingales. To reveal it is a report filed yesterday in the proceedings of the bribery trial in Nigeria, where among the defendants of international corruption there are also the current CEO, Claudio Descalzi and his predecessor, Paolo Scaroni. Litvack was heard 21 February by the Milanese prosecutors, Laura Pedio and Fabio De Pasquale, in an investigation into an alleged plot against Descalzi, who had left Trani and had arrived at the Syracuse prosecutor's office. In reality that plot, investigative papers tell us today, did not exist, but Litvack and Zingales had ended up in the viewfinder, first investigated and now injured parties. Today, the Eni Director explains how, since "3 July 2014", after the searches of the Finance precisely for the Nigeria scandal, she and Zingales asked the management for clarity. Descalzi A request that created a real pandemonium on Eni's upper floors. "Immediately after my intervention - Litvack reconstructs - Descalzi spoke, who was very angry and reacted very aggressively, as is his character, even with vulgar expressions and swear words and said that a climate of suspicion had been created towards his structure and that if we did not trust his structure we did not trust him and that he would resign." Hypothesis only feared. But it is not only Descalzi who uses heavy tones against those who questioned the Nigeria operation (over \$ 1 billion in mediation was paid for the prosecution). From this report, unpublished, it also emerges that the current president of ENI, Emma Marcegaglia, hindered the demand for clarity on African affairs. Litvack and Zingales ended up being investigated in Syracuse, and when the news came out, Marcegaglia "asked me if I had considered the possibility of resigning from Eni's risk control committee". Not only. Marcegaglia also denied insurance coverage for Litvack's legal expenses. On several occasions, finally, "Marcegaglia said that communication to the market was essential - on the resignation of the director - and that the Board would therefore have decided and asked that I leave". Which happened on time. Does this all seem correct to the board of statutory auditors? also pursuant to article 2408 of the civil code?

Answer

The Board of Statutory Auditors appointed by the Ordinary Shareholders' Meeting of 8 May 2014, within the scope of the responsibilities that it holds also pursuant to article 149, paragraph 1, letter



c-bis of the Consolidated Finance Law, supervised the "procedures for the concrete implementation of the corporate governance rules" provided for by the Corporate Governance Code adopted by Eni, in order to ensure the orderly functioning of the Board of Directors and of the internal Board Committees, with reference to both the resignation of the Director Zingales on 2 July 2015, and with reference to the resolution of 29 July 2016 of the Board of Directors for replacement in the Control and Risk Committee of the Director Karina Litvack with another Director, and with reference to the readmission on 4 April 2017 of the Director Litvack to join the Committee following the request, by the Milan Public Prosecutor, for the dismissal of the proceedings initiated against her.

- 12. A lawyer who worked for ENI, Piero Amara, and he says he also worked in the shadows to pull the chestnuts out of the fire. This first chapter of the spy story also introduces the figure of Claudio Granata who deals with human resources, security for ENI, but it is above all the right-hand man of Descalzi, the current manager of ENI who with Scaroni was indicted, for trial for alleged international corruption. They paid a bribe of over \$ 1 billion to buy an oil block in Nigeria: the OPL 245.**

Answer

See answer to question 13.

- 13. But who is Claudio Granata, the man who according to Amara would like to stop Armanna the great accuser of Descalzi? VINCENZO ARMANNA - FORMER ENI EXECUTIVE He is the most powerful person in Eni. Is Claudio Granata the real lobbyist of Claudio Descalzi, who has built relationships especially in Rome on behalf of Claudio Descalzi with buildings of Roman power?**

Answer

No.

- 14. In Rome, in piazza Campitelli, does he have an office for which he pays € 14,000 a month?**

Answer

See answer to question 15.

- 15. What is it for?**

Answer to questions 14 and 15

We have no longer been based in Campitelli, it was an office that facilitated operational logistics in the city center with respect to the decentralized headquarters of the Eur.



The monthly cost was about half that stated by the shareholder.

- 16. Is it true that this was the meeting point for Claudio Granata, at Eni since 1983, in charge of human resources and security and Piero Amara, former Eni lawyer, right-hand man of Claudio Descalzi; the man who acts through non-institutional channels?**

Answer

The Eni headquarters in Piazza Campitelli was used by Eni's management as a venue for institutional meetings. The office was rented in 2009 and used until November last year, when the termination of the lease contract took effect. Claudio Granata, up to the demonstration of the contrary, has always carried out his activities in respect of the assigned role. He never spoke of institutional issues with interlocutors who were not such. He had no reason to do so.

- 17. Is it true that 50 million of the alleged Opl 245 bribe had returned to Italy available to Eni's top management? Was a cash portion handed over? All the cash was taken away by an Eni plane, in Abuja at that time, was there the plane that ENI charters for the entire sub-Saharan region from Fabio Ottonello?**

Answer

The suggestions no longer apply as instilled by the statements of Vincenzo Armanna who reported alleged confidence received from a presidential security officer named Vicotr Nawfor regarding the receipt of relegation by Eni's managers through the disbursement of \$ 50 million in cash at the house of Roberto Casula in two trolleys. Mr. Viktor Nawfor, heard as prosecutor at the hearing held on 23 January 2019 (whose complete audio is available at the following link: <https://www.radioradicale.it/scheda/563344?i=3941984>) denied Mr. Armanna confirming under oath that he does not know him and also affirming that he does not know any Italian manager of Eni. There are no other sources of evidence or statements in the ongoing proceeding before the VII section of the Court of Milan concerning these alleged returns.

- 18. Because Zingales resigned. And did the undersecretary to the Presidency of the Council, Luca Lotti, also play a role in this abandonment? Is it true that Lotti explained to Renzi why it is better for Zingales to leave?**

Answer

Eni received the resignation of Mr. Zingales in July 2015; the related press release, which contains the letter presented by Zingales to the Board of Directors and the Chair of the Board of Statutory Auditors, is published on the Eni website (www.eni.com).



19. What relations Eni has with the lawyer Calafiore, it has friendly relations with the public prosecutor Longo, it lent money. . For the opening of the file on the fake kidnapping and the fake plot against Descalzi, does the same magistrate claim to have received € 30 thousand?

Answer

The lawyer Calafiore was included in Eni's list of professionals in May 2016 and cancelled in February 2018. In this time period, he had only one legal assignment of marginal relevance.

20. Francesco Sarcina, a man of the secret services, gave ENI special and detailed information on the state of the investigations, did VI also deliver two reports in draft of what would then be the report of the Finance Police, deposited some months later?

Answer

No.

21. The Nigerian federal judge ordered the arrest of six people, including two managers of ENI, Casula and Stefano Pujatti, and two former Nigerian ministers, the oil minister, Dan Etete, and justice, Mohammed Adoke Bello. They must "be arrested wherever they are", the Nigerian judge ruled under Anglo-Saxon law, "given their persistent absence before the Court" by which they were summoned. Now the six are wanted by the Nigeria police and Interpol. Therefore also in Italy, where Casula, head of operations and technology of Eni, and Pujatti, financial manager of Eni East Africa, live. The case is that of Opl 245, a giant oil exploration field conquered by Eni and Shell in 2011. According to an investigation into international corruption opened by the Milan Public Prosecutor, the two oil companies paid \$ 1.3 billion for a Nigerian government account to obtain exploitation rights. But not even a cent remained in the public coffers, because the money was transferred, diverted and dispersed in a swirl of accounts around the world. They ended up - according to the hypothesis of accusation - with the Nigerian company Malabu Oil & Gas Ltd, behind which there is Dan Etete, the former oil minister who in 1998 had sold the concession of Opl 245 to Malabu, i.e. to himself, at the price of only \$ 20 million. A part of the money paid by Eni and Shell ended up in the pockets of Nigerian governors and Italian and international mediators (the Italians Luigi Bisignani and Gianfranco Falcioni and the Russian Ednan Agaev), with some amounts returned to Eni managers' pockets: \$ 917 thousand to Vincenzo Armanna; 50 million in cash to Casula, then head of operations in Nigeria; CHF 21 million to the mediator Gianluca Di Nardo. The case is the subject of an ongoing trial in Milan, in which the Milanese prosecutors Fabio De



Pasquale and Sergio Spadaro summoned the two companies, Eni and Shell, and eleven people, including Eni's CEO Claudio Descalzi and his predecessor Paolo Scaroni. In Nigeria the scandal remained long covered, until the old president, Goodluck Jonathan, was replaced by the new one, Muhammadu Buhari, elected two years ago after promising to fight corruption. The Efcc (Economics and Financial Crimes Commission) was then established, a superpolice that hunts for economic and financial crimes. Its president, Ibrahim Magu, chosen directly by President Buhari, conducted an inquiry into Opl 245 and opened a trial involving former Nigerian politicians and managers of Eni and Shell. The suspects did not appear, and therefore the arrest warrant was triggered. Why does the president continue to minimize this by closing her eyes and wanting to close them to shareholders at the meeting?

Answer

In April 2019, the Abuja Federal High Court upheld, without hearing the interested parties, a request of the Economic and Financial Crimes Commission (EFCC) as part of the allegations formalized in 2017 in relation to the award of the OPL 245 to NAE and SNEPCO. The order issued by the judge provides for the issue of arrest warrants against the individuals originally indicated in the 2017 allegations, including three Eni employees. The order was immediately challenged, based on the apparent irregularity of the deed. It should be noted that none of the persons, individual or legal, at the time indicated in the accusations filed by the EFCC has ever received the notifications regarding the initiation of the proceeding, and therefore the relative trial never began.

22. Is it true that Viaggiano will be expanded from 18 hectares to 75 hectares with a 5th line?

Answer

Eni is completing the acquisition of around 70 hectares around the Val d'Agri Oil Center.

The 70 hectares will be the subject of an integrated program for the redevelopment of the territory with the aim of creating a district based on economic diversification, environmental sustainability and the circular economy, as well as constituting a buffer zone. No oil treatment extensions are planned.

The fifth line was already completed in 2015/2016 and is in operation. Its construction took place according to criteria of minimum occupation of the soil and according to the most advanced technological standards.



23. Do you not think that 12-hour work shifts increase the risk of environmental disasters such as that of Viggiano on 08.09.14 according to the UNMIG report of 25/09/2014 occurred due to the discontinuity in the electricity supply of the plant due to a wrong manoeuvre? Have other human errors been investigated by UNMIG requesting in point d) of its report that the Viaggiano Oil Center defined inadequate the curriculum of the shift supervisors, the head of the plant, the production manager?

Answer

The working time of all Eni employees, whether day workers or shift workers, is absolutely in line with the provisions of the law and with the provisions of the national collective labour agreement of reference.

24. Tempa Rossa exists thanks to an amendment to the 2015 stability law that put the plant among the works for which the government is responsible, effectively unlocking the work of the Total construction site. Gianluca Gemelli, owner of 2 companies with construction site licenses, put pressure on his girlfriend Federica Guidi, then Minister of Economic Development, to move forward that amendment. All this is proven by interceptions among the evidence of the current trial in Potenza: petrolgate because in addition to Tempa Rossa it also concerns another extraction plant: the Viaggiano oil center owned by Eni for 20 years the most important in Basilicata with 100,000 barrels of crude oil per day. Charged employees Eni, Arpa, Region. The prosecution claims that the data on the actual emissions of the plant in the atmosphere would have been tampered with and hidden. In 2014, there were several flare events, because the plant was under pressure for super exploitation. In addition, hazardous waste was reported as non-hazardous, approximately 850,000 tons of highly polluting substances partly re-injected into some of the plant's wells partly transported to the Tecnoparco disposal plant in Pisticci in Valbasento. Many associations have formed a civil party in this provision. Also the Pertusillo dam, 105 million cubic meters of water, next to the Viaggiano oil center was polluted by hydrocarbons, lead, cobalt, cadmium, nickel, aluminium, destined to 3 million Apulian citizens, 1 million from Campania, and 5% of Basilicata. The person who made said data public was the lieutenant of the Potenza provincial police, Giuseppe DI BELLO was demoted by the regional councillor for the environment of Basilicata. 2 YEARS AGO Eni admitted to having spilled 400 tons of oil in 6,000 square meters around the plant from August to November 2016. How do you manage and try to recover ¼ of the quantity spilled?

Answer



Immediately after the discovery of the February 2017 leakage, Eni, as required by the current environmental legislation, filed with the authorities and implemented an action plan for preventing any contamination of the potentially affected areas (MISE). The action plan was the following :

1. Create an effective barrier to confine contamination within the COVA
2. Identify the internal leak point of product at the COVA to stop it
3. Identify, delimit and secure the areas outside the COVA affected by the contamination (land, sewer pipes, consortium)

In total, Eni carried out 351 surveys, of which 245 were equipped with piezometers with sampling systems and volumetric measurements. The activities The actions of the MISE put in place allowed to recover approx. 339 tons of crude oil, about 85% of the 400 estimated to be leaked from the storage tank D.

25. **EVEN IN 2003 there was a spill at the Enichem plant in Priolo, so it turned red due to the mercury spill. The investigations were entrusted to the young magistrate Musco who declared "In sea water mercury should be almost absent. I found up to 121 milligrams kilo in the sediment". Musco ordered the arrest of 18 managers and employees. And soon all the top executives were archived. During the same years, do many of the lawyers who followed the story of the Descalzi plot enter the legal office of Eni and its associates?**

Answer

None of the lawyers hired by Eni's legal office in the years referred to in the proceeding described in the question deals with the proceeding of "plot".

26. **The prosecutor Musco had initially hypothesized also the crime of poisoning for mercury spilled into the sea. For this he had asked for several investigations into congenital malformations among the children of the area, Salvatore Sciacca was one of the consultants of the prosecutor Musco. His studies show a link between the risk of abortions, malformed newborns and water pollution. The Eni company, in the midst of the investigations, suddenly decided to compensate all the families involved with € 11 million. In Augusta, they ate half of the fish from Catania and had three times as much mercury as they found in Catania. Not only that, but later they found mercury in their hair and pubic hair. The prosecutor Musco requested filing for the crime of poisoning. The contamination was the fault of Montedison that until the 1980s dumped tons of mercury into the sea. But then he also archived the position of Montedison employees because according to the surveys there were no risks for human health. THEN WHO**



PROCEEDED WITH THE POISONING FOR WHICH ENI PAID CIVIL COMPENSATION WITHOUT THE PENAL TRIAL?

Answer

The presence of mercury in fish and fish fauna in front of the Priolo plant, an area already closed to fishing as it is in front of the Priolo Gargallo plant, is largely a consequence of the industrial discharges of the Cloro Soda plant during the Montedison SpA management period; 450 tons of mercury discharged to the sea from the end of the 50s until 1979. Subsequently, with the transfer of ownership to Enichem SpA of the Cloro Soda plant, the demercurization plant had been built which had allowed a remarkable removal of mercury discharged to the sea.

Although the discharge of the Cloro Soda plant has always been absolutely in compliance with the authorized limits (Enichem management period), this had not excluded that through the exercise of the same there had also been a minimal contribution from Enichem regarding the presence of mercury in marine sediments. The investigations ordered by the company had in fact reconstructed that through the Enichem discharges only 50 tons of mercury had been spilled at sea (from 1981 to 2003).

For this reason Syndial had provided for the compensation of families with malformed newborns, as well as compensation for families where voluntary interruptions of pregnancies and even spontaneous abortions had occurred.

Regarding the poisoning of fish and fish fauna, the investigations arranged by the prosecutor and the defence had shown that the dose of mercury present in the fish was not such as to exceed the toxicological limit established by law and therefore this value found in fish and in molluscs was not sufficient to erode the precautionary limit established for the protection of human health and for the commercialization of such food products.

For these reasons the prosecutor had requested the dismissal of the criminal proceedings in question, filing subsequently ordered by the Preliminary Investigations Judge of the Court of Syracuse.

- 27. From the clinical analyzes of the Pertusillo lake, high concentrations of total hydrocarbons came out for 6,400 milligrams liter, 10 micrograms liter. On the bottom 553 milligrams kg were found, when the limit is 60 milligrams kg. Are hydrocarbons concentrated in small layers so that there are episodic spills that occur in the Pertusillo tank caused by Eni?**

Answer



The analysis of the lake water conducted by the Regional Agency for Environmental Protection of Basilicata (ARPAB) and by Eni have never detected the presence of hydrocarbons from the activities of the COVA neither in the Pertusillo lake nor in the Agri river.

The Val d'Agri Oil Center has no direct discharges into the surface water body. In fact, in compliance with the regulations in force, the industrial waste water produced is conveyed to the consortium plant, which carries out the treatment of the same for the subsequent discharge into a surface water body in accordance with the authorizations in its possession. The piezometric monitoring network and the surface water bodies around the oil center provide for the analysis to be carried out in contradiction with ARPAB and excludes any external contamination.

- 28. How can you deny infiltration from the Costa Molina² well with the Contrada La rossa source (Montemurro) when the analyzes indicate: aluminium 10,000 micrograms liter, barium, manganese, lead, salts, chlorides, sodium; which are equal to the oil waste water?**

Answer

The case of the Contrada La Rossa pools has been the subject of numerous checks by both Eni experts and independent experts. The conclusions indicate that the anomalies found in the waters of this source can be traced back to local and anthropic factors and confirm the non-involvement of hydrocarbon cultivation and re-injection activities.

In 2014, an investigation by the prosecutor's office of Potenza established that these values are to be considered natural and not due to the Costa Molina 2 well, filing the case because non-existent.

Finally, it should be noted that the values found mentioned in the question were the result of incorrect sampling because the waters were not filtered, thus analyzing not the waters but the suspended and that these elements are in line with the mineralogical compositions of the rocks of the area and that this composition is amply described in scientific literature.

- 29. Water in the oil cycle is always involved with a ratio of production of 1 liter of oil, 8 of water are needed. Do you not consider it an absurd environmental price for those who intend to and must convert, by 2050, to renewable energy?**

Answer

In 2018, we extracted 67.8 million cubic meters of water and produced 1,066,745,730 barrels of oil equivalent (oil + gas), so the ratio is not 1 to 8 but about 2.5.



Having said that, Eni has identified an overall business strategy, also published on the website, which enables the decarbonisation phase to be managed, to which reference is made, so as to continue to generate value for all stakeholders, as per the mission.

- 30. The waters of Basilicata feed the Campania, Apulian and Calabrese aqueducts and so far, the waste water from oil processing was purified at Pisticci Scalo, at Tecnoparco. But at what point is an investigation that the magistracy has opened because Eni would have had to eliminate all traces of hydrocarbons from the water before bringing them here but in the water of this plant traces of radionuclides have been found 9 times greater than the quantity present in drinking water, would it be radioactive pollution?**

Answer

Radiometric control analyzes of COVA production water show that the concentration levels of radionuclides are well below the levels set by current legislation as attested by assessments by control bodies. As a consequence, in relation to the disposal of the production waters of the Val d'Agri Oil Center and their transfer to the Tecnoparco treatment plant in Pisticci, there are no impacts on the outside.

- 31. Near Tecnoparco, there is the village of Pisticci Scalo heavily polluted by the residues of oil processing what do you intend to do for its 600 inhabitants?**

Answer

Eni has no role in the management of Tecnoparco activities. In any case, the company pays to Pisticci the same attention to compliance with any legal threshold concerning environmental impacts that it generally allocates to the whole territory of Basilicata and operates with the utmost attention towards the territory and its inhabitants.

- 32. In Grumento Nova, Eni wanted to re-inject waste water into the former Eni Montinova well or did you do it?**

Answer

Currently Eni has a single injection well (Costa Molina 2) authorized according to current legislation. At the moment, there are no plans to commission additional re-injection wells.

The activities of the ten-year plan relating to the request for extension of the "Val d'Agri" Concession, consist exclusively of those already provided for in the authorized works program with prot. no. 06233 of 13 March 2017, with the simultaneous cancellation of the conversion projects of the Monte Alpi 9 and Monte Alpi Est 1 wells from producers to injectors. Therefore, Eni does not



intend to use the Monte Alpi 1 east well, located in the Municipality of Grumento Nova, as a re-injection well.

33. Has the epimестological study been carried out on the inhabitants of Basilicata?

Answer

If we intend an Epidemiological study on the whole Region, the health data of the Basilicata Region and the performance of the regional health system are available: THE 2016 PERFORMANCE ASSESSMENT SYSTEM FOR REGIONAL HEALTH SYSTEMS REPORT 2016 - BASILICATA REGION CHALLENGES AND RESPONSIBILITIES FOR THE FUTURE: WHAT STRATEGIES TO RE-LAUNCH THE HEALTH SYSTEM.

The information comes from institutional sources such as, for example, ISTAT, the National Institute of Health and the Regional Oncology Center of Basilicata - CROB.

For people living near the COVA, a pool of Italian and international experts has carried out specific studies showing that, in the areas of Viggiano and Grumento Nova, the rate of cardiovascular disease has not worsened since the moment in which the productive activities began. Furthermore, the mortality due to neoplasms and diseases of the respiratory system is not higher than the national data before or after the opening of the production plant (Press conference 14 December 2017; Final report COVA Retrospective survey 2017; VIS position paper).

With regard to the health status of workers, Eni has appointed a pool of top-level experts to assess the health status of all Eni employees working in Viggiano.

To this end, the clinical picture of Eni's employees was examined which, over a period of 16 years (1998-2015), worked - and still work - even occasionally, at the plant and on the basis of the analyzes and assessments health impacts and pathologies related to work activities have excluded.

34. Have you done 18 REQUESTS FOR PETROLEUM RESEARCH in Sicily on the coasts of Licata and Gela with the off-shore project for 6 new wells and the reactivation of 2 already existing ones? Why?

Answer

The Ibleo offshore project involves the cultivation of the Argo and Cassiopea gas fields, the re-completion and start of production of two existing wells and the drilling of two additional wells. The project has recently been optimized with a view to greater environmental sustainability and the enhancement of the territory.



The development scheme includes 4 submarine wells that will be controlled by the existing Prezioso platform. Compared to the previous development scheme, therefore, the construction of the new Prezioso K platform in favour of the construction of an onshore treatment and compression plant within the perimeter of the Gela refinery was eliminated, going to use redeveloped areas and no longer intended for other uses. This will also have positive repercussions in terms of local employment. In fact, the cancellation of the new Prezioso K platform has allowed for the elimination of the visual impact and emissions and discharges into the sea.

The gas from the Argo and Cassiopea fields will be sent to the new plant, which will be built within the area of the Gela refinery, via an underwater line 14" in diameter and 60 km in length. The landing on the coast will exploit an already existing structure located to the east of the refinery pier and used in the past as a seawater intake for the Anic-Gela desalination plant and now in disuse. Finally, the gas will be fiscally measured and entered into the Snam national distribution network. Production is expected to start by 2021. The cultivation concession "G.C1.AG" also includes the drilling of two exploration wells.

- 35. Augusta is a city where half the population dies of cancer. It is true that the SENTIERI study by the Ministry of Health claims that there is a mortality in excess of the national average of cancer and cardiovascular diseases for Augusta and Priolo. Do you not feel responsible for these massacres?**

Answer

In the Sentieri study, some excesses of cardiovascular disease, lung cancer and pleural mesothelioma are reported. It must be said that the confidence interval used 90% is unsuitable to produce a reliable result. In fact, epidemiological studies are produced with a 95% confidence interval. Therefore, the excesses of risk found could be an overestimated result. Now on the merits of the study, pleural mesothelioma is linked to exposure to asbestos, including minor, and also to exposures in non-working environments.

As for lung tumors, the same authors admit that active smoking plays a fundamental causal role for these types of tumors.

While for cardiovascular diseases it is scientific literature itself that excludes an etiological link with occupational exposure, as it is mostly related to life habits, diet, stress, etc.

Therefore, given the reasons outlined above and contained in the study itself, we do not feel responsible in any way.



36. Is it true that the months of gas to be used through drills in Italy are 20 months? oil 32 months? in Italy and Europe, are hydrocarbon reserves 5% of world reserves when Europe consumes 20% of the world's energy? Is the health of the inhabitants of Basilicata at risk?

Answer

Italy, unlike what is believed, is not a country poor in oil and gas resources. The Italian hydrocarbon heritage must be reread within the European context where Italy occupies a position that is anything but marginal: excluding the great producers of the North Sea (Norway and the UK), our country occupies the first place for reserves of oil and is the second largest producer after Denmark. In gas, on the other hand, it is in fourth position for reserves and sixth for production.

Italy - as well as Europe - will need to use (and import) hydrocarbons for decades to come. To meet its domestic needs, Italy imports about 75% of its energy from foreign markets: an energy dependency much higher than the average of European countries, which is around 54%. If we look at the sources we use most, namely oil and gas, import rises to over 90%. Energy imports have cost our country as much as € 40 billion, or about 2% of Italian GDP, half of which can be attributed to the oil bill.

In Basilicata, from the beginning of its activities, ENI has operated with the utmost attention to the territory and its inhabitants, promoting actions aimed at the health and safety of people and the enhancement and protection of the natural and environmental heritage in full compliance with the vocations of the area and the identity of its inhabitants.

37. In 2018, what was the commercial value of hydrocarbons extracted in Italy? How much was paid to the public coffers?

Answer

In 2018, revenues from the e & p sector amounted to € 2,120 million and royalties paid amounted to € 146 million.

38. Is it true that the Italian tax regime for oil companies is one of the most favourable in the world?

Answer

No.

39. In 2017, Eni proposed to build 5 new wells in Marsicovetere in the Appenino lucano national park VAL D'AGRI LAGONEGRESE where there are already 13 oil wells in a



protected area and with organic farms such as Francesca Leggeri in the Civita area where Eni would like to create the new cluster station where 5 wells will be placed: Sant'Elia 1, Sant'Elia 1 Or, Cerro Falcone 7, Cerro Falcone 7 Or, ALLI 5 which is the go-ahead for new drilling in Val d'Agri and in all of Basilicata? Is it worth all this disaster to produce for 6 weeks of domestic consumption?

Answer

The activities of the ten-year plan relating to the request for extension of the "Val d'Agri" Concession, consist exclusively of those already provided for in the authorized works program with prot. no. 06233 of 13 March 2017. The new investment plan has as its main strategic objective the creation of value in the long term, incorporating the indications of the Entities and in full respect of the territory. The plan is characterized by a high environmental sustainability as it involves the construction of new wells from existing yards and the maximization of Side track and Work Over, therefore without impacts related to the occupation of new spaces. Furthermore, there are no plans to expand the Val D'Agri Oil Center (COVA). As regards the activities in the Civita di Marsicovetere area, the drilling of 2 wells is planned.

40. What is the point in continuing to make oil investments when fossil energy can and must be completely replaced by renewable energy, even for the international agreements of Paris to stay below 2 degrees and why should we renounce gas, oil and coal by 2050?

Answer

See answer to question 29.

41. Given that Eni has 12 photovoltaic plants, would it not be worthwhile to focus our investments in this sector instead of in that of oil wells in Basilicata, given that prices fall and only 25% of the energy produced is renewable so we have ample room for growth?

Answer

In the next 4 years, we will pursue an investment program based on financial discipline.

In the next 4 years, we have planned € 33 billion of investments, 77% of which upstream, to guarantee short-term growth in production and, at the same time, strengthen our basket of long-term/long-plateau projects with new developments that will support our growth beyond the plan, improving our weighted average increase in production ("CAGR") to 3.5% up to 2025, improving our previous 3% guidance.



9% of the group's CAPEX will be dedicated to further strengthening our decarbonisation strategy through: flaring down and energy efficiency increase projects, circular economy initiatives, such as the waste-to-fuel project, biofuels and petrochemicals and renewables, with over € 1.4 billion in more than 60 projects for a total of 1.6 GW installed in 2022.

The remaining CAPEX refer to traditional mid-downstream activities and in particular to stay in business activities.

Our investment program is not only disciplined and flexible but also profitable and resilient even in the most difficult scenarios.

42. How will we finance the next 60 photovoltaic plants for 1.2 billion of investments for 5 gigawatt of installation for another 5 billion by 2025?

Answer

In the next four years, Energy Solutions expects to complete 60 projects between brownfield and greenfield for a total of over 1.6 GW of new capacity by 2022, investing € 1.4 billion, and up to 5 GW by 2025.

As of today, our investments in renewables have been financed mainly through the use of equity or, where possible, by accessing subsidized loans or dedicated loans (ex. EIB financing on initiatives in Italy).

Currently, instead of using project financing for the development of our pipeline of projects, we have opted for the before mentioned forms of project funding, which allowed us to expedite the execution phases economically and efficiently. In the future, we can contemplate use of project financing for particular selected projects.

43. How come organic photovoltaic panels and plants for electricity and thermal energy or algal biofuel oil from Ragusa do not go into production?

Answer

In the next four years, in the area of renewable energy, a total R&D expenditure of approximately € 140 million is expected, mainly referring to research projects on solar photovoltaic and concentration, storage and energy from marine sources.

Once tested, technologies will find a place in our investment program.

44. What do you think of a merger with Enel to increase synergy in renewables? Do you realize that Eni's fossil coal has no future? and you risk not managing the definitive closure of Eni of the carbon-fossil that can kill and induce bribes in timely and opportune ways?



Answer

The guidelines of Eni's strategies are indicated in the strategic plan subject to approval by the Board of Directors.

- 45. In particular why the TAP that travels at 185 bar, must land on the beach of S. Basilio and have a centralized depressurization near the inhabited center of Melendugno, Vergole, Castri, Chimera for a total of 30,000 inhabitants. What is the relationship between Eni and TAP?**

Answer

Eni does not participate in the TAP project.

- 46. If today 4% of investments are dedicated to renewables, why are more investments not just made in renewables?**

Answer

See our answer to question 42 about the composition of the investment plan in the next four years.

- 47. In the sea of Ravenna, Eni has 15 drills for gas, is it true that they are not operational? why are they not decommissioned?**

Answer

In the Adriatic Sea, Eni has launched a five-year campaign of decommissioning gas properties, already communicated to the relevant bodies. The current decommissioning program involves 13 non-productive structures and around 33 wells, for which an European bid has already been launched for the qualification of suppliers. The first tenders will start by 2019. The start-up of offshore works is expected in the summer of 2019.

- 48. Why do we definitely and immediately not focus on electric on biodegradable organic plastics, and on electrical production on board vehicles, instead of focusing on the fusion of hydrogen?**

Answer

At the moment, both of these are technologies in their early stages of development and are unable of completely replacing energy from fossil sources and traditional plastics, for the future a further technological leap will be necessary for which we are studying different options including nuclear fusion.



49. Why do we not invest in biological environmental reclamation, renouncing drilling in the ARCTIC?

Answer

Eni has adopted and disclosed a policy, applicable to all activities in the Arctic. In the Arctic we are not engaged in environmental reclamation activities, but in upstream activities that are carried in compliance with the policy.

50. With the new synthetic and ecological fuels, what is the point in continuing to extract oil with known environmental damage?

Answer

At the moment, synthetic and ecological fuels are not able to completely replace the traditional ones and we are therefore working on both.

51. What are the 25 renewable energy projects?

Answer

Within the Energy Solutions initiatives on renewables, as of today in Italy about 25 projects have been identified to be implemented on industrial areas owned by the Group, reclaimed, available for use and of low interest to other economic activities for a total of 400 hectares on the entire national territory.

These initiatives are part of the "Italy Project" which involves the construction of mainly photovoltaic plants with a planned investment commitment of approximately € 240 million in the 2019-2022 plan period and a total capacity of 260 MW (of which 25 MW already installed in 2018) mainly concentrated in the south and in the islands, particularly in Sardinia, Apulia and Sicily.

Full production is equal to about 0.4 TWh per year (of which 23% is for the self-consumption of Group plants) with an expected annual reduction in CO₂eq emissions equal to 180 kton (when fully operational).

As part of this project, at 31 December 2018, the installed capacity was 25 MW referring to the plants of:

- Assemini (CA), a project with a total of 26 MW of which 23 MW already in operation;
- Ferrera Erbognone (PV) at Eni's Green Data Center for 1 MW;
- Gela (CL) at the refinery site in the area called "Isola 10" for 1 MW.



In addition to these projects is 10 MW of the photovoltaic unit consisting of 9 plants previously managed by Enipower at the Nettuno, Ravenna, Gela, Bari (Fiera del Levante), Ragusa and Porto Torres sites, which together bring our installed capacity at 31 December 2018 in Italy to 35 MW.

Among the most significant initiatives in development in 2019, we highlight in particular:

- Porto Torres (SS) for 31 MW, a solar photovoltaic project already under construction that will be completed by the end of 2019 and that will be built in the areas within the National Interest Site of Porto Torres, already upgraded by Syndial within the program of environmental reclamation of the industrial site;
- Volpiano (TO) for 18 MW, a solar photovoltaic project whose administrative process is being completed;
- Porto Marghera (VE), a solar photovoltaic project whose administrative process was initiated for the construction of two photovoltaic plants with a total of around 6 MW in the Porto Marghera production area as part of a territorial redevelopment process.

52. What strategic projects do we have regarding Mossi and Ghisolfi? Is it for sale?

Answer

For the activities of the Mossi & Ghisolfi bio perimeter, whose acquisition was finalized with effect from 1 November 2018, we have the following projects:

- the restart of biomass bioethanol production on the Crescentino site; maintenance operations and investments for HSE standard adjustment, reliability and preparatory start-up authorizations have already been defined, which will take place by successive "steps" starting from the water treatment plant, then the biomass power plant and finally the bioethanol plant;
- the re-launch of the international licensing activities of the proprietary technology for the production of bioethanol from ligno-cellulosic residues (Proesa), taking advantage of the growing demand for second-generation bioethanol, driven by global legislation;
- the development of technology, with the fermentation of sugars towards microbial oils that can be used as a feed for green refineries and to poly-hydroxy-alkanoates, which are 100% renewable and biodegradable polymers. The research will also focus on the development of lignin uses in industrial applications.

The laboratories and pilot plants in Rivalta are operational again as from April, following the maintenance work carried out; an AUA authorization request was submitted, which is expected to be granted within a few weeks.

53. What role does Donegani play in Eni's strategies, is it for sale?



Answer

The Guido Donegani institute is the headquarter of the Research Centre for Renewables and in recent years has developed, in collaboration with leading universities such as MIT and Milan Polytechnic, technologies such as Solar Concentration, photovoltaic windows and flexible organic solar.

These and other technologies, the result of research carried out at Donegani, are the subject of several Eni demonstration and industrial initiatives.

The Donegani center is therefore fully part of the Eni decarbonisation strategy and therefore no form of sale is envisaged.

54. Why is fried oil of individuals not collected from our distributors as is already the case in restaurant chains?

Answer

commercial firms have a legal obligation to not dispose of residual fried oil produced and special consortia are established for its collection and first treatment that allows said "waste" to become raw material for Green refineries.

Eni, by entering into agreements both with the producers and with the entities that carry out this treatment, was able to secure a large part of the quantities collected at market value.

The domestic collection is more complicated and must be carried out by the municipal companies authorized to collect waste. Eni has turned to these and municipal administrations to promote domestic collection and the transfer to municipal companies which, after pre-treatment, can sell the product to Eni to feed it to the Green.

Today, citizens can transfer fried oil to municipal collection centers, while Eni is extending the collection from its employees, also in collaboration with municipal companies. We are also thinking of other forms of collection in order to stimulate this type of recycling that has a potential four times greater than what is collected today.

55. Do certifiers of financial statements also provide tax consultancy?

Answer

No. In addition to the limitations provided by national and US legislation on the performance of activities on tax matters envisaged for auditing firms, it is noted that the Eni Group, to protect the independence requirements of auditors, has decided not to entrust to the audit firm appointed, as well as to the companies of the related network, consulting assignments; within the limits of the



provisions of applicable regulations, tasks are envisaged for activities strictly connected with audit activities.

56. What is the contact to propose the purchase of promotional chocolates?

Answer

Chocolates are already present among Eni's promotional gifts. The supply is carried out through suppliers selected by tender from the competent procurement function.

57. Are you planning to implement initiatives in favour of shareholders such as the medical centers set up by BANCA D'ALBA?

Answer

No.

58. IRR: average internal rate of return and tip = average passive interest rate?

Answer

The current upstream portfolio has an IRR of 22% at the Eni scenario. It is a particularly resilient portfolio of projects considering that even under a scenario with prices 20% lower than those of the Eni scenario, it returns an IRR of 19%.

Renewable energy projects, as already indicated also in the answer to question 85, have a return between 8% and 12%.

Investments in the circular economy, including investments in green refineries, also have attractive returns, in double digit.

The TIP (average interest rate payable): the average interest rate weighted on the Group's short-term financial payables is 2.0% for the year ended 31 December 2018. Long-term financial liabilities, including short-term portions, are analyzed in Note 18 "Financial liabilities" of the consolidated financial report; the average reference rates for total long-term financial liabilities, including short-term portions, are 2.3% for EUR, 4.3% for USD, 4.2% for other currencies.

59. Do you intend to certify yourself as benefit corporation and ISO 37001?

Answer

As of today, Eni is reviewing the area of Benefit Corporation. We are not planning to obtain; however, the creation of a common benefit in the communities of the Countries of presence is an objective widely shared and concretely pursued by the company. The support to the socio-economic development of the countries of operation and the protection of the environment have always been



Eni's prerogatives and are part of the integrated business strategy that has been defined over the years. To strengthen the contribution to the development of countries, Eni is focusing its commitment on monitoring the socio-economic impacts of its activities. In this direction, on the one hand, Eni refers to the requirements of the sustainability indices that are most representative of the corporate strategy such as the CDP and FTSE4good and on the other, it makes use of tools such as the verification of compliance with the UNI ISO 26000 Guideline that defines the principles and the priority issues to be followed to act in a socially responsible manner. In particular, to strengthen its approach to social responsibility, Eni has developed and implemented a regulatory system to manage sustainability issues in line with international guidelines and standards, including ISO 26000. Based on the regulatory system issued at central level, 23 Eni affiliates/districts have defined their own local system/sustainability management procedures. In these affiliates, although ISO 26000 is currently not certifiable, since 2015, Eni has started a process to verify compliance with ISO 26000 of the Sustainability Management System implemented. This verification, carried out by a third party (RINA) in collaboration with Eni, aims to assess the extent to which an Eni affiliate/district integrates social responsibility in all its business-related activities and operates in compliance with as recommended and indicated in ISO 26000. Based on the results of the audits, considering the areas of improvement identified, starting from 2017, Action Plans were launched with a view to continuous improvement. With reference, instead, to the ISO 37001 standard "Antibribery Management Systems", Eni SpA is the first Italian company to have received this certification on 10 January 2017. Finally, in 2018, 2 surveillance audits for the ISO 37001:2016 "Anti-Bribery Management Systems" Certification were successfully passed.

60. Do you intend to hold also online meetings?

Answer

Eni has incorporated in its By-laws the mechanisms introduced by the European directive on shareholder rights, including the participation in meetings with telecommunications equipment and electronic voting in accordance with the relevant laws and regulatory provisions, if provided for in the notice calling the meeting. At the moment, this provision has not been applied.

61. How much did the European training funds amount to and what did you use them for?

Answer

In 2018, Eni did not use European training funds.

62. Are you planning new acquisitions and/or sales?

Answer



Our growth strategy in the four-year plan is organic and therefore does not depend on acquisitions; we continue to monitor the market and any opportunities that may emerge will be evaluated in line with our strategy and our financial criteria.

The sales mainly are related to the dilution of portions in the recent exploratory discoveries in application of our "dual exploration model" and are aimed at optimizing and de-risking our portfolio.

63. Does the group have accounts in non-EU high-risk countries?

Answer

Eni has current accounts in non-EU high-risk countries connected with the company's industrial activities. These accounts are in any case compliant with the applicable national and international laws and regulations.

64. Do you intend to move the registered office to the Netherlands and the tax office to the UK? If you have done so, how do you plan on proceeding with the exit of the UK from the EU?

Answer

Eni is not considering any hypothesis of relocation.

65. Do you intend to propose amendments to the By-laws that double the vote?

Answer

The Board of Directors has examined the possible introduction in the By-laws of the increased vote and has decided not to formulate any proposal to the Meeting on this aspect.

66. Do you have call centers abroad? If so, where, with how many workers, who is the owner?

Answer

In the retail market (households, VAT numbers and small businesses) Eni SpA uses external call centers for customer management (toll-free number/customer service) and sales (teleselling outbound).

In particular, for customer management we work with 3 leading operators in the sector, selected over time through tender processes, which use a total of 8 call centers located throughout the entire Italian territory.

Finally, in the retail oil sector in Italy, Eni uses the same Italian call center operators linked to the same Eni gas and electricity contracts.



67. Is Eni a member of Confindustria? If yes, how much does it cost? Do you intend to leave it?

Answer

Eni SpA and the Italian subsidiaries adhere to the Confindustria system. In 2018, contributions of € 5.1 million were recognized (of which € 1.6 million for Territorial Confindustria Associations, following a specific National Convention, and € 3.5 million for Category Associations such as Federchimica, Assomineraria, Unione Petrolifera, etc.). Eni has no intention of leaving the Confindustria representation system.

68. How has debt varied and for what?

Answer

Net borrowings at December 31, 2018 was €8,289 million, lower by €2,627 million from 2017. Total debt of €25,865 million consisted of €5,783 million of short-term debt (including the portion of long-term debt due within twelve months of €3,601 million) and €20,082 million of long-term debt.

	(€ million)	December 31, 2018	December 31, 2017	Change
Total debt:		25,865	24,707	1,158
Short-term debt		5,783	4,528	1,255
Long-term debt		20,082	20,179	(97)
Cash and cash equivalents		(10,836)	(7,363)	(3,473)
Securities held for trading and other securities held for non-operating purposes		(6,552)	(6,219)	(333)
Financing receivables for non-operating purposes		(188)	(209)	21
Net borrowings		8,289	10,916	(2,627)
Shareholders' equity including non-controlling interest		51,073	48,079	2,994
Leverage		0.16	0.23	0.07
Gearing		0.14	0.18	(0.05)

This reduction was driven by net cash flow from operations and the finalization of portfolio transactions as part of the Dual Exploration Model and other minor assets.

Cash flow from operating activities amounted to €13,647 million for the full year of 2018 was up by 35% driven by an improved underlying performance and scenario effects.

Cash flow from disposals (€1,242 million) related to the sale of the above mentioned 10% interest in the Zohr project, the divestment of certain other non-strategic assets in the E&P segment and the gas distribution activity in Hungary. Proceeds from disposals were netted by Eni Norge's cash deposited at third-party banks (approximately €250 million), which was divested as part of the business combination with Point Resources which determined the loss of Eni's control on its former subsidiary.



The main outflows concerned capital expenditure, purchase of shareholdings, consolidated companies and business units or capital increases at equity-accounted entities, for € 9,363 million, the payment of the 2017 dividend balance and the 2018 interim dividend to Eni shareholders for € 2,954 million.

As of December 31, 2018, the ratio of net borrowings to shareholders' equity including non controlling interest – leverage – was 0.16, reporting a decrease from 0.23 as of the end of 2017.

This decline was driven by lower net borrowing and by the increase in the Group total equity of €2,994 million from December 31, 2017. This was due to the positive foreign currency translation differences (€1,787 million) and profit for the year, partly offset by dividend distribution to Eni's shareholders (2017 balance dividend and 2018 interim dividend of €2,953 million).

69. What is the total amount of incentives collected as a Group divided by type and entity?

Answer

Please refer to the information in notes no. 38 and no. 33 respectively of the notes to the consolidated and annual financial statements of Eni SpA.

In particular, Law 124/2017, effective since 2018, established the obligation to provide in the Notes on consolidated financial statements the contributions received from Italian public bodies and entities; furthermore, pursuant to the same provision, for Eni SpA as a State-controlled company, there is also an indication of the contributions granted to Italian and foreign beneficiaries. Pursuant to the provisions of article 3-quater of Decree Law 135/2018, converted with amendments by Law 11 February 2019, no. 12, for the disbursements received, reference is made to the indications contained in the National Register of State Aid referred to in article 52 of Law 24 December 2012, no. 234.

70. Who are the members of the Supervisory Body (name, surname) and how much does it cost?

Answer

By express provision of the 231 Model, the Eni watch structure and guarantor of the Code of Ethics is composed of seven members, of which three are external and four internal (in the decision-making mechanism of the Eni watch structure and guarantor of the Code of Ethics, the provisions of 231 Model guarantee the prevalence of votes cast by external members). The external members are: Attilio Befera (Chairman), Claudio Varrone and Ugo Draetta. The internal members are: the Senior Executive Vice President for Legal Affairs (Stefano Speroni), the Executive Vice President of the Integrated Compliance Department (Luca Franceschini), the Executive Vice President of Labour



Law and Litigation (Domenico Noviello) and the Senior Executive Vice President Internal Audit (Marco Petracchini). The total annual costs associated to the remuneration of the Eni watch structure and guarantor of the Code of Ethics amount to € 390,000.

71. How much does the sponsorship of Rimini Meeting of CI and EXPO 2015 or others cost? For what and for how much?

Answer

In 2018, Eni sponsored the Rimini Meeting for € 185k, in line with 2017.

72. Can you provide the list of payments and credit to parties, political foundations, Italian and foreign politicians?

Answer

Eni does not make payments to any political party.

73. Have you irregularly disposed of toxic waste?

Answer

No.

74. What was the investment in government securities, gdo, structured securities?

Answer

At 31 December 2018, the investment in listed securities issued by sovereign states amounted to € 1,083 million (of which € 768 million attributable to Eni SpA).

Eni does not invest in structured securities.

At 31 December 2018, Eni SpA's investment in GDO (large-scale retail) securities amounted to € 15 million.

Further information is available in Note 6 - Financial assets held for trading, on pages 170 and 171 of the 2018 consolidated financial statements as well as in Note 6 - Financial assets held for trading, pages 274 and 275, of the 2018 financial statements, contained in the 2018 Annual Financial Report.

75. How much did the securities service cost last year? and who does it?

Answer



With the exception of the Monte Titoli service, whose rates are regulated, the Company did not incur costs for external services for the past financial year as the management of the securities service was carried out by the Company's offices.

76. Are staff reductions planned, restructuring? relocations?

Answer

No extraordinary initiatives with an impact on personnel are planned.

77. Is there a commitment to repurchase products from customers after a certain time?

How is it accounted for?

Answer

As far as is known, there are no repurchase commitments.

78. Are current and past administrators investigated for environmental crimes, money laundering, self-money laundering or others that concern the company? with what possible damage to the company?

Answer

For relevant disputes, see the notes to the Financial Statements of the 2018 Annual Financial Report, Litigation chapter, page 211.

79. Reasons and methods for calculating the end-of-mandate indemnity of directors.

Answer

For the Chairman and non-executive Directors, no end-of-mandate benefits are provided, as reported on page 22 of the 2019 Remuneration Report.

For the Chief Executive Officer and General Manager, specific severance indemnities are envisaged, in relation to the non-renewal or early termination of the administrative mandate. The relative indemnities are not due in the event of resignation not justified by an essential reduction of the assigned proxies or in case of dismissal for just cause. The details of the treatments envisaged in the event of termination of office and possible termination of the executive work relationship of the Chief Executive Officer and General Manager, for the new mandate, are reported on page 28-29 of the 2019 Remuneration Report.

80. Who evaluates the properties? How long does the assignment last?

Answer



Real estate valuations are carried out through an appraisal carried out by specialist advisors, contracted by tender, and who adhere to the RICS standards (international standards that establish the guidelines to be followed for appraisals).

In 2018, there were 4 advisors with a two-year contract.

- 81. Is there a D&O insurance (guarantees offered amounts and claims covered, parties currently covered, when it was approved and by which body, associated fringe-benefit component, with which broker was it stipulated and which companies stipulate it, expiry and demerger effect on policy) and how much does it cost?**

Answer

According to the shareholders' resolution of 25 May 2006, the company entered into D&O insurance coverage. The purpose of the policy is to guarantee the company, if sued directly, from third parties claiming compensation due to mismanagement by its Directors and Officers when performing their duties, except deceitful conduct. The recipients are all Directors and Officers of Eni SpA and of the companies in which Eni holds at least 50% of the capital. For the purposes of coverage, Directors and persons who hold a managerial position are considered Directors and Officers (the definition of policyholder is very broad). The terms and conditions are those provided by the international market scheme (CODA Form). The broker who proceeded with the placement is AON SpA. The leading company in the insurance program is AIG followed by a panel of highly rated international companies. The policy, with duration of one year, is effective from 1 August each year. The cost of coverage, net of taxes amounts to approximately US\$ 1.6 million.

- 82. Have policies been stipulated to guarantee the information prospectuses (with regard to bonds)?**

Answer

No, no policy has been stipulated to guarantee information prospectuses.

- 83. What are the amounts for non-financial and social security insurance (differentiated by macro area, differentiated by industrial plant, which internal structure resolves and manages the policies, brokers used and companies)?**

Answer

The answer is illustrated on pages 99-106 (Operational risk and related risks regarding HSE) of the 2018 Annual Financial Report. In addition, it should be noted that Eni uses all the main Lloyd's insurance brokers (Aon, Marsh and Willis) worldwide, in particular, the reinsurance program is leased to AON UK; as use is made of the main international insurance/reinsurance companies (around 100) with an adequate rating (generally minimum S&P A- or AM Best equivalent). The



insurance business is managed by a dedicated internal structure, reporting to the CFO, which has the task to execute the yearly Insurance Program, shared by a special committee, formed by Eni's main Top Managers.

84. I would like to know what the use of liquidity is (monthly composition and evolution, active rates, type of instruments, counterparty risks, financial income obtained, management policy, reasons for the impossibility, amount allocated to the severance pay and what constraints, operative juridical, exist on liquidity)

Answer

At the end of 2018, Eni's financial assets amounted to € 17.6 billion (€ 13.8 billion in 2017). The increase of € 3.8 billion is mainly due to the funding of \$ 3.3 billion during the year to fund the acquisition of upstream assets (particularly in the Middle East) and 20% of Adnoc Refining, whose closing is expected in 2019.

The decision to maintain a consistent level of financial availability was taken in 2012, when Snam was disposed of: the greater weight in Eni's portfolio of the E&P segment, exposed to the volatility of oil and gas prices, led to a change in strategy, in line with the financial policies adopted by peers.

Eni has therefore decided to minimize liquidity risk by permanently maintaining an adequate liquidity reserve, of which a substantial portion - defined as "strategic liquidity" - invested in highly liquid short-term financial assets with a very low risk profile.

The liquidity reserve (unused financial assets and committed credit lines) is aimed at: (i) ensuring full coverage of short-term debt and coverage of medium/long-term debt payable within 24 months, also in the event of restrictions on access to credit, (ii) addressing identified risk factors that could significantly affect the cash flows forecast in the Financial Plan (ex. changes in the scenario and/or production volumes, deferral in the execution of disposals), (iii) ensuring the availability of an adequate level of operating flexibility to the development plans of Eni, (iv) favouring the maintenance/improvement of creditworthiness ("rating").

[2018 Annual Financial Report, p. 96, 205 and 207]

The stock of financial assets at the end of 2018 totalled € 17.6 billion and is analyzed as follows:

- € 10.8 billion: Cash and cash equivalents mainly managed by Eni SpA and include financial assets payable at the origin generally within 90 days. The average maturity of deposits of € 7.7 billion is 29 days and the effective interest rate is negative for 0.29%; the average maturity of Dollar deposits of approximately € 1.0 billion is 12 days and the effective interest rate is 2.59%.

[2018 Annual Financial Report, p. 75 and 170]



- € 6.6 billion: Securities “held for trading” and other securities held for non-operating purposes. At the end of 2018, financial assets held for trading amounted to € 6.6 billion, of which € 6.1 billion managed by a dedicated Finance unit invested in financial instruments (bonds, CP, ETF/funds, etc.) and € 0.5 billion held by Eni Insurance DAC. The value of these assets related to: € 1.1 billion listed securities issued by sovereign states (of which € 0.7 billion Italy), € 3.0 billion listed securities issued by industrial companies, € 2.2 billion listed securities issued by financial and insurance institutions and € 0.2 billion other securities.

[2018 Annual Financial Report, p. 75, 170 and 171]

- € 0.2 billion: Financial receivables for non-operating purposes, which mainly concern (i) fixed-term deposits Eni Trading & Shipping SpA for € 0.1 billion and (ii) deposits of Eni Insurance DAC for € 0.1 billion.

[2018 Annual Financial Report, p. 75 and 171]

85. I would like to know what investments are planned for renewable energies, how they will be financed and in how long these investments will be recovered.

Answer

In the next four years, Energy Solutions expects to complete 60 projects between brownfield and greenfield for a total of over 1.6 GW of new capacity by 2022, investing € 1.4 billion, and up to 5 GW by 2025.

As of today, our investments in renewables have been financed mainly through the use of equity or, where possible, by accessing subsidized loans or dedicated loans (ex. EIB financing on initiatives in Italy).

Currently, the use of project financing for the development of our projects in the pipeline has not yet been envisaged as the aforementioned forms of financing have been privileged, which allowed us to proceed in a fast, economical and efficient way during the execution phases. In the future, for particular selected projects, however the use of project financing is not excluded.

Energy Solutions will be able to produce a stable long-term cash flow with an unlevered IRR (internal rate of return net of financial leverage) with a range between 8 and 12%.

With reference to recovery times, they cannot be univocally determined as the development initiatives in the renewable area and the financial returns associated, depend on numerous factors such as technology, location, the regulatory system, the presence or otherwise of dedicated incentives.



Finally, in the next four years, in the area of renewable energy, a total R&D expenditure of approximately € 140 million is also expected, mainly referring to research projects on solar photovoltaic and concentration, storage and energy from marine sources.

86. Has there been any downgrade in Italy/abroad of advertising investments/sponsorships?

Answer

No

87. How is the child labour legislation respected?

Answer

In the Eni Group exploitation of child labour is forbidden not only in compliance with the regulations of the countries in which it operates but by applying the highest standard envisaged by the fundamental Conventions of the International Labour Organization (Convention no. 138 on the minimum age / Convention no. 182 on the worst forms of child labour). In implementing these principles, Eni is committed to protecting the right of children to be protected from economic exploitation, providing it in the Guidelines for the "Protection and Promotion of Human Rights", in the code of ethics, in Eni's Statement on respect for Human Rights, in the "our people" policy and in international trade union agreements as well as in procurement activities, binding suppliers in this respect.

88. Is the SA8000 ENAS ethical certification obtained or envisaged?

Answer

The SA8000 standard of Social Accountability International (ENAS is probably a misprint) is an international standard aimed at certifying some aspects of corporate management relating to corporate social responsibility and, in particular, respect for human rights, workers' rights, the protection against the exploitation of minors and guarantees of safety and health in the workplace, as identified by the fundamental conventions of the ILO.

[Eni certification to SA8000](#)

Eni, like most companies in the O&G/Energy sector in Italy and abroad, is not SA8000 certified except for the subsidiary Versalis in the chemical sector that obtained certification in 2017.

It was decided to undertake this path in Versalis as completion and integration of the process followed over time with the certifications in the field of health, safety, environment, quality and energy.



This type of certification has also been positively evaluated for this sector with a view to global competitiveness since it responds to the increasingly emerging demands of customers in specific application sectors.

As regards Eni as a whole, as reiterated in its Code of Ethics, the company operates in accordance with the fundamental Conventions of the ILO to which the SA8000 standard refers, and all its procedures and internal rules are in accordance with these Conventions.

Regarding the nature and number of companies that require SA8000 certification, see the statistics published on the SA8000 official website.

Eni Suppliers

Eni does not require suppliers to hold the SA8000 certification but encourages the development of the skills of its suppliers on sustainability issues, promoting and making them observe the main ILO standards.

Suppliers are subjected to a structured assessment, aimed at verifying and monitoring their compliance with principles such as:

1. promotion and compliance with high standards of workplace safety;
2. prohibition of forced labour and exploitation of minors;
3. freedom of union association and collective bargaining

In addition to these activities, which are an integral part of the procurement process, with particular reference to the issue of human rights, for years, Eni has been conducting an Assessment program (with a view to SA8000) on suppliers; in 2018, 20 Human Rights Assessments were carried out on suppliers identified as "critical" on the basis of factors such as the Sector risk and the Country risk, and 44 SA8000 Auditors were trained to support this activity, of which three in 2018 (Eni people of head office and subsidiary).

89. Do we finance the arms industry?

Answer

No.

90. I would like to know group net financial position at the date of the shareholders 'meeting with average historical active and passive rates.

Answer



At 31 December 2018, the net financial position amounted to € 8,289 million. Cash and cash equivalents amounted to € 10,836 million and consisted essentially of deposits in EUR and US Dollars; the effective interest rate on deposits in EUR is negative by 0.29% while that of deposits in US Dollars is 2.59%; as regards financial assets held for trading in note no. 6 "Financial assets held for trading" of the consolidated financial report and of Eni SpA, the relative fair values are indicated. The average interest rate weighted on short-term financial payables is 1.3% and 2.0%, respectively for the years ended 31 December 2017 and 31 December 2018. Long-term financial liabilities, including short-term portions, are analyzed in Note 18 "Financial liabilities" of the consolidated financial report showing the interest rate for each bond; the average reference rates for total long-term financial liabilities, including short-term portions, are 2.3% for EUR, 4.3 for USD, 4.2% for other currencies.

At 31 March 2019, the net financial position, without considering the effects of IFRS 16, amounted to € 8,678 million (€ 14,496 million considering the application of IFRS 16).

91. How much have the Consob, Borsa (stock exchange), etc. penalties amounted to, for which amount and for what?

Answer

No penalties were imposed by the mentioned Authorities.

92. Have there been unpaid taxes? If so, how much? Interest? Sanctions?

Answer

All taxes have been regularly paid.

93. I would like to know: changes in shareholdings compared with the report in question.

Answer

The changes occurring at 31 March 2019 in the consolidation area of the Group compared to the situation at 31 December 2018 concern the exit from full consolidation due to the irrelevance of the following companies: (i) Eni Denmark BV; (ii) Eni India Ltd.; (iii) Eni Liberia BV; (iv) Eni Ukraine Llc; (v) Eni USA R&M Co. Inc.

94. I would like to know to date losses and gains on securities listed in the stock exchange on the last stock exchange liquidation available

Answer

In Eni's consolidated financial statements, Saipem SpA is an equity investment measured with the equity method.



At 31 December 2018, the book value of the equity investment of € 1,228 million, in line with the corresponding portion of the equity of the investee, exceeded the fair value represented by the share of market capitalization of the Saipem security, as follows:

	Saipem SpA
Number of shares held	308,767,968
% of the investment	30.99
Share price [€]	3.265
Market value [€ million]	1,008
Book value [€ million]	1,228

At 31 December 2018, the latent loss was € 220 million.

At 3 May 2019, Saipem's reference price is € 4.373 per share; the number of shares held by Eni is 308,767,968 (the same value as at 31 December 2018).

The market value of Saipem shares is approximately € 1,350 million.

At 31 March 2019, Saipem's shareholders' equity amounted to € 3,985 million, Eni's equity investment was 30.99% (same value at 31 December 2018). Saipem's book value is approximately € 1,235 million.

At 3 May 2019, Saipem's market capitalization exceeds the book value at 31 March 2019 by about 9% (latest figure available).

	Saipem SpA
Number of shares held	308,767,968
Share price at May 3, 2019 (€)	4.373
Market value at May 3, 2019 (€ million)	1,350
Saipem shareholders' equity at March 31, 2019 (€ million)	3,985
% of the investment	30.99
Book value at March 31, 2019 (€ million)	1,235

At 3 May 2019, the latent gain was € 115 million.

95. I would like to know, from the beginning of the year up to now, the performance of turnover by sector.

Answer

Eni's first quarter 2019 results were released to the market on 24 April 2019. Below the results by segments:



Net sales from operations

IVQ		IQ		
2018	(€ million)	2019	2018	% Ch.
6,762	Exploration & Production	5,674	5,473	4
14,760	Gas & Power	14,008	13,742	2
6,548	Refining & Marketing and Chemicals	5,391	5,566	(3)
5,481	- Refining & Marketing	4,441	4,433	
1,202	- Chemicals	1,037	1,272	(18)
(135)	- Consolidation adjustments	(87)	(139)	
459	Corporate and other activities	367	361	2
(8,473)	Consolidation adjustments	(6,900)	(7,210)	
20,056		18,540	17,932	3

Net sales from operations in the first quarter of 2019 (€ 18,540 million) increased by € 608 million compared to the first quarter of 2018 (+3%).

Revenues from the E&P segment (€ 5,674 million) increased by € 201 million (+3.7%) due to the appreciation of the USD/EUR exchange rate (+8%) and the increase in the price of gas in Dollars (24.6%). These effects were partly offset by the decrease of oil realization prices in Dollar terms (-5.1%), linked to the performance of the Brent marker, by lower hydrocarbon production (1,832 kboe/d, down 1.9%) and the derecognition of Eni Norge as part of the Vår Energi transaction that had revenues of € 575 million in the first quarter of 2018.

Revenues from the G&P sector (€ 14,008 million) increased by € 266 million (+1.9%) due to higher electricity sales (10.14 TVh; +10% vs. the first quarter of 2018), which offset the decrease in gas prices in Europe (PSV of 222 €/kmc, -7.1% and TTF of 195 €/kmc, -14.1% vs. the first quarter of 2018) and lower volumes of gas sold (21.33 BCM, -4.9% vs. the first quarter of 2018).

Revenues from R&M and Chemical business (€ 5,391 million) decreased by € 175 million (-3% vs. the first quarter of 2018) following the decrease in revenues from the Chemicals (€ 1,037 million, -18% vs. the first quarter of 2018) due to lower volumes sold (1.04 mmt tonnes with a 16% reduction compared to the first quarter of 2018 influenced by the shutdown of the Priolo hub) and the drop in the prices of the main products due to oversupply and competitive pressure. Revenues from the R&M business are substantially in line with the first quarter of 2018 (€ 4,441 million, +0.2% vs. the first quarter of 2018) due to the higher volumes sold in the wholesale business, offset by the reduction in the gasoline price of 13%. The price of diesel is substantially in line with the previous quarter.

Net sales from operations in the first quarter of 2019 (€ 18,540 million) decreased by € 1,516 million compared to the fourth quarter of 2018 (-7.6%) due to the reduction of oil realization prices in Dollar terms (respectively -5.1% and -8.2% compared to the fourth quarter 2018), against the



weakening of the Brent price (-6.7%) and the decline in gas prices in Europe (PSV and TTF respectively -19% and -25.3% compared to the fourth quarter 2018), lower production of E&P (-2.1%), lower volumes sold by the R&M (-10%) and Chemical business (-13.6% referable to the Priolo event), as well as the deconsolidation of Eni Norge, which in the fourth quarter of 2018, had achieved revenues of € 509 million.

These effects were offset by higher volumes of gas and electricity traded (+13.9% and +2.4% respectively compared to the fourth quarter of 2018) and the slight appreciation of USD/EUR exchange rate (+0.5%).

96. I would like to know to date trading on treasury shares and group shares also through company or person pursuant to article 18, Presidential Decree 30/86 in particular if there has been trading also on shares of other companies, under a foreign bank not required to reveal the name of the owner to Consob, with reports on the securities in portfolio for a symbolic value, with shares in portage.

Answer

With reference to the purchase of treasury shares, the transactions authorized by the shareholders' meeting of 8 May 2014 ended on 9 December 2014 and since then no purchase has been made.

The shareholders' meeting of 14 May 2019 will be asked to approve a new authorization to purchase treasury shares.

97. I would like to know purchase price treasury shares and date of every lot, and difference % from the stock exchange price

Answer

With reference to the treasury share purchase program with a shareholders' resolution of 8 May 2014, the transactions ended on 9 December 2014 and no purchases have been made since then.

The daily detail of the purchase transactions is available on the Eni website https://www.eni.com/it_IT/azienda/governance/azionisti.page in the section treasury shares.

98. I would like to know name of the first 20 shareholders present in the room with the relative % of possession, of representatives with the specific type of proxy or delegation.

Answer

It will be communicated at the Meeting.



99. I would like to know in particular which the pension fund shareholders are and for which portion?

Answer

It will be communicated at the Meeting.

100. I would like to know the names of the journalists present in the room or following the meeting through the closed circuit of the newspapers they represent and if anyone has relationships of direct and indirect consultancy with group companies, also subsidiaries, and if they have however received money or benefits directly or indirectly from subsidiaries, associates and parent companies. If the answer is "it is not relevant", I will report the fact to the board of statutory auditors pursuant to article 2408 of the Civil Code.

Answer

It will be communicated at the Meeting.

101. I would like to know how are advertising costs divided by editorial group, to evaluate the independence index? Have payments been made to journals or newspapers and internet for studies and consultancy?

Answer

The advertising investments on the main groups are divided as follows:



Principali Concessionarie	Inv 2018	Sh%
PUBLITALIA	8.793.589	17,1%
MANZONI	5.111.604	9,9%
RAI	5.000.068	9,7%
RCS	3.070.668	6,0%
MEDIAMOND	2.234.449	4,3%
GOOGLE	2.023.805	3,9%
SOLE 24 ORE	2.003.083	3,9%
PIEMME	1.767.030	3,4%
SKY	1.376.145	2,7%
CAIRO	1.129.354	2,2%
Totale Principali Concessionarie	32.509.795	63,1%
Totale Investimenti	51.537.152	

The residual portion also includes the publications for which the investment is not significant compared to the total volumes.

No payments have been made to newspapers or Internet sites for studies and consultancy

102. I would like to know the number of shareholders registered in the shareholders' register and their breakdown by both significant bands of equity possession and residents in Italy and abroad.

Answer

Eni's share capital amounts to € 4,005,358,876 and is represented by 3,634,185,330 ordinary shares without nominal value. The shareholders' register is fully updated upon the payment of dividends and the exercise of other rights, within 30 days of communications; based on the latest update, the Company's shareholder base consists of approximately 260 thousand shareholders. With regard to significant investments, based on the communications received on 3 May 2019 (record date), the Ministry of Economy and Finance holds 4.335% of the share capital and Cassa Depositi e Prestiti SpA holds 25.760% of the share capital. The table below represents the breakdown by holding and by geographical area based on the reports relating to the interim



dividend for the 2018 financial year (September 2018). These information are also available on Eni's website.

ENI SHAREHOLDINGS: GEOGRAPHICAL BREAKDOWN (JANUARY 11, 2019 UPDATE)			
Shareholders	Number of shareholders	Number of shares held	% of outstanding shares
Italy	249,689	1,607,803,226	44.24
UK and Ireland	659	281,673,928	7.75
Other EU member States	3,596	692,785,490	19.06
USA and Canada	1,845	651,848,224	17.94
Rest of the World	1,216	338,004,189	9.30
Treasury shares	1	33,045,197	0.91
Identity shareholders of not provided	n.d.	29,025,076	0.80
Total	257,006	3,634,185,330	100.00

ENI SHAREHOLDINGS: BREAKDOWN BY NUMBER OF SHARES HELD (JANUARY 11, 2019 UPDATE)			
Shareholders	Number of shareholders	Number of shares held	% of outstanding shares
> 10%	1	936,179,478	25.76



ENI SHAREHOLDINGS: BREAKDOWN BY NUMBER OF SHARES HELD (JANUARY 11, 2019 UPDATE)			
Shareholders	Number of shareholders	Number of shares held	% of outstanding shares
3% – 10%	1	157,552,137	4.34
2% – 3%	0	0	0
1% – 2%	8	393,148,151	10.82
0.5% – 1%	10	215,677,239	5.93
0.3% – 0.5%	17	220,821,309	6.07
0.1% – 0.3%	65	401,630,825	11.05
≤0.1%	256,903	1,247,105,918	34.32
Treasury shares	1	33,045,197	0.91
Identity of shareholders not provided	n.d.	29,025,076	0.80
Total	257,006	3,634,185,330	100.00

103. I would like to know in the group and the parent company and or direct or indirect associates, have there been consultancy relationships with the board of auditors and audit firm or parent company. What is the total amount of expenses reimbursements for both?

Answer

To ensure the independence requirement of the auditors, the Eni Group has decided not to entrust to the audit firm appointed, as well as to the companies of the related network, consulting assignments; within the limits of the provisions of applicable national and US regulations, tasks are envisaged for activities strictly connected with audit activities. Transport, board and lodging expenses incurred by the auditor following the service performed are contractually reimbursable,



subject to presentation of the relevant supporting documents, up to a maximum of 7% of the recognized remuneration. The Board of Statutory Auditors of Eni SpA, as well as each of the members of the Board, does not have consultancy relationships with Eni or with any company controlled by Eni. The transfers of the Board of Statutory Auditors are organized by Eni's structures and the related costs are incurred directly by the company.

104. I would like to know if there has been any direct or indirect financing of unions, parties or political foundations movements (such as Italians in the world), foundations and associations of consumers and/or national or international shareholders in the group also through the financing of specific initiatives required directly?

Answer

There has been no direct or even indirect financing for the above mentioned bodies/associations. Eni does not pay contributions to any Italian or foreign trade union, party, political foundations. Any direct or indirect contribution, in any form, to parties, movements, committees and political and trade union organizations, their representatives and candidates is expressly prohibited by the Code of Ethics and the anti-corruption rules adopted by Eni.

105. I would like to know if there are any bribes paid by suppliers? and how does the end-of-year return to the purchasing department work and how much is it?

Answer

With reference to the first part of the request, we specify that Eni disapproves the payment of bribes. Eni has adopted a "zero tolerance" policy against corruption, both in transactions with the public administration and with private third parties, which is prohibited without exception and has as a basic principle of conduct, enshrined in its Code of Ethics, compliance with the law and regulations, ethical integrity and fairness, which represent the constant commitment and duty of all eni people. For this purpose, it has developed an articulated system of rules and controls aimed at preventing corruption crimes (the so-called anti-corruption compliance program) in line with international best practices, international conventions on the fight against corruption as well as legislative decree 231, the US Foreign Corrupt Practices Act and the UK Bribery Act. The principle of Eni's anti-corruption compliance program is based on the Code of Ethics, eni Model 231 and the Anti-Corruption Management System Guideline, published on the eni website at www.eni.com in the Corporate Governance section (The System and the Rules of Governance and Controls). With reference to the second part of the question, with the term "return" we mean, in the context of the management of procurement contracts, the acknowledgement to eni by suppliers of a part of the agreed fee, for example against volume discounts on orders or the recognition of penalties. The



return mechanisms, when foreseen, are managed by a plurality of business units and not only by the competent procurement function. In particular, these mechanisms are negotiated by the latter, which regulates them in individual contracts. When the contractual conditions are met, they are activated by the operating units that manage the contracts, which are procedurally required to verify the applicability or otherwise of the penalties and any volume discounts provided for by contract. The management of delegations by Eni also sees the active involvement of the competent administrative function along the process and in particular in verifying the correctness of the invoices and/or credit notes received with respect to what is contractually provided and certified by the unit that manages the contract. The amount of volume discounts and penalties (typically expressed as a percentage of the total value of the order), may differ from contract to contract.

106. I would like to know if bribes have been paid to enter emerging countries, in particular CHINA, Russia and India?

Answer

No.

107. I would like to know if you collected illegal sums?

Answer

No.

108. I would like to know if there has been insider trading?

Answer

No.

109. I would like to know if there are executives and/or directors who have interests in supplier companies? Do directors or executives directly or indirectly hold shares of supplier companies?

Answer

There are no holdings of executives or directors in supplier companies, which are not mere investments and as such not registered. It is recalled that, based on internal regulations, directors are required to periodically issue declarations on their "subjects of interest". In any case, Eni's Code of Ethics expressly provides the obligation for all employees to avoid and report any conflicts of interest between personal and family economic activities and their tasks within the structure or corporate body.



110. How much have the directors personally earned in extraordinary transactions?

Answer

As already answered in 2018, the Eni Remuneration Policy does not provide for the possibility of paying compensation for extraordinary transactions for Directors, as also reported on page 10 of the Remuneration Report.

111. I would like to know total donations of the group and for what and who?

Answer

Please refer to the information in notes no. 38 and no. 33 respectively of the notes to the consolidated and annual financial statements of Eni SpA. In particular, Law 124/2017, in force as from 2018, introduced the obligation to provide in the notes the disbursements received from Italian public bodies and entities; furthermore, pursuant to the same provision, for Eni SpA as a State-controlled company, there is also an indication of the contributions granted to Italian and foreign beneficiaries. Pursuant to the provisions of article 3-quater of Decree Law 135/2018, converted with amendments by Law 11 February 2019, no. 12, for the disbursements received, reference is made to the indications contained in the National Register of State Aid referred to in article 52 of Law 24 December 2012, no. 234.

112. I would like to know if there are judges among direct and indirect consultants of the group, the magistrates who composed arbitration boards, their compensation and their names?

Answer

There are no professional appointments with magistrates in office.

113. I would like to know if there are lawsuits in progress with various antitrust?

Answer

For relevant disputes, see the notes to the Financial Statements of the 2018 Annual Financial Report, Litigation chapter, page 211.

114. I would like to know if there are any pending criminal proceedings with investigations on the current and past members of the board of directors and or the board of statutory auditors for facts concerning the company.

Answer



For relevant disputes, see the notes to the Financial Statements of the 2018 Annual Financial Report, Litigation chapter, page 211.

115. I would like to know the amount of bonds issued and with which bank (CREDIT SUISSE FIRST BOSTON, GOLDMAN SACHS, MORGAN STANLEY E CITIGROUP, JP MORGAN, MERRILL LYNCH, BANK OF AMERICA, LEHMAN BROTHERS, DEUTSCHE BANK, BARCLAYS BANK, CANADIA IMPERIAL BANK OF COMMERCE -CIBC-)

Answer

To date, Eni SpA has in circulation approx. € 18.2 billion of bonds, entirely with institutional investors (of which (i) € 14.4 billion in the EMTN Program, (ii) USD 3.8 billion in the US and (iii) € 400 million in non-dilutive convertible bond).

These bonds were issued using the main banks present in the various reference markets and in particular:

Banca IMI, Bank of America Merrill Lynch, Barclays, BBVA, BNP Paribas, Citi, Crédit Agricole, Deutsche Bank, Goldman Sachs, HSBC, ING, JP Morgan, Mediobanca, Mitsubishi Financial Group, Morgan Stanley, MPS Capital Services, Natwest, Nomura, Santander, SMBC Nikko, Societe Générale, Unicredit and Wells Fargo.

116. I would like to know detailed cost of sales for each sector.

Answer

The cost of sales in 2018 at consolidated level amounted to € 55.6 billion.

Before the elimination of intragroup items, the breakdown of the cost of sales by sector is as follows: 61% g&p, 23% r&m, 9% e&p and 7% other sectors.

The 2018 cost of sales reported an increase of approximately 8% compared to 2017 mainly due to the increase in the cost of supplied hydrocarbons (gas from long-term contracts and oil and petrochemical offices).

117. I would like to know the total costs for:

- a) acquisitions and disposal of shareholdings
- b) environmental remediation
- c) what and for what have investments been made for environmental protection?

Answer

[Answer 117 a](#)



- **Acquisitions and disposal of shareholdings:**

In 2018, investments in shareholdings, consolidated companies and business units amounted to € 244 million and refer to:

(€ million)			Additions
Investments			
Coral FLNG SA			48
Commonwealth Fusion Systems Llc			42
Other investments			35
Additions and subscriptions of investments			125
(€ million)	Purchase price	Less cash and cash equivalent acquired	Total
Businesses			
“Bio” del Gruppo Mossi & Ghisolfi	75		75
Consolidated subsidiaries			
Gas Supply Company Thessaloniki-Thessalia SA	52	(28)	24
Mestni Plinovodi distribucija plina doo	16	(1)	15
Other	5		5
Purchase of consolidated subsidiaries and businesses			119
Investments and purchase of consolidated subsidiaries and businesses			244

Divestments of shareholdings, consolidated companies and business units amounted to € 148 million, including return of capital, and refer to:

(€ million)	Divestments	Reimbursements	Total
Investments			
Angola LNG Ltd		95	95
Other	28	72	100
Divestments and reimbursements of investments			195



(€ million)	Selling price	Less cash and cash equivalent divested	Total
Businesses			
Lasmo Sanga Sanga	33		33
Other	3		3
Consolidated subsidiaries			
Eni Norge AS		(258)	(258)
Tigáz Zrt e Tigáz Dso	158	(13)	145
Eni Croatia BV	35	(15)	20
Eni Trinidad and Tobago Ltd	10		10
Disposal of consolidated subsidiaries and businesses	239	(286)	(47)
Disposal of investments, consolidated subsidiaries and businesses			148

[Answer 117 b\) and c\)](#)

The environmental expenses incurred by Eni in 2018 amounted to € 914 million and are mainly attributable to the reclamation of soil and groundwater (including emergency and operational safety, decommissioning and restoration, for a total of € 376 million), waste management (€ 224 million), water resources (€ 131 million), air protection (€ 66 million), spill prevention (€ 41 million) and flaring down (€ 39 million).

118. I would like to know

- a. the non-monetary benefits and bonuses and incentives how are they calculated?
- b. how much have the salaries of managers and CEO changed on average over the last year compared to the salaries of employees and workers?
- c. I would like to know the ratio between the average cost of executives/and non.
- d. I would like to know the number of employees by category, have there been causes for mobbing, for instigation to suicide, accidents at work and with what results? personally I cannot accept the dogma of the absolute reduction of personnel
- e. how many employees were sent for pre-retirement mobility and what was the average age.

[Answer](#)

[Answer a\)](#)



As already answered in 2017 and 2018, non-monetary benefits mainly relate to social security and welfare benefits and the assignment of the company car for business and personal use. The value of the benefits, shown in Table 1 on page 41 of the 2019 Remuneration Report, is calculated according to the taxability criterion required by Consob.

The variable remuneration, aimed at promoting the achievement of the annual objectives and the growth of the business's long-term profitability, is divided into a short-term and a long term component, the characteristics of which are briefly described in the "Summary" (page 11 of the Remuneration Report) and more in detail, in the "Guidelines of the Remuneration Policy" of the 2019 Remuneration Report (pages 23 - 28 of the Remuneration Report).

As regards the implementation of the incentive plans for 2018, the performance results related to the incentives paid are shown in Section II of the Report.

Answer b)

The salaries of executives varied on average by about 0.7%; the salaries of middle managers, office workers and workers increased on average by 1.6%.

Answer c)

The ratio of average cost managerial and non-managerial personnel is 4.8.

Answer d)

The distribution of employees by category is presented in the following table:

	RELAZIONE FINANZIARIA ANNUALE		
	Italia	Eestero	Totale
Dirigenti	814	211	1.025
Quadri	6.529	2.698	9.227
Impiegati	10.653	5.555	16.208
Operai	3.006	2.235	5.241
TOTALE	21.002	10.699	31.701

In 2018, 1 ongoing mobbing appeal was notified to the labour judge.

No causes of work were reported for instigation to suicide.

No causes of work were reported concerning accidents involving employees.



Answer e)

During 2018, 6 resources with an average age of 58.5 were placed in NASPI, pursuant to Law 223/91. In the same period, the employment relationship was terminated by mutual consent, pursuant to article 4 of Law 92/2012, 193 resources with an average age of 59.4 years.

119. I would like to know if works of art have been purchased? By whom and for what amount?

Answer

No purchases of works of art were made in 2018.

120. I would like to know in which sectors costs have been reduced most, excluding your salaries that have been constantly increasing rapidly.

Answer

Starting from mid-2014, and before the collapse in hydrocarbon prices began, we put in place a rigorous process of reviewing costs and investments, without jeopardizing our future growth, which is fundamentally based on optimizing spending through development in phases, modularization and standardization of projects, synergies with existing structures, careful and constant revision of the entire supply chain, as well as flexibility of our hydrocarbon resources portfolio, thanks to the recent significant discoveries of our exploratory successes.

To confirm this, in 2018 we halved our cash neutrality compared to 2014, i.e. we guaranteed with the operating cash flow the coverage of all costs, investments and dividends with a Brent price of 52 \$/bl.

121. I would like to know. Are there companies actually controlled (pursuant to the Civil Code) but not indicated in the consolidated financial statements?

Answer

No.

122. I would like to know. Who are the gas suppliers of the group and what is the average price.

Answer

Eni purchases natural gas through long-term contracts and, diversifying its portfolio, maintains business relationships with the main national companies. In 2018, as shown on page 52 of the



financial report, around 80% of purchases of natural gas from abroad involved six "historic" suppliers.

In particular, 36% concerned supplies from Russia (Gazprom), 9% from Norway (Equinor), 5% from the Netherlands (Gasterra), 16% from Algeria (Sonatrach), 6% from Libya (NOC + Eni) and 3% from Qatar (Rasgas).

The average purchase price, in particular at this moment in which we are involved in commercial discussions with some of our suppliers, is sensitive data whose publication would compromise the commercial interests of the company.

123. I would like to know if they are consultants and the amount of consultancy paid to companies headed by Bragiotti, Erede, Trevisan and Berger?

Answer

In 2018, the persons indicated did not provide any consultancy work nor received any compensation, relating to services connected to the financial activity.

124. I would like to know. What is the % of Italian portion of investments in research and development?

Answer

In 2018, the Italian share of investments in research and development was 85% of total R&D investments (vs. 82% in 2017).

125. I would like to know the costs for the meetings and for what?

Answer

The cost of the meeting is around € 200,000. Costs include the set-up of the room, the electronic voting system, the minutes of the meeting by the Notary, other notarial requirements, the appointment of the Shareholder Representative, catering and gadgets for shareholders.

126. I would like to know the costs for stamp duties

Answer

At 31 December 2018, the cost for stamp duties amounted to € 2.2 million.

127. I would like to know the traceability of toxic waste.

Answer



The Italian legislation on waste provides for the traceability of the supply chain from the producer to final disposal. The administrative requirements for traceability include loading and unloading registers, forms identifying the waste (FIR) for transport and a single model of environmental declaration (MUD) to be presented annually. In particular, the FIR is issued in 4 copies, of which the first remains with the producer and the rest with the transport; the latter, bearing the acceptance of the destination plant, remain one with the transporter, one with the consignee and one with the producer, who thus confirms the success of the transfer.

The SISTRI system, adopted in Italy to track waste electronically, was repealed in 2018, in favour of a new system (National Electronic Register - REN), for which implementation is awaited.

Eni also has an internal regulatory system of procedures and operating instructions to ensure full traceability of waste disposal, according to best practices in the field.

128. What cars do the Chairman and CEO have and how much do they cost us as a detail of the benefits outlined in the remuneration report?

Answer

As already answered in 2017 and 2018, the assignment of mixed-use cars is not envisaged for the Chair, while the Chief Executive Officer and General Manager, as for all executives, have been assigned a company car for mixed use in line with the Eni Policy.

129. Detail by user of costs for the use or rental of helicopters and airplanes. How many helicopters are used, what is the brand and what hourly cost and used by whom? if the answers are "The other questions are not relevant to the items on the agenda", I will report this to the board of statutory auditors pursuant to article 2408 of the Civil Code.

Answer

At 31/12/18, the company Servizi Aerei SpA owns 2 Dassault Aviation production aircraft and a Gulfstream production aircraft, more precisely:

- Falcon 900EX Easy I-SEAS (year of construction 2008)
- Falcon 900EX Easy I-SEAR (year of construction 2007)
- Gulfstream G550 (year of construction 2013).

These aircrafts are exclusively used for the operational needs of companies of the Eni's Group. Moreover, especially in relation to certain foreign destinations, the use of a company fleet ensures high levels of service and safety, including the ability to transport personnel to foreign locations



where connections are more complex and thus significantly reduce travel times compared to commercial services.

As regards the hourly cost, the possibility of drastically reducing service activation times and the greater security guaranteed by direct management of ground and flight operations makes the hourly cost aligned with what is proposed on the market by similar operators (where available).

Eni does not have helicopters. Where operational needs in oil fields or rigs require it, Eni provides transport services by helicopter to contracted suppliers through specific tender procedures.

130. What is the amount of non-performing loans?

Answer

Credit risk exposure and expected losses relating to trade and other receivables has been prepared on the basis of internal ratings as follows:

[€ million]	Performing receivables			Defaulted receivables	Eni gas e luce customers	Total
	Low risk	Medium Risk	High Risk			
December 31, 2018						
Business customers	2,454	3,585	1,152	1,350		8,541
National Oil Companies and public administrations	1,292	157	672	2,217		4,338
Other counterparties	1,494	77	156	271	2,374	4,372
Gross amount	5,240	3,819	1,980	3,838	2,374	17,251
Allowance for doubtful accounts	(9)	(3)	(44)	(2,237)	(857)	(3,150)
Net amount	5,231	3,816	1,936	1,601	1,517	14,101
Expected loss [% net of counterpart risk mitigation factors]	0.2	0.1	2.6	62.5	36.1	

With respect to the initial balance, the allowance for doubtful accounts recorded an increase of approximately € 90 million as the balance between provisions for expected losses (approximately € 500 million), utilisations for the transfer to loss of the related receivables (approximately € 720) and other increases of approximately € 300 relating to exchange differences and reclassifications.

In particular, the provisions referred for € 108 million to performing trade receivables related to retail customers in the Gas & Power segment; for € 291 million to loans in default of the Exploration & Production sector and mainly relate to the supply of equity hydrocarbons to state-owned companies and other commercial partners.



The uses of the allowance for doubtful trade receivables referred for € 613 million to the Gas & Power segment and relate to utilizations against charges mainly from retail customers.

Eni has classified its business customers and the associated commercial or industrial exposures based on an individual assessment of the credit and the counterparty risks. Business customers other than National Oil Companies (NOC) and public administrations, each of whom has undergone an individual credit evaluation, have assigned a probability of default calculated based on internal ratings which factor in: (i) a full assessment of each customer profitability, financial condition and liquidity and business a financial prospects on an ongoing basis; (ii) history of the contractual relationship (timeliness in invoice payment, number of claims, etc.); (iii) presence of mitigation factor of credit risk (e.g. securitization package, insurance against the credit risk, guarantee from third parties, etc.); (iv) other specialized pieces of information obtained by the Company's business commercial function or by specialized info-providers; (v) industrial and market trends. Internal ratings and the probability of default are constantly updated by means of back-testing analysis and risk assessment of the current credit portfolio. The loss given default associated with those industrial customers is estimated by the business based on the past experience in credit recoverability; in the case of defaulting customers, loss given default is estimated based on the recovery rates obtained in situations of credit restructurings or litigation procedures.

The probability of default associated with NOCs and public administrations is estimated based on the country risk premium incorporated in the risk-adjusted weighted average cost of capital utilized by the Company to perform the impairment review of its fixed assets. The loss given default of these business partners is estimated based on historical averages of delays in collecting overdue receivables, substantially assessing the time value of money. The resulting loss given default is adjusted to factor in any existing mitigation factors. In case of particular market conditions or sovereign defaults, the expected loss associated with NOCs is re-rated based on the empirical evidence and outcomes obtained from restructuring of sovereign debts considering the specificities of trading relationships with energy companies.

Customers of Eni gas e luce have been grouped into homogeneous clusters with different credit risk and probability of default which have been estimated based on past experience on credit collection, systematically updated and, in case of particular market conditions, adjusted to take into account expected market and credit trends in any given cluster.

The exposure to credit risk and expected losses relating to retail customers of Eni gas e luce was assessed on the basis of a provision matrix as follows:



[€ million]	Ageing					Total
	Not-past due	from 0 to 3 months	from 3 to 6 months	from 6 to 12 months	over 12 months	
December 31, 2018						
Customers - Eni gas e luce:						
- Retail	575	49	34	64	554	1,276
- Middle	449	43	13	29	349	883
- Other	207	2	1	2	3	215
Gross amount	1,231	94	48	95	906	2,374
Allowance for doubtful accounts	(20)	(18)	(18)	(56)	(745)	(857)
Net amount	1,211	76	30	39	161	1,517
Expected loss (%)	1.6	19.1	37.5	58.9	82.2	36.1

131. Have there been contributions to trade unions and trade unionist and if so, in what capacity and for how much?

Answer

Eni does not recognize direct economic contributions to trade unions and/or trade unionists.

132. Is there and how much is the anticipation on disposal of credit %?

Answer

Certain agreements with financing institutions were signed for the disposal of trade receivables without recourse.

The amount of trade receivables outstanding at 31 December 2018 with maturity 2019 amounted to approx. € 1.78 billion (€ 2.05 billion in 2017 with 2018 maturity).

The sale agreements provide for the payment of a "flat" commission equal to a few basis points on the face value of the credit transferred; the discount rate applied between the date of the derecognition of the receivables and that of the weighted average maturity of the receivables is variable and is linked to the Euribor plus a spread aligned with Eni's credit standing.

133. Is there a manager for voting by proxy and how much does it cost? If the answer is: "The relative cost is not specifically identifiable as it forms part of a broader set of activities related to the shareholders' meeting." In addition to indicating serious deficiencies in the control system, I will report it to the board of statutory auditors pursuant to article 2408 of the Civil Code.

Answer



The Shareholder Representative designated by the Company, pursuant to article 135-undecies TUF, is the Lawyer Dario Trevisan. The cost is a maximum of € 5,000 depending on the number of proxies, plus expenses, VAT and CPA.

134. What is the amount of investments in treasuries?

Answer

At 31 December 2018, the investment in listed securities issued by sovereign states amounted to € 1,083 million (of which € 768 million referable to Eni SpA), against financial assets held for trading for a total of € 6,552 million (of which € 6,100 million relating to Eni SpA). The investment in treasuries issued by the Italian Republic amounts to € 658 million (of which € 594 million referable to Eni SpA).

Further information is available in Note 6 - Financial assets held for trading, pages 170 and 171 of the 2018 consolidated financial statements as well as in Note 6 - Financial assets held for trading, pages 274 and 275, of the 2018 financial statements, contained in the 2018 Annual Financial Report.

135. How much is the INPS debt and with the Revenue Agency?

Answer

The debt of Eni SpA vs. social security administration amounts to approx. € 58 million; net payables due to Revenue Agency relating to direct taxes amounts to about € 2 million and essentially relate to taxes of joint operations proportionately consolidated. For further information on tax assets and liabilities, please refer to note 9 of the Eni SpA financial statements.

136. Is there tax consolidation and what is the amount and for what rates?

Answer

Eni SpA and the main Italian companies have exercised the option for tax consolidation: in 2018, 27 companies were included. The overall consolidated result for 2018 is negative. The tax rate is the ordinary IRES rate of 24%.

137. How much is the contribution margin of last year?

Answer

In 2018, the contribution margin amounted to € 26.9 billion, up by € 5.4 billion or 25% vs. 2017 leveraging on the greater contribution of the e&p segment of € 5.3 billion due to the increase of



realized prices on equity hydrocarbons for the performance of the oil scenario (+16.8% increase related to Brent) and to production growth.



Shareholder D&C Governance Technologies

1. **What is the time deemed appropriate for the sending of pre-meeting information? During 2018, were there occasions when these terms could not be met? If yes, for what reasons?**

Answer

The Regulation of the Board of Directors requires that the documentation on the items on the agenda be made available to Directors and Statutory Auditors normally five days before the date set for the meeting, together with the convocation notice, and in any case not more than three days before the date of the meeting. During the year, the deadlines set by the Regulations for sending documentation relating to the items on the agenda were met, with rare exceptions, due to the case in which the documentation contained data and information being defined, for example because being negotiated.

2. **How is pre-meeting information sent to board members? How is security guaranteed?**

Answer

Pre-meeting documentation is made available to the Board through a reserved section of the company's website, which guarantees utmost security and confidentiality of information.

3. **What were the initiatives aimed at favouring the most ample possible participation of shareholders at Shareholders' Meetings and facilitating the exercise of shareholders' rights carried out in 2018?**

Answer

The Company provides shareholders with the possibility of using various instruments to facilitate participation in the Shareholders' Meeting and the exercise of voting rights such as (i) the conferral of shareholders' meeting proxies with electronically signed document; (ii) electronic notification of proxies, also using a specific section of the Company's website in accordance with the provisions of the convocation notice; (iii) voting by correspondence; (iv) the right to ask questions before the meeting, including through a special section of the website; (v) the appointment of the Designated Representative, to whom the shareholders may grant a free proxy. To facilitate the collection of proxies from employee shareholder associations meeting the requirements of current legislation, according to the terms and conditions agreed upon each time with their legal representatives, spaces are available to be used for communication and for the performance of the collection of proxies. Furthermore, all information necessary for the exercise of shareholders' rights is published



on Eni's website, including a specific Guide and related documentation. The meeting documentation is also sent to shareholders who request it. Finally, a toll-free number was activated - both for Italy and abroad - for shareholder requests and an e-mail address dedicated to relations with shareholders is always active.

- 4. What was the cost of the service offered by Egon Zehnder as part of the self-assessment process?**

Answer

The consultant Egon Zehnder was appointed by the Board for the entire three-year term, based on the proposals made by the Nomination Committee, following a tender involving the participation of companies with expertise and experience in the sector and with adequate standing selected by the Committee. The fees are in line with those of the market for similar positions.

- 5. What are the possible improvements identified by the self-assessment process referred to in the corporate governance report?**

Answer

The outcomes of the board review confirmed, in substantial continuity, all the areas of strength and the positive elements that emerged from the previous self-assessment and, on the basis of the elements gathered and the related analyzes conducted, Egon Zehnder decided to position Eni as the benchmark of excellence among the peers of reference and did not highlight areas for improvement.

- 6. During 2018, how many times have managers/directors external to the board of directors been invited to participate outside of any participation linked to the induction program?**

Answer

During all the board meetings of 2018, managers of the Company or its subsidiaries took part, to provide information on the matters on the agenda.

- 7. Is it possible to provide ad hoc/one-off bonuses to executive directors who are not linked to pre-determined or pre-determinable criteria and parameters?**

Answer

No, the Eni Remuneration Policy does not provide for the possibility of granting ad hoc/one-off bonuses to executive directors who are not linked to pre-determined or pre-determinable performance criteria and parameters, as also reported on page 10 of the Remuneration Report.



- 8. In 2018, amendments were made to the Corporate Governance Code aimed at maintaining gender diversity in the corporate bodies even after the 2024 deadline. Has the company decided to adopt these amendments?**

Answer

The Board of Directors, in the meeting of 14 February 2019, adhered to the new recommendations on diversity, including gender, introduced in the Corporate Governance Code in July 2018, informing the market on 15 February. The Board is now evaluating the best way to implement the recommendation that calls for preserving the effects of the Golfo-Moscow law on gender balance, even after the expiration of the effects of the law. The Code indicates various methods, leaving the choice to companies. For Eni the law will still be applicable even to the next renewal of the corporate bodies in 2020 and therefore, there is no urgency to provide for it. However, the current Board intends to fully implement the recommendation before its expiry.

- 9. What was the percentage increase compared to 2018 of female presence in top management positions?**

Answer

In line with the positive trend of recent years, in 2018, the increase in the presence of female staff in the managerial population is approximately 1 percentage point.

- 10. How many employees used smart working in 2018?**

Answer

Smart working is recognized to new parents (i.e. with children up to 3 years), to people suffering from particular pathologies and, on an experimental basis, it is also applied by some Italian subsidiaries (EniServizi, EniProgetti and Syndial).

The population involved in 2018 was around 1,100 people of which about 60% men and 40% women. The extension of the Smart Working to all office locations is being evaluated.

- 11. Does the CIO report directly to the Board of Directors? On how many occasions has the CIO been invited to the Board meeting to discuss matters within its competence?**

Answer

The Director of Information & Communication Technology reports to the Chief Services & Stakeholder Relations Officer and has been invited to the Board whenever matters within its competence have been examined.



12. Have there been cyber attacks on communication systems? And if so, what kind and with what effects?

Answer

In 2018, there were no cyber attacks that had an impact on the company business.

Eni, like all companies with similar dimensions and complexity, is constantly subjected to cyber attacks. However, almost all of the attacks are neutralized by the security measures put in place: operational processes, advanced technologies, dedicated training of technicians and awareness of all employees.

The attacks that manage to violate the preventive controls are managed by the Eni SOC (Security Operation Center or Cyber Defence Center) in accident mode.

Last year, a total of 440 incidents were handled, 10 of which with a potential significant impact.

The incidents managed were of various kinds: attempts to spread viruses, removal of credentials from accessing the corporate network and computer frauds.

The defence measures put in place have made it possible to prevent or promptly block all attempts to attack Eni's computer network (including the IT attack that in December affected numerous companies operating in the Middle Eastern area).

13. What defence tools are in place? There is a specific responsibility or staff dedicated to computer security (internal or entrusted to an external company).

Answer

From an organizational point of view, the responsibility for information security is within the ICT department, where the Global Cyber Security function operates. This function deals with the aspects of governance, design and management of technological defence tools and awareness of all employees.

The operating activities are supervised by an Eni SOC (Security Operation Center or Cyber Defence Center) by internal staff, assisted by external specialist expertise.

The Global Cyber security function, in collaboration with Corporate and Business security functions, continues to monitor cyber risk, in accordance with RMI methodologies. This leads to planning and implementing what is necessary to protect the development of corporate and digital business strategies, the monitoring of operational continuity and ecosystems of which the Company is a part, through the evolution and enforcement of technological measures, the extension of proactive monitoring services, also at international level, and the development of the corporate culture of Cyber Security to strengthen the human factor.



In this scenario, of particularly importance are the cooperation with the functions of Cyber Intelligence, the existing agreement with the CNAIPIC (National IT Anti-Crime Center for the Protection of Critical Infrastructures) and active collaboration with all the Institutions (DIS, Ministry of Economic Development). This is both for risk management and for the ability to respond proactively to possible accidents.

- 14. What and how many meetings with shareholders (reference or relevant) were organized, in what way, and what kind of specific information was provided? did directors take part or only the investor relator?**

Answer

Eni regularly meets its investors and organizes events and public presentations to describe strategy and action plans.

The information discussed is that which is made available on the website or through the press in full compliance with information uniformity.

In 2018, over 300 meetings were held with institutional investors in Europe, the USA, Canada and Asia, and there were three public presentations in London, New York and Milan. The CEO, CFO and other top corporate managers participate in these meetings. Furthermore, there were roadshows on governance issues with the presence of the Chair of the Board of Directors and on the subject of remuneration attended by the Chair of the Remuneration Committee.

- 15. How many requests for information pursuant to article 115 Legislative Decree 58/1998 from Consob were received by the Company during the year? What was the subject of the request?**

Answer

In 2018, the Company received a request for information pursuant to article 115 of Legislative Decree 58/1998 from Consob in relation to investigations initiated by the Milan Public Prosecutor regarding an alleged obstruction of the prosecution's judicial activity and alleged corruption hypotheses in Congo. This request was also received by the Board of Statutory Auditors.

- 16. In particular, for the purpose of approval by the Board of Directors of these financial statements, how much time did the directors have available? how much time have they actually dedicated to reviewing it?**

Answer

The governance for the approval process of the financial statements involves the continuous involvement of directors and auditors. In general, in December, the main valuation issues and other



issues relevant to the preparation of the financial report are analyzed, with subsequent updates in February, with an analysis of the preliminary balance and in March, with the approval of the draft financial statements.

- 17. Do the directors have the professional skills to assess the adequacy and correctness of the financial statements or have they referred to third parties?**

Answer

The directors have the professional skills to assess the adequacy and correctness of the financial statements and do not refer to third parties. The independent consultant who assisted the board in the self-assessment confirmed the board's assessments in this regard.

- 18. Were the directors' decisions, during the 2018 financial year, always taken unanimously?**

Answer

The decisions of the Board of Directors were taken unanimously, without prejudice to the cases of abstention required by law or internal regulations.

- 19. In 2018, the auditors referred to collaborators for the audit activity, were the names communicated to the company, in some cases, did the company deny access to collaborators?**

Answer

In 2018, the Statutory Auditors did not resort to their own employees or auxiliaries in the performance of the audit activity, which can take place only in a cognitive-investigation phase, also due to the support that Eni structures provide to the Board of Statutory Auditors.

- 20. Are they registered in the appropriate register with confidentiality and access to confidential data?**

Answer

The Auditors did not refer to their own employees or auxiliaries in the audit activity (see question 19).

- 21. With reference to the Enjoy service, is it possible to know the costs and revenues broken down by city?**

Answer

Data concerning costs and revenues broken down by city are to be considered sensitive for the business and therefore cannot be communicated externally.



22. Is the interruption of the Enjoy service in the city of Catania due to threats and/or intervention by organized crime?

Answer

The choice to close the service in Catania mainly has commercial reasons linked to a number of citizens that are decidedly lower than expected, with a consequent low level of vehicle use that has not allowed to reach economic sustainability.

The high number of acts of vandalism, well above the average of other cities, helped to determine the decision to interrupt the service.

23. Have the aforementioned acts of vandalism given rise to legal actions against the executors and/or possibly reports against unknown parties?

Answer

Depending on the type and severity, the events were reported to the competent authorities and/or rental companies that owned the vehicles.