

# People

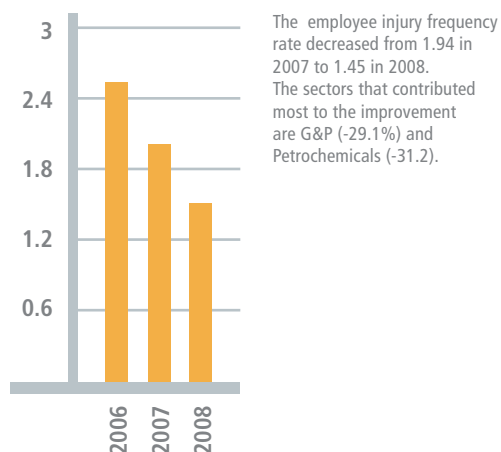
## Safety

Eni devotes a huge commitment and resources to protecting the safety of its people, the communities in which it operates and the production sites. In 2008 this commitment led to a favourable performance with an improvement of almost all the safety indicators. The result is due, in particular, to the activities planned in 2008: further dissemination of the safety culture, new methods of analyzing and reducing process risks, interventions in critical sectors (road accidents and contractor staff). The employee injury frequency rate fell by 25.3%. The improvement in performance involved all business areas, except for the Exploration & Production sector, which felt the impact of the acquisition of companies requiring a period of transition to bring them up to Eni's safety standards and in line with Eni's management systems. The injury rate in the Exploration & Production sector is, however, in line with the performance of its international peers. The severity rate fell by 22.7%. The E&P sector also contributed to this improvement. Against significant improvements in employee rates, the injury rates for contractors are up slightly compared to 2007. Unfortunately, in 2008 17 fatalities occurred, involving 5 employees (2 in 2007) and 12 contractors (15 in 2007). While this figure is part of a consistently downward trend for contractors, the figure for employees has risen for the first time since 2003. The reason is a serious accident involving the Saipem 7000 semi-sub during the laying of the sealine between Algeria and Spain.

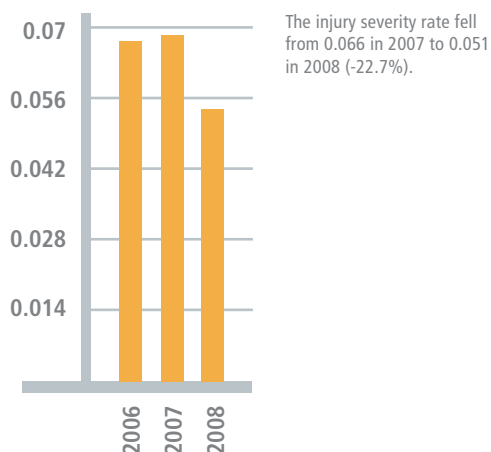
### >The accident on board Saipem 7000

On 17 September 2008, on board the vessel Saipem 7000, Saipem suffered the most tragic accident in its history during operations to lay the Medgaz gasline in international waters. A fault with the IT system regulating pipe handling in the J-Lay tower caused the release of two pipes, which at that moment were restrained in two different areas of the tower. The first pipe slid inside the tower, without causing any particular damage, the second, however, smashed down onto a walkway, causing the death of four people and the injury of another four. An analysis of the accident, carried out immediately after the event and in the days thereafter, showed that it was caused both by a malfunctioning in the control software, which, when restarted, caused the pipe sections to be released, and by the presence – prohibited by safety procedures – of people on the platform underneath the pipe elevator. Immediate measures were put in place to remove the software instructions that caused the pipe to release as well as introduce additional electromechanical and acoustic protections in the handling operations and remind personnel of the prohibition to be in the risk areas during handling operations. The actions were supported by management which, after intervening directly on board Saipem 7000, sent a message to all personnel which – in addition to expressing regret for the severity of the accident that had occurred – confirmed, with even greater vigor, that the "Leadership in Safety" project

EMPLOYEE INJURY FREQUENCY RATE\*



EMPLOYEE INJURY SEVERITY RATE\*



\*The rate does not include in itinere injuries.

would continue in order to disseminate a safety culture for personnel employed in Engineering & Construction.

**>A culture of safety**

In addition to training, which increased by 8.4% in 2008 in terms of attendance (Eni Consolidato, KPO and Agip KCO), work continued on spreading the safety culture with new internal communication projects also targeted at contractors of all business units. The year saw work on the Leadership in Safety Project reach its peak in the Engineering & Construction sector. Finally, the incentive schemes and trophies for encouraging safety-conscious conduct have continued.

**>Reduction in road accidents**

2008 registered a sharp fall in road accidents involving employees, which are one of the major causes of workplace accidents in Italy and abroad: 55 in 2006, 94 in 2007 and 34 in 2008.

This result, which is the best ever, has been attained by intensifying prevention policies regarding vehicle use. In Italy work has continued for gradually renewing the vehicle fleet with more modern and intrinsically safe vehicles, combined with an increase both in training, through safe driving courses, and the monitoring frequency of heavy-duty vehicles. Monitoring started abroad, particularly in Countries outside the European Union, of the implementation of the Safety technical

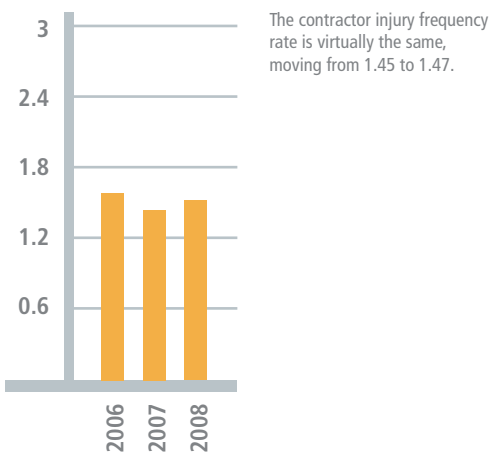
guidelines on vehicle driving in non EU Countries issued by Eni Corporate in 2006. In particular, vehicle speed control devices were installed on all vehicles in Algeria and in Kazakhstan various Road Safety Awareness Training actions were initiated at KCO, with the involvement of contractors as well.

**>Contractor safety**

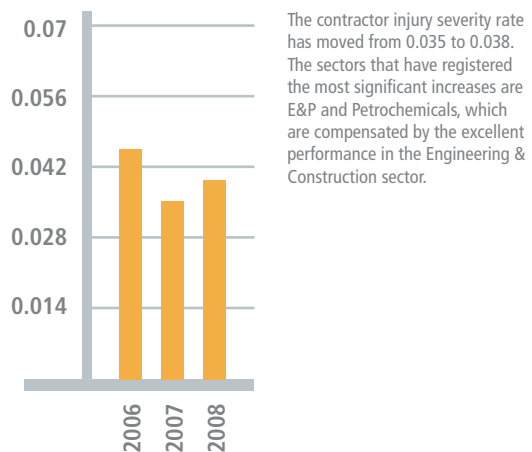
Plans were developed in 2008 to increase the stringency of the safety checks on contractors, particularly when operating abroad.

New processes have been implemented in Italy to monitor contractor performance in the gas sector. In the E&P and Engineering & Construction sectors work has started on monitoring accidents on foreign sites and raising awareness of the operational management. Finally technical measures have been carried out to improve the operational conditions of sites. The formulation of an operating model for contractor management and supervision has been completed in the refining sector. This will provide for the regular performance of HSE audits on critical suppliers to assess safety requirement compliance.

CONTRACTOR INJURY FREQUENCY RATE



CONTRACTOR INJURY SEVERITY RATE



### >Plant safety

In order to improve the management of risks relating to plant operation, particularly process safety, in 2008 the E&P sector launched the Asset Integrity project to identify, prevent and mitigate risks, using computer software also, and introduce improvement initiatives. The year also saw a Safety Audit Process model being developed in the R&M sector, which to date has been applied in four refineries.

New systems will be implemented in gas transmission to achieve high navigation safety standards (Portovenere LNG and Lericci LNG units) and the replacement of the storage underground tanks is scheduled to take place by 2010.

### >The OHSAS 18001 management systems

50 OHSAS 18001 certifications have been awarded under the Health and Safety Management System certification scheme. In particular, in 2008 the Exploration & Production sector achieved and surpassed the certification target of 30% of the companies (14 out of 35 companies represented by subsidiaries. JV and operating companies). In 2012, 70% of associates are expected to be certified. In 2009 all the petrochemical sites are expected to be OHSAS certified (as of 2008 11 out of 6 plants obtained certification). In 2008 a total of 283 safety audits and 53 health audits were conducted and a start was made on implementing the "Health and Safety Technical Guidelines for Extreme Working Conditions", which aim at assessing risk in extreme climatic working conditions. The following projects were completed during 2008:

- regulatory Database for searching and consulting national and international health, safety and environmental regulations;
- MedSTAR project, for managing emergencies relating to

the transport and processing of oil and chemical products in the Mediterranean.

Finally, the project to create a database of road accidents is still in progress.

### Health

Eni has continued its commitment towards guaranteeing the health of its employees as well as of the communities which live near its facilities and all those who enter into contact with its operations. The complexity and variety of situations in which Eni operates makes it necessary to define and apply elements of reference in order to consolidate and increase performances in the healthcare and prevention sectors, including policies, adherence to international principles and agreements, management systems and internal auditing systems, Company regulations and tools for the sharing of knowledge. The periodical monitoring of professional diseases has also continued (83 reported in 2008).

The reporting criteria have improved and have been extended to include diseases that are not strictly occupational but are work-related based on the most recent legislation. The TROIF (Total Reportable Occupational Illnesses Frequency, which represents the number of illnesses reported per million hours worked) is 0.40 (0.54 in 2007). The overall rate of repatriation of employees for health reasons is 0.65.

### >Prevention management tools

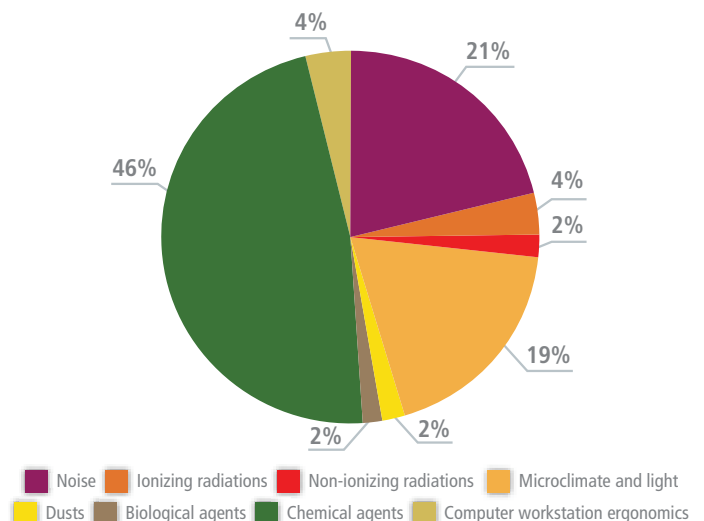
Work has continued on implementing the health management system by extending the prevention standards relating to workplace health protection both in relation to work-related risks and risks linked to the territorial context, in the latter case particularly for sites abroad. In 2008, the healthcare

### FATALITY INDEX

The employee fatality index, that shows the mortal injuries based on the working hours, increases from 1 to 2.42 (5 mortal accidents in 2008, 2 in 2007); whereas the contractors fatality index improves and goes from 4.04 to 3.08 (12 mortal accidents, 15 in 2007). Overall there is a slight improvement in regards to the Eni population.



### ENVIRONMENTAL SURVEYS BY TYPE 2008



management system was implemented in all foreign Countries where the E&P sector is operational, in line with the planned objectives. The most important initiatives include:

- the implementation of new "Occupational Medicine and Healthcare Checks" in 5 Countries (Angola, Tunisia, Algeria, Kazakhstan – KPO, Libya);
- studies on the evaluation and updating of care plans and emergency health schemes in Croatia, Qatar, USA (Alaska) and Saudi Arabia;
- implementation of emergency health plans (MERP – Medical Emergency Response Plan) in Mozambique, Congo (IPP and M'Boundi), Mali and Kazakhstan (KPO);
- new assessments and updating of health risk management programs in 6 Countries (Angola, Libya, Mali, Pakistan, Indonesia and Russia). The implementation also continued of the GIPSI program for the IT management of individual health services relating to occupational medicine through its application in Angola, Egypt, Russia, Congo, Kazakhstan (KCO) and Italy.

As part of the "monitoring project for cardiac risk factors in remote areas", an initial health protocol was proposed relating to the evaluation of the cardio-circulatory apparatus for people traveling abroad to work in extreme working conditions (heat, cold, humidity) and for people operating in highly stressful situations (e.g. emergencies).

>Research

In 2008 an important research project for the biological monitoring of butadiene was conducted in the Ravenna plant, in collaboration with the Maugeri Institute in the Pavia and Padua University; investigative activities have reported favourable results in all operational areas of Eni where they were conducted.

A project was started, in the Livorno Refinery, in order to define standard methodologies for detecting natural radioactivity and the ISPESL project "Workplace exposure to benzene: development of advanced bio-sensors for environmental monitoring" carried out at the Gela refinery was also concluded.

>Health promotion

Health is promoted by following two main lines of action:

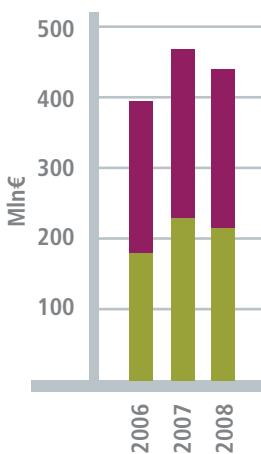
- free diagnostic campaigns for individuals;
- information campaigns on healthy lifestyles.

In Italy about 4,000 individuals signed up to the program for the early diagnosis of neoplasias in 2008, in collaboration with the Italian League for the Battle Against Cancer; this scheme will also continue in 2009 with further cancer prevention initiatives.

2,450 people also received vaccinations against influenza. The "Health promotion" Intranet site, within the MyEni Portal, has seen a high satisfaction rate, and, during the year, received an impressive total of over 71,000 page views, making it one of the most popular sites within the MyEni Portal. A number of questionnaires, designed in collaboration with the Milan University's Neurovegetative Therapy Center, have been included within the "Health Promotion" site, with the aim of collecting information on obesity and smoking in the Company. In the same site it was possible, in October, to start the "Eni in Good Shape" project with the aim of preventing the main chronic pathologies – cardiovascular, metabolic, cancerous – and changing behaviour or lifestyles representing the risk factors such as poor eating habits, sedentary lifestyle, smoking and alcohol abuse.

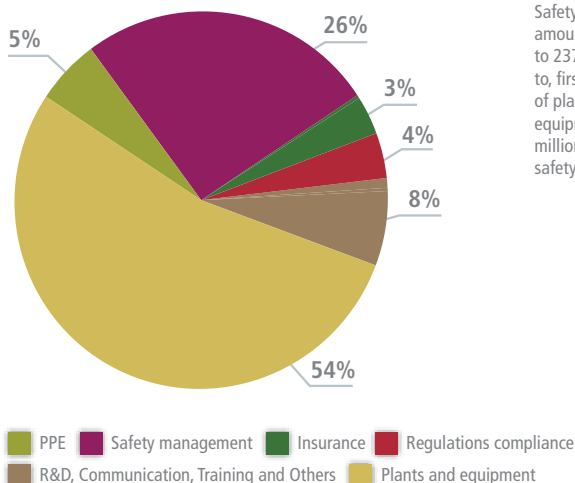
The first phase of the program ended with the on-line completion – on the part of 1,000 people – of an anonymous

SAFETY EXPENDITURE



In 2008, safety expenditures totalled 440.8 million Euros, a slight reduction (-5.7%) with respect to 2007. Current expenditure totalled 215.4 million Euros and investments were totalled 225.4 million Euros.

SAFETY EXPENDITURE BY TYPE 2008



Safety expenditure, amounting approximately to 237 million Euros, related to, first of all, the upgrading of plants with regard to equipment, whereas 113 million Euros were spent for safety management.

questionnaire on lifestyles, eating habits and simple clinical and biochemical parameters. The Milan University is currently analyzing the data collected, in an aggregate and anonymous format, to identify the prevailing risk factors.

Work will continue on designing and implementing collective health promotion schemes, offering each participant the opportunity to monitor the effects of the actions taken by completing the on-line questionnaire.

An initial evaluation of the responses given anonymously, has shown that the site is very close to achieving its objective of being used as a tool for giving correct information/training on health issues. Work on promoting healthy lifestyles is set to continue in 2009.

In addition, during 2008 numerous health promotion campaigns were also carried out in a good number of the foreign Countries in which the Exploration & Production sector operates.

Overall 118 initiatives were implemented in 20 Countries through health awareness and training campaigns, the issue of policies on the various health promotion schemes (anti-smoking and prevention of alcohol and drug abuse) and the performance of prevention campaigns (screening and vaccinations).

There was a continuation of the program to issue brochures, published on the site of Eni's Knowledge Management portal relating to prevention and health promotion topics .

The "Fleet On-Line Medical Assistance" tele-medicine system was started in the gas transmission sector to support the healthcare of employees working on-board the LNG Shipping fleet and improve their medical monitoring conditions.

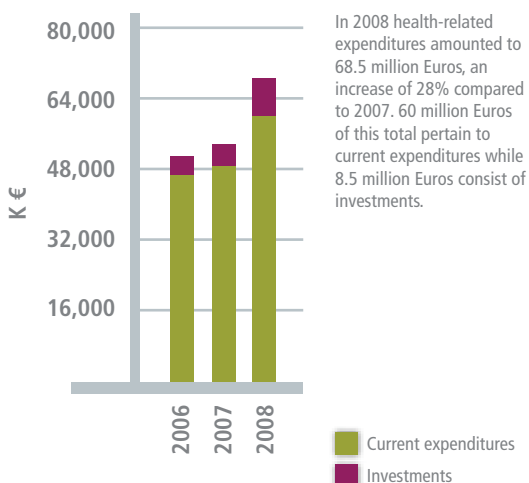
## Corporate culture analysis: Eni Secondo Te (Your Eni)

### >The results of the project

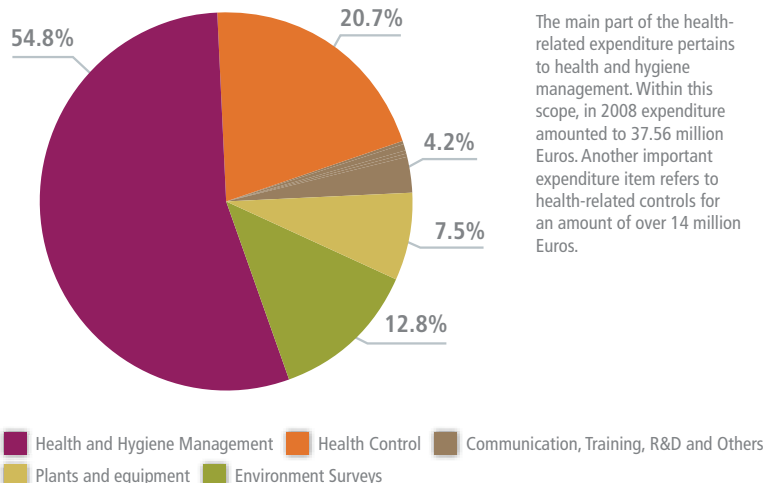
The first corporate culture analysis was carried out in the first few months of 2008. This involved about 38,000 Eni people throughout the world, and aimed at "taking a snapshot" of how the Company is perceived, right from the top management down to entry-level staff while assessing their level of involvement.

The questionnaire was distributed between January and February 2008 and people were invited to complete it anonymously, online or in paper form, in more than 250 Italian and foreign sites. The analysis was supported by a comprehensive internal communication campaign which was conducted by using classic tools, such as the Company Intranet, brochures, posters and videos, and the active participation of about 150 site contacts located throughout Italian and foreign offices. This helped to raise the participation rate and resulted in a 79% return rate for Eni Secondo Te; this result was equivalent to the response level of "High Performing Companies" – companies in which corporate culture surveys are a well-established practice – higher than the average response rate in multinationals carrying out their first Survey. Once the data had been processed, the results were analyzed and reported in special meetings with the top management in the various business sectors by means of the MyEni portal and the internal communication program, Cascade 2008. The "Eni profile" that emerged from the corporate culture analysis is one in which the Company's people have a good level of involvement, pride and loyalty, who feel protected and safeguarded in terms of tangible issues, particularly

HEALTH EXPENDITURE



HEALTH EXPENDITURE BY TYPE 2008



with regard to health, safety and training, and who share a system of strong values embodied in Eni's business culture, particularly regarding Company integrity and a commitment to safeguarding the environment.

Eni's people appear to be quite happy with the relationships established with their managers; the latter are appreciated above all for their professional expertise.

Areas for improvement include a request for more comprehensive communication of the Company objectives, a more motivational leadership style, a more stimulating work environment that is more open to innovative ideas and a greater appreciation of individual contributions.

A number of initiatives have been identified, in response to the areas for improvement which emerged, aimed at encouraging the adoption and implementation of a leadership model on the part of managers which is more focused on relationships with colleagues and co-workers.

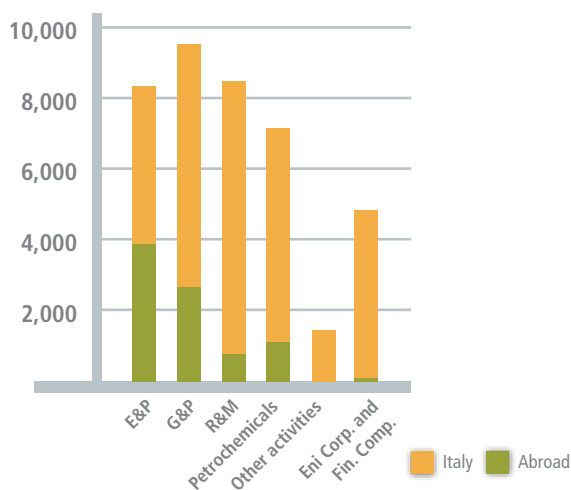
>Initiatives supporting Leadership

Following up on the corporate culture analysis findings, a detailed study of the Leadership topic, already introduced in 2007 through the Feedback 360° Project, has been considered advisable. Ad hoc programs have been designed not only for senior managers but also for middle-level managers with managerial responsibility in order to promote a relationship style within the organization that fosters an appreciation of individual enthusiasm and skills. Special workshops were organized between October and November 2008 that aim at generational debate. Just as in the pilot phase, the main objective of the Feedback 360° Project was to develop and promote a Leadership style based on development of emotional and relational factors, with particular reference to the quality of internal relationships and the motivation and involvement of co-workers. The process provided for a person to select colleagues and co-workers from whom to receive feedback based on everyday experience and individual perception. The whole process was handled through a dedicated website managed by the consultancy firm to ensure data confidentiality. The results were sent directly to the person involved, showing any differences in one's own personal perception compared to that of other people.

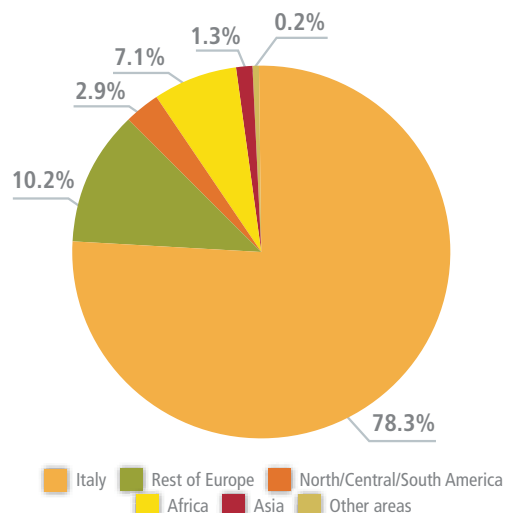
196 senior managers were involved in 2008 (against 109 in 2007). Just as happened in Spring 2008 for the previous edition, Feedback 360° will conclude with a number of workshops which will illustrate the leadership styles prevailing in Eni, the most common skills and behaviours and the collective areas for improvement. In addition, there will be a presentation of the tools proposed for personal improvement. The main tools developed by the Company include a special leadership development training scheme and a dedicated coaching service.

THE IMPROVEMENT ACTIONS TAKEN		
Area for improvement	Type of intervention	Action
More motivational leadership style	Initiatives supporting Leadership	<ul style="list-style-type: none"> <li>Extension of Feedback 360°</li> <li>Training scheme for Leadership</li> <li>Review of institutional training and coaching pathways</li> </ul>
More comprehensive communication	Internal communication initiatives	<ul style="list-style-type: none"> <li>Extension of Cascade to all Eni people</li> <li>Extension of MyEni</li> <li>Paper version of MyEni news</li> </ul>
Greater appreciation of the individual's contribution	Individual appreciation initiatives	<ul style="list-style-type: none"> <li>Young people's project</li> <li>Knowledge Owner project</li> </ul>
More stimulating work environment	Personal wellbeing initiatives	<ul style="list-style-type: none"> <li>Welfare project</li> <li>Measures to support parents</li> </ul>

PEOPLE INVOLVED IN ENI SECONDO TE



RESPONSE RATE BY GEOGRAPHICAL AREA 2008



The leadership training scheme includes, in particular, a program for developing emotional skills based on engagement. The main topics covered include:

- the courage to instigate processes for change, individual time management;
- encouraging discussion and cooperation as levers for individual and team management;
- the ability to lead by means of examples

The coaching service concentrates on the different dimensions of managerial skills, with a special focus on the relational, communication and emotional dimensions. In 2008, 19 people started coaching pathways, involving a total of 135 sessions. The content and teaching format of the institutional training programs aimed at different people were also revised and made consistent with the new directions in leadership development. New initiatives have been included in the new graduate training pathway designed to improve the relationship with managers and develop communication skills in inter-cultural contexts. Using the same logic, the Masters in General Management aimed at young senior managers has been enhanced by a series of meetings with external mentors designed to offer moments of reflection and discussion on leadership topics.

#### >Internal communication initiatives

A special impetus has been given to internal communication initiatives, which aim at promoting a common Company identity, helping to disseminate strategies and increasing people's involvement in achieving Company objectives. The Cascade communication program has been extended to all the Company's staff in 2008 with the aim of promoting an awareness of the strategies and explaining the links between the Company objectives and those of the

organizational structure. The project involved 31,700 people and 420 meetings organized in 95 locations throughout the world. All the internal communication programs have a single platform in the MyEni intranet portal for sharing information which can be accessed by about 29,300 Eni people. In 2008 the MyEni roll-out program was extended abroad, bringing the number of users outside Italy to about 4,000. Finally, 2008 saw a trial of an expansion to the communication channels, with a first pilot of a paper version of MyEni News. This project, which will be developed in 2009, aims at involving people to a greater extent, particularly those who do not use PCs in their work.

#### ACCESS TO MYENI

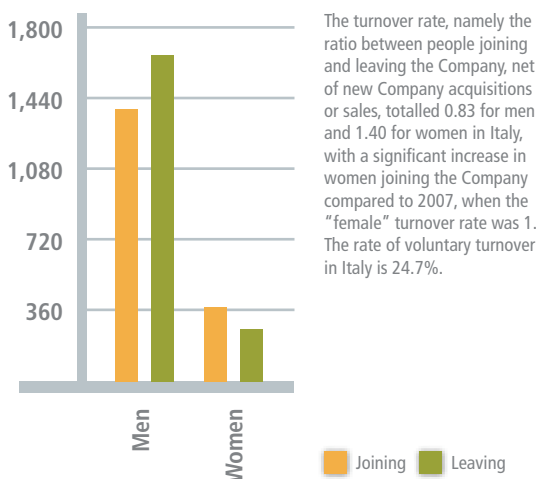
	2006	2007	2008
Employees with access to MyEni	18,602	26,027	29,260

#### >The wellbeing of Eni's people

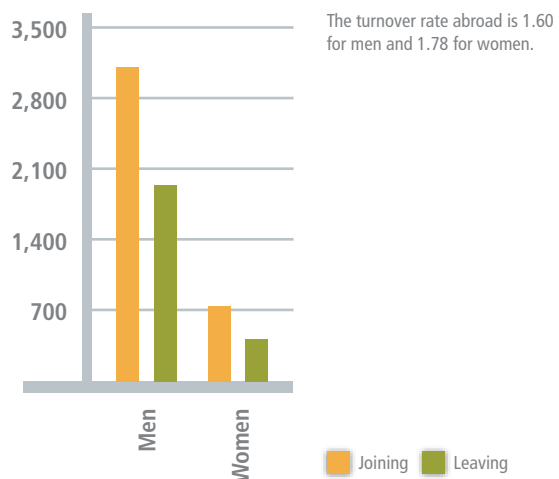
During 2008, focus groups were conducted, in parallel with Eni Secondo Te, on topics linked to the Welfare and the work-life balance.

A study was then completed, "Diversity: structure, practices and organizational culture", which analyzed three different aspects of diversity in the Company, cultural, personal and gender. Finally, the Company took part in research on career breaks with other large European companies, with particular reference to maternity within the WIST group, Women in Science and Technology, promoted by the European Commission to enhance the role of women in the technical-scientific areas of companies. Qualitative interviews were conducted on a sample of technical professional personnel having different roles, ages, experiences and levels, all of whom have taken maternity leave on one or more occasions in recent years, to

EMPLOYEES JOINING/LEAVING BY GENDER ITALY 2008



EMPLOYEES JOINING/LEAVING BY GENDER ABROAD 2008



analyze the possible difficulties encountered when returning to work. All the research revealed a picture consistent with the Survey results and allowed initiatives to be identified and designed that are focused on increasing wellbeing within the organization, balancing work and private life and supporting parenthood.


The "Eni Nursery – Infant School" project has been defined and provides for the creation of a "Nursery – Infant school" capable of accommodating about 140 children ranging from 0-6 years. The location involved is San Donato Milanese, which has the highest numerical concentration of Eni people, about 12,000, so that the service can support this large community. The primary objective is to create a center of excellence which is child-centered and provides continuity of learning across the educational services. Further activities under development include the activation of subscription arrangements with sports centers for wellness programs for individuals, a theme-based summer trip for adolescents to study English and city and town-based summer camps for younger and older children to help with child management when schools are closed. Finally, an action plan has been approved to support parents by establishing an information service (concerning legal aspects on the matter, benefits for new parents, mother and baby health) and organizational initiatives. In fact, measures are currently being designed to support women during their period of optional leave and on returning to work.

### Valorizing Eni's People

Eni's primary objective is to value and appreciate all its people, in different ways depending on the characteristics of each segment of the population. Particular attention is paid:

- to recruiting and developing young people with an excellent training background;
- to developing professional experience and expertise.

#### >Attracting talent

Eni has woven and feeds a network with the Universities and Italian and international MBAs (see the paragraph "Relations with the Universities and research centers" in the section "Living in the World" for all the collaborations with the Universities and research centers). This has allowed, on the one hand, teaching relationships to be created and recruitment initiatives to be established which target relevant degrees (engineering and economic disciplines in particular), while, on the other hand, qualified scouting schemes have been conducted on the market to recruit people with masters for roles with medium and high levels of responsibility. An example is Eni's attendance at the Nova conference, an Italian association of MBAs based in the USA, during November 2008. This conference enabled the profiles of talented young people of potential interest to be analyzed, through interviews, for development in Eni and provided an opportunity to present our businesses in a competitive market and cultural context. In addition, a Survey was conducted with the aim of discovering Eni's main factors of attraction and how it is perceived amongst international resources. The Company is considered to be attractive primarily due its culture and reputation, stability and the possibility of international careers. Finally, Eni took part in the publication: "How the Energy Industry works: an insiders' guide", aimed at attracting young internationally qualified people. 

EMPLOYEES BY GENDER AND PROFESSIONAL CATEGORY 2008

	Men		Women	
	Italy	Abroad	Italy	Abroad
Senior managers	1,298	227	119	14
Managers	7,968	2,938	1,706	448
Employees	14,538	12,896	5,463	4,171
Workers	8,350	18,401	38	305
Total	32,154	34,462	7,326	4,938

Eni had 78,880 employees in service in 2008. Against a 4% total increase in population compared to 2007, men increased by 3%, whilst there are 11% more women. The number of female senior managers rose by 24% (from 107 in 2007 to 133 in 2008) against a rise in male senior managers of 3%. It should be noted that the population went up abroad, whilst in Italy it has remained more or less the same.

EMPLOYEES IN SERVICE BY AGE AND PROFESSIONAL CATEGORY ITALY

	Senior managers	Managers	Employees	Workers
Employees 18-24	-	-	502	577
Employees 25-39	135	2,059	6,810	3,100
Employees 40-54	991	5,640	10,481	3,766
Employees over 55	291	1,975	2,208	945

To date 10% of the key managers are under 40. 23.6% of senior managers in place have less than 3 years seniority (21.5% in 2007). The sectors recording most senior managers under 40 are Corporate and Financial Companies (27.4%) and Engineering and Construction (20%).



### >The youth project

In 2008 initiatives were identified to develop and motivate young people, based on the following principles:

- personal knowledge (dialogue, appraisal, feedback);
- segmentation of the population and differentiated management approaches;
- meritocracy and self-development.

The project includes a review of appointment and development rules and instruments, redefinition of the mobility systems in which differences are properly valued and the use of focused and consistent training and development initiatives.

In addition, a "Young People's Monitoring Unit" will be activated to collect and analyze the qualitative results emerging from the appointment dialogues and institutional training courses, provided by the network of HR specialists.

The network consists of people specially trained to act as facilitators in relational dynamics inside the organization and development pathways (HR Community training scheme).

A start has been made to qualitative monitoring of the population and quantitative monitoring of the turnover rate.

Finally, at business and professional area level, meetings have been held with young people with the aim of discussing business topics and improving the level of engagement.

### >Developing skills

Work has continued on integrating the different management and managerial development tools, which led to an expansion of the number of people covered by skills mapping aimed at individual and collective improvement and development actions. For graduates, the process of evaluating potential was changed in 2008 in order to achieve a clearer segmentation of the population involved, by identifying their

different development potential, and to provide everyone with focused feedback in terms of career direction and individual improvement possibilities.

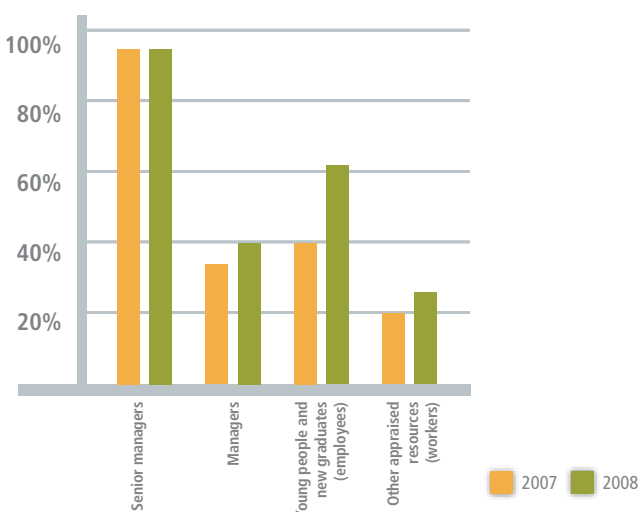
The Development Center methodology used to measure graduate's potential focuses on a comparison with other people's perception and the possibility of seeing one's own conduct and personal characteristics in an organizational context by measuring one's own relational effectiveness. Similarly the management appraisal and consequent training and development plans are fundamental for improving leadership skills and keeping the succession plans up to date. As part of the annual Management Review, total coverage (100%) of the managerial population was achieved by using a concise methodology that maps the skills and main actions designed to improve the managerial resource pool.

### >Valuing expertise and knowledge

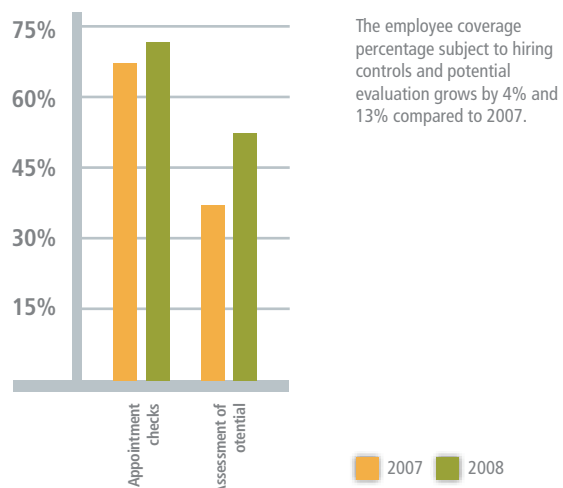
During 2008 the professional title of Knowledge Owner was officially introduced. This is assigned to senior managers who possess skills and knowledge acquired over a long period of time. Their professional expertise is not easily found on the external market and their professional authority is recognized both inside the Company and in external communities as well as at an international level. The Knowledge Owners have been selected following a well-defined appraisal process which allowed 192 to be identified in 2008.

The average age of the Knowledge Owners is about 51 (50.7) and most of them are between 50 and 55. More than two thirds belong to line functions, with a prevalence of professionals with a production background, and a particular concentration in the Engineering, Process Technology, Construction and Geology professional areas. These sectors

PERFORMANCE APPRAISAL: % COVERAGE OF EMPLOYEES




SKILL MAPPING TOOLS: % COVERAGE OF EMPLOYEES



are characterized by a very high level of specialist skills that can only be acquired after many years of experience and are hard to find on the external market. The Knowledge Owners are expected to tutor young people, draw up proposals for develop knowledge and professional expertise and be prepared to lecture at Eni Corporate University. Knowledge Management is another fundamental tool for maintaining and reinforcing the Company's expertise, and for Eni is a value that has also been incorporated into the new Code of Ethics. Amongst the initiatives designed to reinforce the sharing of experience, in addition to the training measures dedicated to Knowledge Management, a special event was held in 2008 for Eni's Project Managers, involving 330 people belonging to all the business areas. Work then started on 10 new practice communities within the different business sectors. At the end of 2008 Eni's Knowledge Management system consisted of 44 practice communities and active knowledge networks, involving 1,665 people.

>Training

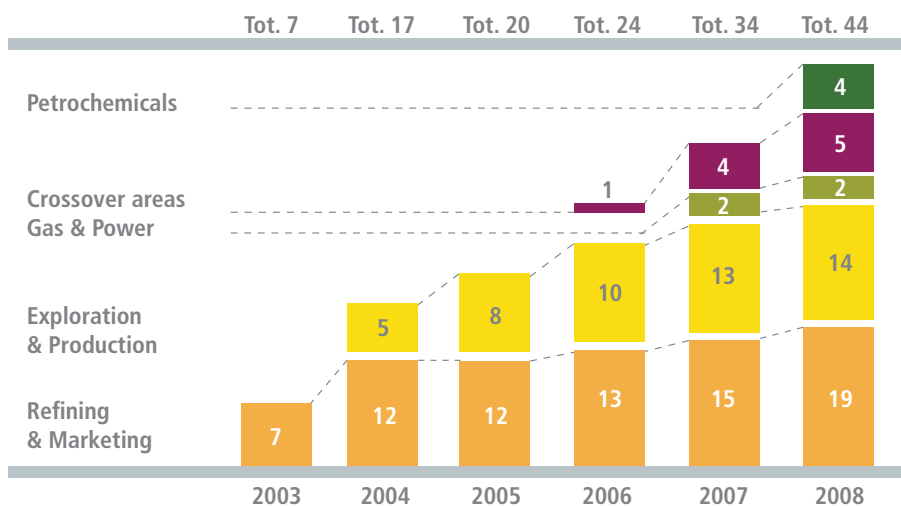
In 2008 there was an increase in training activities in Italy and the world against a very modest rise in expenditure. This proves the commitment of the organizations involved first of all, Eni Corporate University, to making the initiatives effective but also efficient. The results have been made possible by the increased integration of structures and the search in all areas for synergies of scale. Mention should be made in particular of the intensive activity carried out for new projects in the Oil Exploration/Well Area (training pathways for Geology & Geophysics, Reservoir Engineer, Senior drillers and Drilling supervisors, Subsea Engineer) and HSE areas, as well as the launch of the Special Project 3 for AGIP KCO in

the Production & Maintenance area, dedicated to 330 Kasak people subdivided into about 40 different technical and staff job positions. Numerous training initiatives designed and inaugurated in 2008, are described in this and other sections of the Sustainability Report (for example "Governance and Sustainability", "Environment", "Inhabiting the World"). Investing in these areas through Eni Corporate University means working to disseminate shared values, consolidate corporate identity and contribute to business integration processes. 

>Compensation

The purpose of the compensation system is to ensure recognition of the results achieved and the development potential of people, making sure that remuneration is consistent with market practices and standards. In particular, Eni has developed a system for classifying managerial and professional positions, in Italy and abroad, to support remuneration positioning analyses as well as management and development processes. In 2008 the classification system (Global Grading System) was extended to a sample of positions operating abroad and it will be consolidated at global level in 2009 so as to allow remuneration to be positioned at geographical, functional and business area level, respecting the differences in the sector and local markets. As part of the initiatives to reinforce transparency and people's involvement, in 2008 a process was started to communicate the remuneration package (Total Reward Statement) to those occupying managerial positions. This form of communication, which is particularly innovative for large Italian groups, not only concerns the financial elements, such as remuneration and incentives, but also the valuation of the other non-pecuniary benefits (Company benefits and services). The personalized Total

KNOWLEDGE MANAGEMENT SYSTEMS: NUMBER OF PRACTICE COMMUNITIES



Reward Statement will be communicated at regular intervals and will help to provide a clear and comprehensive picture of the tools used to recognize and value the individual's professional contribution to Company growth.

## The value of diversity

### >The culture of diversity

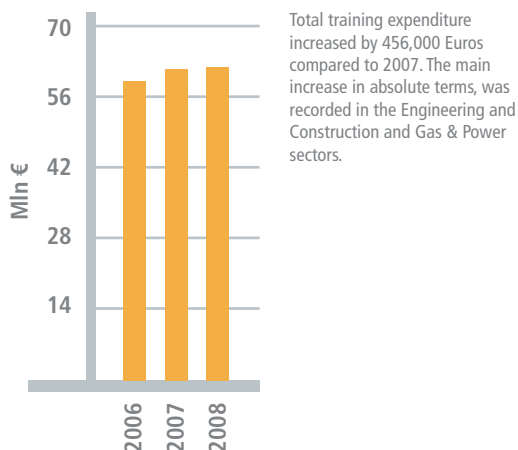
Eni's personnel "lives in the world" and represents the world. Moreover, half of those who work for the Company are not Italian and many are also "expatriates", i.e. Italians who work abroad. These are supplemented by individuals who, although not Italian, work in a Country other than their Country of origin. In addition, all Eni's people live alongside the local communities in which the Company operates. Cultural diversity, in its broadest sense, is a factor that is encountered constantly. The different cultures are not experienced on the basis of preconceived positive or negative concepts, but on the basis of day to day dealings with colleagues, in chats at the canteen table or in meetings, as described by Eni in the "Living in the World" section. This approach to diversity is a cultural element that both conditions and is conditioned by the Sustainability of the business.

Eni's Code of Ethics makes specific reference to the right of people to have the same job opportunities, in a climate of mutual respect for each person's dignity, honor and reputation, and the duty of all colleagues to respect diversity within the Company. Some of the questions contained in the Eni Secondo Te analysis and the results of the research project on diversity topics (see the paragraph on "The wellbeing of Eni's people") confirm that cultural diversity is perceived by Eni's people as an extremely positive element and support Eni in its commitment.

A commitment which Eni will continue to sustain in terms of valuing and developing people in the Countries where it operates as well as by ensuring internal communication between its diverse operational contexts and supporting and promoting international mobility. In fact, the Company has developed a program of initiatives to build a recruitment model abroad which will enhance its international dimension. An integrated information system has been created in this area to improve the effectiveness and efficiency of the planning and recruitment processes.

One of the initiatives with the greatest impact is the "HR Towards the future" project, started by the E&P sector, relating to local personnel who performs personnel functions for the associate companies. The program aims to raise the retention level of the people involved and the degree of internationalization of the head office function. To date, 8 people from Nigeria, Great Britain, Congo, Indonesia, Algeria and Egypt have joined the head office Personnel units at San Donato Milanese. During the planned twelve month stay, they will become part of the head office's working processes, work closely with their Italian colleagues and take part in classroom-based training schemes. As far as initiatives designed to foster intercultural relations and international mobility are concerned, 2008 saw 53 international people (EIRL) and 32 people from foreign associates join head office units. An ad hoc induction pathway was organized to help them integrate within the new Company context, given their very varied provenance, professional experience, culture and knowledge. For the recruitment and selection of international resources, it is worth mentioning the "International Recruiting & Training Project" in Libya, started in 2006, which aims to recruit and hire from the local market, over a 4-year period, 150 graduates for

TRAINING EXPENDITURE



TRAINING HOURS



employment in the main technical functions.

Two groups with a total of 39 people have completed the biennial training pathway provided in collaboration with Eni Corporate University, and are currently employed in Italy, Libya and other international contexts.

The "Special Project Agip KCO – Kazakhstan" is moving in the same direction. The third phase of this project, which has been up and running since January 2008, involves training young Kasak diploma holders who, in the future, will cover technical roles within Kashagan project operations.

Finally, a number of Recruiting HUBs (Poles) are operating and are dedicated to personnel recruitment and selection within the international market. These operate in several Countries, such as Venezuela, Pakistan, Egypt, India and the United States.

>Industrial relations

The annual meeting of Eni's Corporate Board (CAE) was held in Amsterdam on 10 December 2008. During the meeting, the Company delegation reported to the Board on business developments and projects with reference to the implementation of the guidelines of the 2008-2011 Strategic Plan; it provided an analysis of Eni's employment situation and composition with a focus on the European area. The new Code of Ethics was also presented.

As usual, the Health and Safety Monitoring Unit met the day before the meeting to report on the main activities during 2008 and the environmental initiatives undertaken by Eni.

To mark the 60th anniversary of the Universal Declaration on Human Rights, action was also taken to renew the agreement on Industrial Relations at the International level and Corporate Social Responsibility. Undersigned in 2002 with the International Federation of Chemical, Energy, Mine and

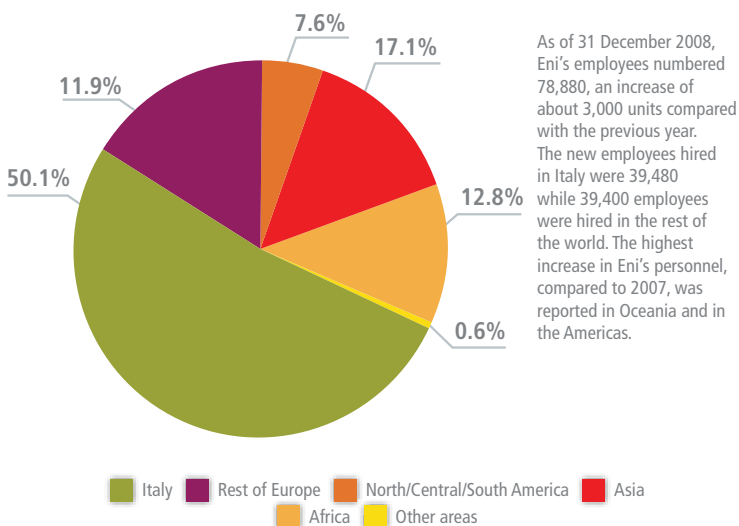
General Workers Union (ICEM) and the Italian trade unions, this agreement confirms Eni's commitment to respecting the guiding principles of the United Nations "Universal Declaration on Human Rights", the ILO's fundamental Conventions and the OECD Guidelines for multinational enterprises.

Finally, a research project is currently being studied on the matter of International Industrial Relations, involving an analysis of other large groups not only in the energy sector. This will allow any areas for improvement to be identified in the field of Industrial Relations and special initiatives and projects to be promoted to increase their effectiveness.

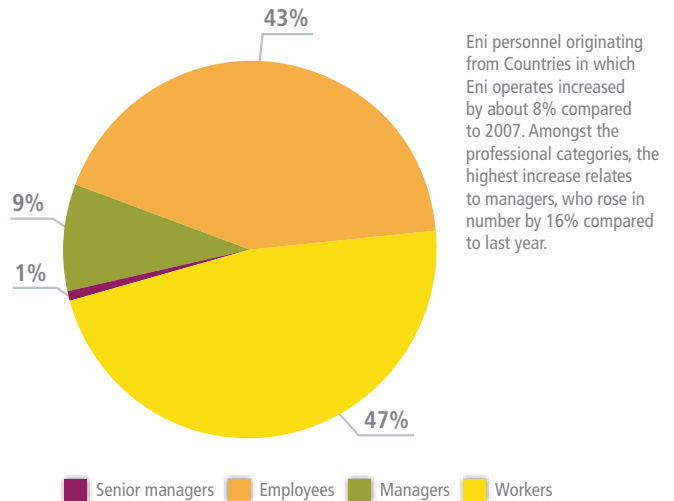
COLLECTIVE BARGAINING AND TRADE UNION MEMBERSHIP	
	Italy
Employees covered by collective bargaining	100%
Employees who are members of trade union organizations	16,714
No. of consultations and negotiations with the trade unions	316

In 2008 100% of employees in Italy were covered by collective bargaining. 42% of people working in Italy are members of a trade union.

EMPLOYEES BY GEOGRAPHICAL AREA 2008



FOREIGN LOCALS BY PROFESSIONAL CATEGORY 2008



# Environment

Eni strives to adopt, in all contexts in which it operates, strict environmental protection standards that comply with the highest European and international standards. Eni's use of the best available technologies and environmental monitoring systems have allowed the Company to achieve optimal results, particularly as regard atmospheric emission indexes and water consumption, even in light of its operations in facilities whose activities are considered by European legislation to have a significant impact on the environment. This performance is the result of sizeable investments in low-impact technology and the adoption of a unified HSE Management System model in 2003. Currently, nearly all of the Company's key operating unit management systems have obtained ISO 14001 certification. Environmental ISO 14001 certifications in 2008 grew by 7%; ISO 14001 certifications totalled 123 and EMAS registrations totalled 11 (9 in 2007).

CERTIFICATION AND REGISTRATION OF MANAGEMENT SYSTEMS (KEY PLANTS) UNDER ISO 14001 - EMAS								
	Foreign E&P associated companies		Refineries		Electrical power plants		Petrochemical plants	
	ISO	EMAS	ISO	EMAS	ISO	EMAS	ISO	EMAS
2007	17/34	5/5	4/5	7/8	3/8	12/13	2/13	
2008	23/35	5/5	4/5	7/8	4/8	13/13	2/13	
2010	25/35	5/5	5/5	8/8	8/8	13/13	3/13	

Eni's main production units in Europe have begun pursuing EMAS registration (site- or sector-specific), while numerous foreign associated companies, petrochemical plants and gas

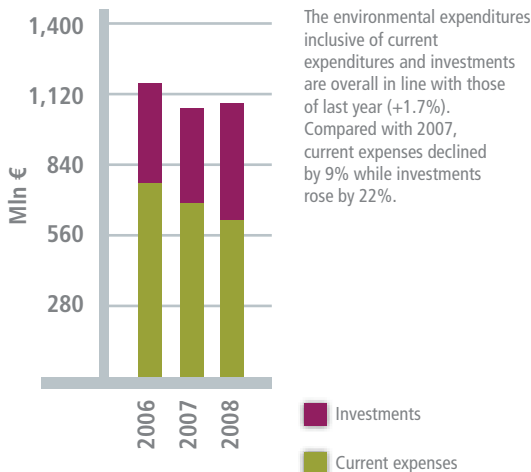
pipelines have obtained the certification integrated with safety management systems (OHSAS 18001), quality management systems (ISO 9000) or both (certificates of excellence). In the E&P sector, 23 out of 35 subsidiaries obtained ISO 14001 certification, in line with expectations. One of the strong points of the management system is the technical training available on environmental topics. This represents one of the main areas of focus in 2008 with 40,970 training hours offered and 5,495 participants. Specific activities designed to spread and maximize the skills gained within the Company and a dedicated Intranet site contribute to complete a system that is directed to the spread of a technical culture. In 2008, the testing phase began for a new centralized environmental computer system that will allow the collection of environmental data for significant sites as defined under the European Pollutant Release and Transfer Register (PRTR) regulation. A waste management database will also be created.

## Water as a Primary Resource: Conservation and Protection

Growing needs for fresh water brought on by the global demographic explosion, the extension of areas susceptible to desertification and the reduction of surfaces covered by non-human ecosystems have decreased the availability of fresh water for the poorest populations and have increased global attention on protecting our water resources.

Despite an increase in activities involving the extraction

ENVIRONMENTAL EXPENDITURES



ENVIRONMENTAL EXPENDITURES BY TYPE 2008

