

Consolidated Sustainability Statements 2013



Notes on the Consolidated Sustainability Statements

■ Preparation criteria

In 2013 Eni continued its commitment to integrated reporting, preparing the Annual Report 2013 in accordance with the principles and contents of the framework issued by the International Integrated Reporting Council (IIRC). This section, entitled "2013 Consolidated Sustainability Statements" (hereafter, Consolidated Sustainability Statements), reports the main results for the 2011-2013 period and the year's projects. The section is based on the "Sustainability Reporting Guidelines & Oil and Gas Sector Supplement - Version 3.1" issued by the GRI (Global Reporting Initiative), with particular reference to the standards of materiality, completeness, stakeholder inclusiveness and sustainability context, and is also prepared considering the IPIECA/API/OGP "Oil and gas industry guidance on voluntary sustainability reporting". Eni is working towards the adoption of the new G4 Sustainability Reporting Guidelines issued in May 2013 and adheres to the GRI G4 Pioneers Program. The program, initiated in October 2013 by the GRI, aims to assist companies during this transitional phase to achieve full implementation of the guidelines.

Materiality and stakeholder inclusiveness

To identify the issues to be reported on in this document, a materiality analysis was carried out, taking into account the importance of the various topics for external stakeholders as well as their relative significance within the company.

The level of external interest in sustainability issues is found through an analysis that considers the following factors: the energy, political, economic and social scenario, at a global and local level, the benchmarking on a panel of companies from the oil&gas and other sectors similar to Eni in size and geographic characteristics, capital market and ethics rating agency demands, analysis of the press and the web and the requests that major stakeholders have made to Eni, using different methods and communication channels. In addition to the financial community, the stakeholders considered are governments and local institutions, international and national associations, NGOs and citizens interested in Eni's work and Eni's people (for further information see the section "Stakeholder engagement").

The level of internal significance is determined on the basis of analysis of short-term and long-term strategy and objectives, combined with evaluation of the results and sustainability performance for the reporting year. Joint consideration of external and internal significance leads to the identification of areas of priority and of greater materiality to the company, shared with all the units concerned and approved by the top management.

Reporting perimeter and sustainability context

The sustainability information contained in this section and in the Operating and Financial Review section of the Annual Report is integrated at several levels within the document. Within the Operating and Financial Review, financial information has been integrated with sustainability information with regard to the operating context, strategy, business model and integrated risk management system, as well as Governance. The following section contains Eni's consolidated performance indicators for the 2011-2013 period and an analysis of the relative trends. The information included relates to Eni SpA and its consolidated subsidiaries. The consolidation perimeter is the same as that for the 2013 Consolidated Financial Statements, with the exception of certain data specifically indicated in the text. With regard to data on health, safety and the environment, the consolidation scope is defined using the operational criterion (control of operations). Under this approach, for example, emissions reported represent 100% of the emissions for each installation operated by Eni. Vice versa, the equity share criterion, used in the consolidated financial statements, requires that the emissions associated with an installation reflect the percentage financial interest in that particular installation.

Principles of quality assurance for sustainability reporting

The performance data shown have been reported with the aim of giving a balanced and clear picture of company actions and characteristics. The collection process for information and quantitative data has been structured to ensure comparability of data across several years, to enable a correct reading of the information and a complete view for all the stakeholders interested in the trends in Eni's performance. The indicators and specific data for the various business sectors are shown on the website eni.com. The Consolidated Sustainability Statements are based on the measurement processes defined in the reporting procedures: lower or different levels of accuracy are indicated in the margin for the data presented. During data input by the people responsible for each topic, in addition to loading data for the reporting year, the two previous years were also verified and updated. Therefore, any changes in the data for 2011 and 2012 compared to those published last year are due to these adjustments. The data were collected using a dedicated information system, which guarantees the reliability of information flows and accurate monitoring. The sustainability information has been certified by an independent entity, the auditing company for the consolidated financial statements of the Eni Group as of December 31, 2013.

Calculation methods

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

Added value represents the wealth generated by the company in carrying out its activities. The form chosen for this report is total added value net of amortization. Total net added value is divided between the following beneficiaries: employees (direct remuneration composed of wages,

salaries and TFR/employee termination indemnity /and indirect remuneration consisting of social welfare contributions); Public Administration (income tax); financial backers (medium and long-term interest paid for the availability of borrowed capital); shareholders (dividends distributed); and the company (retained earnings).

With regard to safety performance, injury frequency and severity rates are shown for employees and contractors. The frequency rate is calculated as the number of accidents leading to days of absence²⁶ (including fatalities) divided by millions of worked hours; the severity rate is defined as the ratio between the days of absence¹ due to accidents (excluding fatalities) and thousands of worked hours.

The energy intensity index of refineries represents the total value of energy actually used in a given year in the various refinery processing plants, divided by the corresponding value determined on the basis of predefined standard consumption values for each processing plant. For comparisons between years, 1994 data have been taken as the baseline (100%).

In order to highlight medium and long-term performance on CO₂ emissions, three indexes have been defined to represent the following operating contexts: hydrocarbon production, refining and electricity generation. These indexes take into account the substantial differences in working conditions recorded over the years and allow for performance comparison by normalization of the emissions based on operating data.

The indexes of refineries are calculated from the equivalent distillation capacity provided by a third party entity; the hydrocarbon production indexes cover effective gross production; and the energy sector indexes measure electrical and thermal energy produced in equivalent kWh. Greenhouse gas emissions (GHG) relate to CO₂ and CH₄ (methane); methane is converted into CO₂eq using a Global Warming Potential (GWP) of 21.

The method for assessing the value generated from research allows the benefits of R&D to be calculated in terms of both tangible and intangible value.

The tangible benefit is measured by the economic benefits linked to the application of innovative product/process technologies. In detail, the total tangible benefit is measured as 100% of the company share [of profits] from projects involving the application of technology, before tax. The economic benefits may be based on actual results or expected value (Net Present Value - NPV).

The assumptions applied on a case by case basis for the calculation are shared with the relevant technical structures/business lines. The tangible benefits are identified in a "what if" scenario, that is, as the difference derived from comparison with the application of the best alternative technology or, in the case of new products, as the difference compared to the margin generated by the products replaced.

Intangible benefits are identified by assessing on the one hand the effectiveness and efficiency of company innovative capacity over time through the number of first time patent applications filed and on the other, the spread of specialist know-how and the effectiveness of research in providing support for operating activities.

■ Disclosure on management approach

Sustainability management model

Sustainability is part of Eni's business model and is integrated in all company processes: from planning, monitoring and control to risk prevention and management, from the implementation of operations to reporting and communication with internal and external stakeholders.

According to this, all corporate targets are pursued with an approach strongly oriented towards operational excellence, technological innovation, cooperation in the development of the Countries involved, the central importance of people, responsible business management based on strict financial discipline, the highest ethical principles and the synergies resulting from integration along the entire energy supply chain.

Eni's Board of Directors has a central role in determining sustainability policies and strategies and in approving the sustainability results, which are also presented at the Annual General Meeting.

Since 2011, following the approval of the Board of Directors, Eni has had a Sustainability Policy that outlines the fundamental sustainability principles upon which the Company bases its operations and forms part of the highest level of Eni's new internal regulatory system.

To maintain high standards in operating activities, Eni has set priority sustainability goals to be pursued with projects and initiatives included in the Strategic Plan. Implementation of projects relating to priority goals is supported by economic incentives. Project progress status and achievement of targets are monitored by the Sustainability Unit via a system of annual and semi-annual reporting. The approval of the related action plans and the review of the major achievements are subject to the highest levels of corporate decision-making.

Regulatory system

Eni undertakes to ensure the integrity, transparency, fairness and efficiency of its processes by adopting appropriate tools, standards and rules for the conduct of activities and the exercise of powers, promoting rules of conduct based on the principles of traceability and segregation of duties.

Eni's regulatory system is based on a coherent reference framework, which includes the essential elements of the By-Laws, the Code of Ethics, the Corporate Governance Code, the Principles of Model 231, the SOA Principles and the CoSO Report.

The system is made up of policy, coordination and control tools (Policies and Management System Guidelines - MSGs) and operational tools (Procedures and Operating Instructions). The Policies are approved by the Board of Directors of Eni SpA and define the principles and general rules of conduct on which Eni's activities must, without exception, be based. Eni has ten policies: "Our people", "Our partners in the value chain", "Global compliance", "Corporate Governance", "Operational Excellence", "Our institutional partners", "Information management", "Sustainability", "Our tangible and intangible assets" and "The integrity of our operations".

[26] The term "day of absence" means absence from work of at least one calendar day, excluding the day of the accident.

The MSGs issued by Eni provide guidelines for the management of operating and business support processes, including sustainability aspects. They are also used to describe Compliance and Governance models. Each individual company formally adopts the MSGs and adapts its own regulatory framework as a result. By the end of 2013, Eni had issued twenty-eight process MSGs and ten for Compliance/Governance, thereby completing the redesign of its processes, redefinition of the governance/compliance guidelines and simplification of the regulatory framework. In conclusion, the procedures define the operating methods which must be used to carry out company activities while the Operating Instructions define detailed operating procedures for a specific department, organizational unit or professional area.

Economic performance and market presence

Making use of the integrated business model, Eni has identified a long-term sustainable growth and value creation strategy for shareholders, the implementation of which is based on specific guidelines and strategies at the business level. In 2013 Eni achieved solid results in a difficult market (see the "Profile of the year"). In a market environment that is expected to remain difficult, Eni's strategy for the 2014-2017 period will be based on selective growth in activities of the E&P sector, accelerated restructuring of mid and downstream activities and value creation resulting from disposals and disciplined investment management. All these operations will result in an increase in the cash flow over the four years to sustain progressive growth in dividends for shareholders and a strong financial position for Eni (see "Our strategy").

Management of procurement activities

The purpose of the procurement process is to translate the requirements expressed by company units into a supply of goods, works or services from suppliers, in line with quality standards, time schedules and other specific requirements, while minimizing procurement costs as far as possible. Furthermore, each phase of the procurement process complies with Eni HSEQ principles.

In order to manage this process in a systematic and structured manner, Eni has adopted the "MSG Procurement", which: (i) regulates the various phases and activities included in the procurement process, such as procurement planning, tender management, contract award and post-award contract management; (ii) establishes the roles and responsibilities of the main actors involved in the procurement process; (iii) defines the general rules for key crosscutting activities in the procurement process, such as vendor management, procurement monitoring and reporting and document management.

Audits are performed continuously on vendors both at the qualifying stage and during service provision.

Indirect economic impacts

In addition to direct employment, Eni participates in the development of the Countries in which it operates by strengthening the supply chain linked to induced activity and implementing specific local development projects. Eni, in its areas of expertise, systematically makes use of the supply of local goods and services as well as the local workforce, thus responding to the demand of many national and international stakeholders to create value locally. Many affiliates have adopted local procedures that define the process to be followed for using local labour from the areas surrounding our operations in each region. In operational contexts, market analysis is systematically conducted at a local level in order to include companies from the local area in the vendor lists. Also, when selecting international companies, one of the technical assessment criteria is the percentage of local content and the presence of a plan to develop it. Eni promotes annual training programs with the aim of enabling local personnel to obtain high responsibility jobs and to replace international staff.

Environment

Eni's environmental commitment is one of the pillars of its sustainability strategy. Eni has adopted a unique system for managing Health, Safety and the Environment (HSE).

Management of environmental issues is based on prevention, protection, information and participation criteria and its goals are: identification of significant environmental aspects and adoption of the best technologies; mitigation of environmental impacts; management of a system to prevent events with a direct or indirect adverse environmental impact, connected to specific production unit activities; and the adoption of site-specific methods for protecting biodiversity. Eni has defined and constantly updates an integrated health, safety and environmental (HSE) management system managed by the HSE corporate department, which is responsible for promoting the management and continuous improvement of HSE performance. The tools used by Eni to manage environmental issues are the policies "Operational excellence", "The integrity of our operations", "Sustainability" and the MSG HSE in addition to the various procedures and operating instructions (OPI). Work on HSE topics is coordinated by an HSE Coordination Committee, chaired by Eni's Safety, Health and Environment Manager, and is made up of Managers of the business unit HSE functions.

Energy

Energy efficiency is, for Eni, a key factor in good management and sustainability. It is linked not only to responsible management of resources but also to reduction of the impact of GHG emissions and control of emissions of nitrogen oxides and sulphur, indicators of the proper functioning of the combustion processes and choice of the best fuels. Eni undertakes to reduce greenhouse gas emissions by improving efficiency and increasing the use of fuels with a lower carbon content, and promotes an informed and sustainable use of energy through information campaigns and internal and external education and through the inclusion of sustainability criteria in the selection and evaluation of suppliers. Eni is also steadily reducing its emissions indexes for the amount of energy produced/developed and promotes the development of gas associated with oil in all projects.

Water

Eni is aware that access to water is an important issue for development and has undertaken to optimize the use of fresh water in the production cycle to limit the impact on its availability for local communities. Over the last few years Eni has been constantly reducing its fresh water use by implementing the best technologies and aims to gradually increase the re-injection of the water from extraction and production back into the reservoirs of origin. To assess the impact of its activities in the so-called “water stressed” zones, where even a low consumption of fresh water could compete with primary needs, Eni has decided to apply the Global Water Tool developed by WBCSD and adapted to the oil&gas sector by IPIECA in 2011.

Biodiversity

Eni considers the preservation of biodiversity and ecosystem services to be an essential component of sustainable development when implementing its industrial projects and undertakes to integrate this preservation goal in its own activities throughout the lifecycle of its facilities and in all the contexts in which it operates. In its design and operational practices, Eni considers the presence of protected areas and areas that are significant in terms of biodiversity, the presence of threatened species and ecosystem services of environmental and social importance. Eni identifies and assesses the potential impacts of its operational activities on biodiversity and implements mitigation actions to offset and minimize the effects. Eni also evaluates the interaction between its activities and the ecosystem services, in particular by promoting efficient water management, especially in areas subject to water stress, and by reducing emissions into the air, water and soil. For this purpose, Eni has adopted protocols developed within the framework of IPIECA and contributes to the global mapping of protected areas through the Proteus project. Eni has adopted site specific methods for protecting biodiversity that are based on the principles of the Convention on Biological Diversity, the guidelines of the Energy and Biodiversity Initiative and the operational tools developed by the IPIECA-OGP Biodiversity Working Group. Eni maps its operational sites in relation to the areas of high biodiversity value to differentiate its operational practices on the basis of their relevance and identify priorities for implementing specific action plans.

Emissions

Eni has established a carbon management strategy for reducing greenhouse gas emissions and manages participation in the European Emission Trading system through complex management procedures including physical accounting, reporting and monitoring of emissions, as well as the related operations for the administration of quotas and the related trading. For other emissions (SO_x, NO_x, etc.), Eni undertakes to apply the Best Available Techniques (BAT) and best standard procedures to reduce emissions and control the main pollutants in the atmosphere.

Waste

In all the places where it operates, Eni is committed to complying with the existing legislation on waste and reducing the environmental impact associated with different phases of the management process. Moreover, as established by the EU, Eni has adopted the principles of the waste management hierarchy with the aim of preventing the production of waste, minimizing disposals in landfills and increasing recovery.

Labour practices and adequate working conditions

Part of Eni's culture and the basis for the success of the company is the central importance given by Eni to its people: from employment protection to the development of skills and competencies and creation of a work environment which offers equal opportunities to all based on shared, merit-based criteria, without discrimination. These principles are confirmed in Eni's Code of Ethics which explicitly refers to the United Nations Universal Declaration of Human Rights, the ILO Fundamental Conventions and the OECD Guidelines for Multinational Enterprises; particular emphasis is given to the protection of labour and trade union freedom, repudiating “any sort of discrimination, corruption, forced labour or child labour”.

The promotion of international labour standards in all contexts is the focus of Eni's regulatory documents, the trade union agreements in force at the national and international level, personnel management and development processes and training and communication initiatives.

Health and safety

The health and safety of Eni's people, the community and Eni's partners are a priority for Eni in pursuing its business activities. All of Eni's organizational solutions guarantee respect and protection for health and safety based on the principles of precaution, prevention, protection and continuous improvement, making all company levels responsible for achieving this. Operating sites conduct risk assessment activities to identify the major threats to personnel safety. Eni has a health management system based on the OHSAS 18001 international standard and annually introduces specific safety goals connected to the remuneration of Eni's people. Campaigns to raise awareness, information provision and specific training courses on the subject for the whole workforce, without exception, are an additional element of Eni's safety culture, which is seen as an essential component of Eni's corporate culture.

Employment and quality of work

The strategic importance of Eni's people is enshrined in the Policy “Our people” where it states that “people are the indispensable and essential element for the very existence of the company and business goals can be achieved only through their dedication and professionalism”.

The Policy emphasises the importance of the human factor and the drivers that determine development and improvement, identifies the principles and values that should inspire actions and behaviours and affirms Eni's commitment to supporting “the observance of the rights enshrined in the Universal Declaration of Human Rights”.

These principles are reflected in the MSG “Human Resources” that standardizes and defines all the processes within the sphere of Human Resources. For Eni, offering quality work also means enhancing the working practices, results, professional skills, experience and potential of its people using integrated and consistent assessment systems. The remuneration systems are also oriented to guarantee recognition of the contribution of our people to the achievement of company objectives. In relation to these principles, the remuneration policies are defined in an integrated manner at the global level, in line with the reference indicators for the local markets and specific sectors. Eni “encourages, in its labour relations, the adoption of conduct based on mutual respect and condemns any form of behaviour interpretable as bullying or harassment” and as part of this commitment has developed a web seminar on “non discrimination” which explains the ILO Convention 111, one of the documents that governs the international standards on workplace discrimination. This initiative, evaluated as a “best practice” by the International Labour Organization (ILO) was inspired by our belief that awareness by all people of the importance of equality and non discrimination is an essential requirement for the creation of an inclusive environment, which promotes respect for and gives value to diversity.

Freedom of association and collective bargaining

In conducting its activities Eni guarantees freedom of association and the effective recognition of the right to collective bargaining. In order to develop an effective and continuous trade union dialogue, Eni has set up with the Trade Unions an industrial relations model with phases that allow for all the information, consultation and engagement needed to meet business and organizational requirements. The industrial relations model ensures broad prior participation, guaranteeing the existence of a process of continuous dialogue with the trade unions during changes involving the company and the workers. Therefore, Eni protects people’s right to form and join the trade union of their choice without discrimination, interference or prior authorization, with the sole constraint of the rules of the organization involved. Eni’s Industrial Relations are regulated at the national level by the 2001 Industrial Relations Protocol and by the agreement on development and competitiveness and for a new industrial relations model signed on May 26, 2011. Issues of note in relation to industrial relations activities at an international level are the relations with the European Works Council (CAE) on the progress of Eni policies within the European framework and with the representatives of the European Risk Observatory for Workers’ Safety and Health.

Diversity and equal opportunities

Eni promotes behaviours aimed at improving diversity, inclusion and non-discrimination and is committed to creating a work environment where personal and cultural characteristics are considered a resource and a source of mutual enrichment.

As enshrined in the Policy “Our People”, Eni respects the dignity of each individual and offers equal opportunities regardless of race, colour, gender or any other individual status unrelated to the requirements contained in the job specification.

The respect of equal opportunities is guaranteed by the application of internal systems and procedures for selection, evaluation and development and Compensation & Benefit based on the enhancement of skills and merit and a fair compensation system. In fact the pay gap analysis, conducted using a methodology that, in remuneration comparisons, neutralizes any effects arising from differences in position and seniority level, reveals a general uniformity of remuneration between genders.

Training and awareness

Eni has developed training paths for its people that represent privileged tools for promoting personal and professional development and contributing to the quality of work. Eni Corporate University is the main route that Eni uses to develop and enhance knowledge and people’s managerial and technical-professional skills. The different courses provide both for strengthening of the process of cultural, professional and managerial growth and in-depth exploration of specialist topics with a direct impact on the business. For members of the Board of Directors, a series of specific training and awareness initiatives on issues linked to sustainability are provided as part of the Board Induction process.

Human Rights

Eni operates in accordance with the highest international standards concerning the responsibilities of companies with regard to Human Rights, including the Guiding Principles for Business and Human Rights approved by the UN Council for Human Rights in 2011. These guidelines require that companies implement a coherent system of rules designed to prevent, manage and report Human Rights violations and adopt a due diligence process, understood as a management system that enables measures and functional processes to be adopted to achieve these goals. Eni’s regulatory system explicitly requires that “the company undertakes to respect internationally recognized Human Rights as part of its activities and to promote respect as part of activities contracted out to, or conducted with, partners and by its stakeholders”. Since 2007 Eni has adopted a Guideline which regulates the protection and promotion of Human Rights in all the company’s actions. In the same year the Code of Ethics, which describes the company’s expectations with regard to various areas relating to Human Rights, was approved. Over the years measures to respect Human Rights have been integrated in the various corporate regulatory instruments relating to Sustainability, Human Resources, Security, Sustainability Stakeholders Engagement and Community Relations, HSE, Planning and Control, Procurement, Energy and Environmental Industrial Project Development and Integrated Risk Management.

The commitment to respect Human Rights is also met at Eni through initiatives and projects focused on priority areas identified through the Human Rights Compliance Assessment project. The related improvement actions are carried out by the relevant departments with the support of a specialist function and are coordinated by a multi-departmental Working Group.

Indigenous peoples

Eni undertakes to respect the rights of indigenous peoples on the basis of Convention No. 169 of the ILO concerning Indigenous and Tribal Peoples. Compliance with this international standard is provided for in the Eni Guidelines for the protection and promotion of Human Rights. Other references to the methods by which Eni intends to implement the Convention are explained in the Sustainability policy and in the MSG Sustainability Stakeholders Engagement and Community Relations. Corporate tools and methodologies reflect this approach, starting with the standards for the assessment of environmental, social and health impact.

In contexts where indigenous populations are present, the adoption of specific policies, which enshrine Eni's commitment to respect the rights of indigenous peoples and to take their expectations into account in business decisions, is encouraged. To date, Indigenous Peoples Policies have been adopted for Eni's operations in Australia and Norway.

Security

Security activities, governed by the MSG Security, are aimed at ensuring the protection of people and assets from any security threat stemming from the criminal acts of third parties that could cause direct or indirect damage, including damage to Eni's reputation. This objective is achieved through the implementation of an effective and efficient system of Security Risk Management that defines the organization and tools needed to determine the nature of the threats, track the evolution of vulnerability over time, understand the potential consequences of future events and develop a strategic approach to their management and mitigation, as required. Preventive and defensive measures are taken that are most suitable to minimize the impact and the likelihood of adverse events occurring, always in full compliance with Human Rights and the highest international standards.

In support of these objectives, clauses related to Human Rights protection are inserted in contracts with security services providers, and training courses are carried out that also involve representatives of public security forces.

Society

Eni operates by defining long-term cooperation agreements with governments and joint ventures with the National Oil Companies, taking into account the importance of enhancing the skills of local people and businesses and promoting the transfer of knowledge and the growth of local professionalism. This willingness to take action and create development opportunities for the local population is put into practice by signing a Memorandum of Understanding (MoU).

Eni identifies and assesses the environmental, social, economic and cultural impacts generated by its activities, including those on the indigenous peoples, ensuring their mitigation and implementing improvement processes. The company adopts appropriate tools to manage and plan projects in order to identify, define and manage the initiatives for the benefit of the local communities. The process involves the use of specific operating procedures: Stakeholder Management Process; Social Baseline Analysis; Social Impact Assessment, Community Investment Planning, Monitoring & Evaluation. In 2013 the MSG "Stakeholder Engagement and Community Relations" was issued with the aim of: (i) regulating the phases and activities of the process of stakeholder engagement and sustainability relations with local communities and relations with the other business processes; (ii) establishing roles and responsibilities of the main macro players involved in the process of stakeholder engagement sustainability and community relations.

Local communities

The MSG "Stakeholder Engagement and Community Relations" regulates the community relations sub-process in order to manage relationships with the local communities residing in a specific territory in which Eni operates, including responses to their demands, and generate value in the territory through projects for local sustainable development. This sub-process, performed by the relevant company function, defines the management procedures for community relations and relationships with local communities relating to specific aspects of Eni's business in a specific territory. These procedures include: (i) identifying the community relations strategy and the related directions for the implementation of Eni's cooperation and development model in the territories where it has a presence, adopting an inclusive approach with stakeholders and local communities; (ii) defining, planning, mapping and implementing community relations; (iii) defining methodologies and tools that the company departments responsible must use for proper planning and management of community relations.

Eni also has appropriate standards for the assessment of impacts on local communities: i) the ESIA which gives further depth to the cultural and socio-economic part of the impact analysis; ii) the ESHIA which provides a combined and integrated assessment of the environmental and social and health impact of projects. In addition to direct employment, Eni participates in the development of the Countries in which it operates by strengthening the supply chain linked to induced activity and implementing specific local development projects. Eni manages relationships with the territories in a fair and transparent manner, establishing an ongoing dialogue with stakeholders. In order to guarantee access to information and community participation, Eni has units responsible for relations with the territory in all its subsidiaries.

Anti-corruption

Eni believes that corruption is an unacceptable obstacle to business efficiency and fair competition. Therefore, Eni uses its internal organizational and regulatory structure to combat corruption and ensure respect for transparency as part of its business model.

Since January 1, 2010 Eni has set up an Anti-Corruption Legal Support Unit (ACLSU) which provides Anti-Corruption consulting and specialist assistance for Eni's people and Eni's non-listed subsidiaries. The Anti-Corruption Legal Support, Sustainability and Internal Control System unit currently performs the role of the ACLSU.

Moreover, since January 1, 2012 the current MSG Anti-Corruption has been updated to include the UK Bribery Act of 2010 (in force since July 1, 2011) and supplemented with the Anti-Corruption Regulatory Instruments, which replace the previous Ancillary Procedures.

In 2013, under its new Regulatory System, Eni continued the process of revising and reissuing the Ancillary Anti-Corruption Procedures issued under the previous system, which covered sponsorship and Non-Profit Organizations. Rules for some specific relationships such as those with brokers and JV Partners had already been formulated in 2012.

Grievance Mechanism

Eni has a dedicated channel for reporting any suspected or known violation, including corruption. This disclosure channel, provided by the procedure "Whistleblowing Reports" received (including anonymously) by Eni and by its subsidiaries in Italy and abroad, allows employees, members of corporate bodies or third parties to submit, also confidentially or anonymously, reports of problems relating to the internal control system (compliance with laws and regulations, and corporate rules and procedures, fraud relating to corporate assets and company information, company's administrative liability, etc.) or other matters in breach of Eni's Code of Ethics (issues related to ethical behaviour, cases of bullying, harassment, conflicts relating to the management of the personnel concerned, etc.). Eni, in order to facilitate the receipt of reports, provides all possible channels of communication, including ordinary post, fax numbers, voice mail, electronic mail and communication tools on Eni's intranet/internet websites.

Eni guarantees receipt, analysis and initiation of an investigation conducted by the Internal Audit Department. The outcomes of these investigations are submitted to the control and supervisory bodies in charge.

To support wide-ranging and sustained stakeholder engagement, which Eni pursues to improve relationships with local communities, enable more responsive and responsible management and contribute to long-term business prospects and social well-being, mechanisms for collecting and managing alerts are already active in Countries where Eni has a long established presence such as Nigeria, Kazakhstan and Pakistan; others are being strengthened in new countries of activity such as Ghana. Special attention is paid to situations where indigenous communities are present, such as in Australia, Ecuador and Norway. As part of its role in the project promoted by IPIECA to define sector-specific guidelines for the Grievance Mechanism, Eni has started a pilot project aimed at developing a site-specific mechanism for complaints in local communities and to define the basis for a valid best practice for the whole Group.

Product Responsibility

All Eni's activities are carried out with commitment and professional rigour, with a duty to provide adequate professional input for the functions and responsibilities assigned and to act so as to protect Eni's prestige and reputation. Business objectives, project proposals and implementation, investments and actions must all be aimed at increasing the long term value of the company's operating assets, technological know-how and knowledge as well as creating value and wealth for all the stakeholders, especially our customers.

Consumer health and safety

Eni pursues business success with a strong market orientation, recognizing that the appreciation of those who demand products or services is of primary importance for the success of the company, and endeavours to assure the quality of the goods and services provided. It pursues business success in its markets by offering quality products and services under competitive conditions, and in accordance with all the standards established to protect fair competition. Eni is committed to respecting the right of consumers of not receiving products which are harmful to their health and physical integrity and to have complete information on the products offered.

Satisfaction of our customers and consumers

Customer Satisfaction (CS) is regularly monitored in all Eni businesses involving the sale of products or services to end customers (fuel and gas distribution, power generation, natural gas and energy sales, engineering and construction, petrochemicals). In the Gas & Power sector, Eni conducts CS surveys among its customers to monitor the level of CS and to achieve continuous improvement in the quality of services. The retail and back office processes are certified by DNV in accordance with UNI EN ISO 9001: 2008.

In the fuel distribution sector (R&M), satisfaction is evaluated by assigning detailed targets to service stations and sales agents; in addition, the performance of the vendors is measured using Mystery Shopping surveys (performed three times a year in each service station) and the CS Index.

Stakeholder engagement

Stakeholders	Engagement procedures	Topics of interest	Eni's Actions
Financial community	<ul style="list-style-type: none"> - Continuous dialogue through the Investor Relations section of eni.com - Quarterly conference calls - Annual live group presentations - One-to-one meetings with analysts and portfolio managers during the year - Participation during the year in thematic conferences (Upstream Project Seminar, Natural Global Resources Conference, Global Energy Conference, Pan European Strategic Decision Conference) 	<ul style="list-style-type: none"> - Quarterly and annual results - In-depth review of strategies and results - Corporate Governance - Risk management 	<ul style="list-style-type: none"> - Thematic presentations - Meetings with SRI focused on Eni's integrated risk management model with in-depth analysis of compliance, Country and operations risks - Roadshows in major financial centres (the first roadshow in 2013 was dedicated to Corporate Governance) - Cycle of meetings with institutional investors and the main proxy advisors in Europe and the United States on Eni's Corporate Governance system
Eni's people	<ul style="list-style-type: none"> - MyEni and MyEni International Portal - Cascade Programme - Knowledge Management Systems - Participatory Industrial Relations System 	<ul style="list-style-type: none"> - Health and safety in the workplace - Integrity - Transparency - Professional Development and sharing of know-how - Diversity management - Work-life balance 	<ul style="list-style-type: none"> - Health promotion initiatives - Launch of Moka, the corporate social network - Training programmes and on-the-job training - Initiatives for work-life balance: extension of work at home project - Renewal of industry-specific Collective Bargaining Agreement - Dialogue with the European Works Council (CAE) on Eni's policies within the European framework and with the representatives of the European Observatory for Safety and Health at Work
Local communities	<ul style="list-style-type: none"> - Road Shows - Meetings and public forums with communities - Participation in community social gatherings - Regular use of information channels for local communities - Formal tools for managing claims (grievance mechanism) - Formal tools for participatory management of social projects 	<ul style="list-style-type: none"> - Transparency and local information on business topics - Assessment, mitigation and management of environmental, social impacts and Human Rights impacts - Eni's Contribution to economic and social development - Community investment strategy - Management of social projects 	<ul style="list-style-type: none"> - Publication of Local Reports and site-specific websites - Projects to benefit the community - Organization of workshops (in 2013 in Maputo, Mozambique) - Public consultation forums held in Nigeria on impact assessment processes for business activities - Use of mechanisms for collecting and managing live reports in Countries of long-standing presence and in new Countries
Suppliers	<ul style="list-style-type: none"> - Meetings - Involvement in specific projects - Local content development plans 	<ul style="list-style-type: none"> - Supplier qualification and qualification audits - Feedback on contract performance - SA8000 Audit - Raising awareness on climate change/emissions - Participation of local firms in Eni's supply chain 	<ul style="list-style-type: none"> - Development of suppliers' organizational, technical, quality, HSE and Human Rights skills - Support improvement following negative ratings resulting from audits - Check on observance of Human Rights in the supply chain - Call on significant suppliers to take part in the Carbon Disclosure Supply Chain - Issue of procedure on the management of Local Content within the procurement process
Customers and consumers	<ul style="list-style-type: none"> - Telephone surveys and regular quality reviews and questionnaires - Telephone or face to face interviews at sales outlets - Focus groups on satisfaction with and ease of use of online services - Online forums 	<ul style="list-style-type: none"> - Checks on customer satisfaction and tests of new services - Analysis of satisfaction and dissatisfaction with the services offered (gas, electricity, fuels) - Advice and technical assistance - Energy consumption habits 	<ul style="list-style-type: none"> - Planning of corrective actions to address areas of improvement identified for R&M wholesale customers - Calibration of trade and pricing initiatives - Definition of new supply models - Launch of targeted initiatives - Application of a new model for relations with Consumer Associations in order to better combine culture, consumer rights and energy
National Parliament and Public Ministries	<ul style="list-style-type: none"> - Hearings/fact-finding investigations in Committee on request - Participation in technical roundtables, responses to consultations, position papers, six-monthly/monthly/on request one-on-one meetings 	<ul style="list-style-type: none"> - Exploration activities in Italy - Regulation of G&P business activities - Security of supply - Green economy - Environment (e.g. industrial site remediation, return of reclaimed areas) - International cooperation 	<ul style="list-style-type: none"> - Inspections and institutional visits at the production sites - Information, awareness-raising initiatives and technical studies - Active participation with regard to energy efficiency issues (submission of projects to obtain white certificates) and in discussions related to future sustainability of Italian and European energy - Participation in the intergovernmental roundtable on cooperation for development
Institutions, Local and National Authorities	<ul style="list-style-type: none"> - Institutional meetings, technical roundtables and monthly/weekly or on request hearings - Written communications - Working Roundtables - Responses to consultations - Meetings on specific topics on a monthly basis or upon request - Sending of data/information via email or the intranet on a monthly basis or on request 	<ul style="list-style-type: none"> - Development projects and enhancement projects linked to relevant activities - Local development - Renewable energy subsidies - Codes and rates of access to G&P infrastructure services - Regulation of business relationships with retail customers - Regulation of sales rates in the protected market 	<ul style="list-style-type: none"> - Information, awareness-raising technical, in-depth and procedural initiatives - Inspections and institutional site visits - Participation in the work of the ANCI National Assembly and monitoring of Cinsedo activities - Active participation in meetings

Stakeholders	Engagement procedures	Topics of interest	Eni's Actions
Business associations and Confindustria	<ul style="list-style-type: none"> - Meetings, regional workshops and participation in Commissions/Six monthly/monthly or on request Technical Committees - Meetings with businesses associated with regional Confindustria branches and participation in association activities - Meetings with local companies 	<ul style="list-style-type: none"> - Corporate Sustainability - Environment - Safety - Supplier qualification systems 	<ul style="list-style-type: none"> - Participation in Technical Committees and Working Groups (e.g. Technical Energy Committee) - Workshops on the supplier qualification process - Holding of regional meetings to provide information on Eni's activities in the field of environmental sustainability and safety
European institutions and international organizations	<ul style="list-style-type: none"> - One to one meetings, technical roundtables, written communications, responses to consultations, on a daily basis or on request - Conference calls and Corporate Advisory Panel - Participation in industrial associations, institutional working groups and public events and/or hearings at the European Parliament - Cooperation with the OECD National Contact Points and participation in specific initiatives 	<ul style="list-style-type: none"> - European energy strategy - Environmental and tax policy - Regulation of the financial markets for raw materials - Regulation of the internal gas market - Transparency of extractive industry payments - Access to energy projects - Issues relating to the refining industry - Dissemination and application of the OECD Guidelines for multinational businesses 	<ul style="list-style-type: none"> - Presence at the coordination roundtable to support Italian participation in the work of the Arctic Council - Contribution to European Commission consultations (White Paper on energy and climate policies for 2030 and carbon leakage) - Participation in the Policy Dialogue on Natural Resource-based Development organized by the OECD
The United Nations system	<ul style="list-style-type: none"> - Inclusion in the LEAD programme of the Global Compact and presence on its Steering Committee - Active participation in the various activities promoted by the LEAD Program - Collaboration agreements (e.g. ISPAC) - Presence in the Leadership Council of the Sustainable Development Solutions Network of the United Nations 	<ul style="list-style-type: none"> - Sustainable development goals - Human rights and businesses - Decent work - Anti-Corruption - Transparency - Environment - Access to energy 	<ul style="list-style-type: none"> - Participation in the main meetings between the United Nations and businesses (UN Private Sector Focal Points Meeting; UN Global Compact Leaders Summit; UN Annual Forum on Business and Human Rights) - Participation in the Proteus 2012 initiative promoted by UNEP - Participation in the Global Compact Business for Peace program - Running of the initiative "Energy for All in Sub-Saharan Africa" - Contribution to the work of the Thematic Group Good Governance of Extractive and Land Resources
Other sustainability organizations	<ul style="list-style-type: none"> - Membership and participation in the WBCSD, Business for Social Responsibility, World Economic Forum, GGFR (Global Gas Flaring Reduction Initiative), EITI (Extractive Industries Transparency Initiative), PACI (Partnering Against Corruption Initiative) and IPIECA - Membership of the GRI and the IIRC 	<ul style="list-style-type: none"> - Assessment of social and environmental impacts - Transparency and reporting - Integrated reporting and value creation - Human Rights 	<ul style="list-style-type: none"> - Participation in WBCSD working groups - Participation in IPIECA working groups (on Human Rights, reporting, climate change, etc.) - Participation in the consultations on the new EITI Standard and the "Open for Growth: Trade, Tax and Transparency Event" - Participation in the GRI G4 Pioneer Program - Participation in the Pilot Program of the IIRC
National and international NGOs	<ul style="list-style-type: none"> - Collaboration and organization of joint events - Conferences on specific topics - Constant dialogue and meetings on request - Participation in networks (Sodalitas, Anima per il Sociale) 	<ul style="list-style-type: none"> - Global energy issues - Human Rights - Impact assessments - Anti-Corruption - Sustainability of operations in Nigeria (spill prevention and management, flaring reduction, reclamation and compensation for local communities) - Transparency in corporate reporting 	<ul style="list-style-type: none"> - Cooperation with Legambiente on the Energythink initiative - Agreement with Transparency International to develop an innovative "Country Assessment" methodology - Participation in the research conducted by Transparency International on "transparency in corporate reporting" - Dialogue with Amnesty International about the activities in Nigeria and the protection of Human Rights of populations living near the extraction sites
Universities and research centers	<ul style="list-style-type: none"> - Collaboration agreements and strategic partnerships - Corporate advisory panel - Official bilateral meetings, every six months or on request - Exchange of communications, sharing of information and one-on-one meetings where appropriate - Thematic workshops and periodic meetings with partners to verify the progress of activities and disseminate the results 	<ul style="list-style-type: none"> - Support activities for businesses (exploration and production, innovative technologies for refining and petrochemicals) - Renewable energies (photovoltaics and concentrated solar power, biomass) - Environmental protection technologies 	<ul style="list-style-type: none"> - Creation of "virtual labs" in collaboration with universities, research centers and companies - Renewal of framework agreements with the Polytechnics of Milan and Turin, and with the National Research Council (CNR) - Renewal of the collaboration agreement with the Massachusetts Institute of Technology in Boston (USA) - Continuation of the strategic alliance with Stanford University on core technologies of the oil&gas business and environmental remediation - Signing of the agreement with the Earth Institute at Columbia University to strengthen the planning, monitoring and evaluation of Eni's local development investments

Board of Directors

		2011	2012	2013
Members of the Board of Directors	(number)	9	9	9
- executive		1	1	1
- non-executive		8	8	8
- independent		7	7	7
- non-independent		2	2	2
- members of minorities		3	3	3
Board of Directors Annual Meetings		18	16	13
Average attendance at Board meetings	(%)	97	97	97
Board induction annual sessions	(number)	6	3	3
Presence of women on the Boards of Directors of Eni Group companies	(%)	5.7	8.1	14.0
Presence of women on the Boards of Statutory Auditors of Eni Group companies		8.5	15.0	27.6

The Board of Directors of Eni SpA is composed of 9 directors, including 8 non-executive directors and 7 who meet the requirements of independence as required by law and the Self Discipline Code for listed companies of December 2011 which Eni adheres to. Three board members are appointed by non-controlling shareholders.

The “ongoing induction” training program for board members and statutory auditors of Eni SpA continued throughout 2013. The topics explored were the tasks and the responsibilities of the Board of Directors in the light of the current situation, with particular reference to business risks. Some business issues were also examined with visits to operating sites and, picking up on the positive experience of the “Strategy Day” initiated in 2012, the Board meeting on July 9, 2013 included an in-depth discussion of some strategic planning issues.

Drawing inspiration from the Board Induction for the Board of Directors of Eni SpA and in line with the culture of corporate integrity that guides Eni’s actions, in 2013 the second training plan (Welcome Board) was implemented for members of the boards of directors of Eni’s subsidiaries and companies in which Eni has a stake.

In 2013 Eni’s Board of Directors – after an evaluation by the Nomination Committee and with the support of an external consultant to ensure objectivity in the process – carried out a Board Review for the eighth consecutive year and, due to the forthcoming expiry of the mandate, decided not to undertake a “Peer Review” of the Directors as had been done in previous years.

In compliance with the recommendations of the Corporate Governance Code, taking into account the results of the self-assessment, and with the support of the Nomination Committee, the Board made its recommendations to the Shareholders for the approaching renewal of the bodies with regard to the positions and professional figures whose presence on the Board and Committees were considered suitable.

Starting with the upcoming renewals of the corporate bodies of Eni SpA, when the financial statements for 2013 are approved, in deciding the composition of the Board of Directors and the Board of Statutory Auditors the shareholders must ensure balanced gender representation, as required by law and adopted since 2012 in the Company’s Articles of Association. In particular, the underrepresented gender must, for the first term of office, represent at least one-fifth of the directors and of the standing statutory auditors elected and at least one-third in the two subsequent terms. In 2011, Eni’s Board of Directors had already recommended anticipating the implementation of the Gender Equality Law (effective from renewals after February 2013) in the Italian unlisted subsidiaries, and thus the threshold of more than 1/3 women on the Boards of Directors and Statutory Auditors was reached as soon as the 2012 renewals took place, for appointments for which Eni was responsible as a shareholder. During 2013 the same companies amended their articles of association to ensure compliance with the required composition of the governing bodies (Boards of Directors and Statutory Auditors) for the three consecutive mandates, even in case of a replacement, ensuring in particular that the underrepresented gender will represent at least one fifth of each body in the first term, and one-third in the next two terms. The main effect of Eni’s commitment to promoting initiatives to support the principles of the law on gender balance has been a significant increase in the female presence in the governing bodies. The internal regulations on the “Corporate Governance of Eni companies” approved by the Board of Directors on May 30, 2013, which updated the guidelines previously issued by the Board of Directors on Corporate Governance – without prejudice to the legal requirements – provide that the choice of members of the administration and control bodies (boards) of Eni’s subsidiaries, including those abroad, must take into account, where possible, the need for gender diversification.

In addition, in 2013, for the first year, a monitoring model was defined for the composition of the Boards of Directors of Eni’s subsidiaries in Italy and abroad, with particular attention to gender but also to diversity in terms of professional characteristics, nationality, age, experience and seniority in office. The main objective of this activity is to monitor the trend of diversification in the Boards of Directors and identify any improvement actions needed.

To respond to the growing need for a continuous dialogue between the companies and shareholders, in 2013, the Chairman of Eni’s Board of Directors sponsored a series of meetings with the institutional investors and the main proxy advisor in Europe and the United States, focused on Eni’s Corporate Governance system, enabling a better appreciation of its features, also in the light of the various regulatory models of reference.

Shareholders

Shareholders breakdown on the basis of nominative claims of the receivers of Eni's dividends in advance for the year 2013 (ex-dividend date September 23, 2013 - payment date September 26, 2013)

	Number of shares	%
Controlling shareholders	1,093,731,615	30.10
Institutional investors	2,189,202,455	60.24
Retail investors	335,491,826	9.23
Own shares at the dividend payment date (treasury shares)	11,388,287	0.31
Others (shares for which no nominative claims were received)	4,371,147	0.12
Share capital	3,634,185,330	100.00

As of December 31, 2013, the controlling shareholders held 1,093,731,615 shares in Eni, equal to 30.10% of the company share capital (4.34% Ministry of the Economy and Finance and 25.76% Cassa Depositi e Prestiti – CDP SpA – controlled by the same Ministry).

As of December 31, 2013 the company's capital amounted to €4,005,358,876, fully paid up, represented by 3,634,185,330 registered ordinary shares with no indication of par value.

The internal control and risk management system

		2011	2012	2013
Integrated audit actions	(number)	64	83	65
- scheduled audits		40	59	49
- spot audits		7	8	5
- follow-ups		17	16	11
Number of recommendations (corrective actions)		1,088	1,150	907
Number of Risk Assessment actions		78	98	35
Average time of completion of corrective actions	(day)	80	83	78
Participants in training sessions on the Internal Control and Risk Management system by typology	(number)	-	284	1,216
- e-learning		-	64	610
- workshop		-	220	606

The Internal Control and Risk Management System (ICRMS), the main aspects of which are described in the "Other information" section of the Annual Report, is subjected to regular audits and updates, in order to ensure its ongoing adequacy and effectiveness in controlling the main areas of risk for company activities. This is assessed in relation to the typical features of the company's operating sectors and its organizational structure and based on any new legislation or regulations.

A key role in the audit and assessment process for the ICRMS as a whole is given to the Internal Audit department, which conducts audits (operational, financial and compliance audits focusing on the aspects covered by Italian Legislative Decree 231/01) to implement the annual Audit Plan prepared using a "top-down, risk based" approach and approved, together with the resource budget, by the Board of Directors and, for aspects relevant for the purposes of Italian Legislative Decree 231/01, by Eni SpA's Vigilance Body.

With reference to the main activities performed by the Internal Audit department, it is noted that:

- the number of integrated audits conducted in 2013 is in line with the average of all the audits conducted in the last five years. In particular there was a recorded increase in the average duration of the integrated audits conducted in 2013 due to the addition of the Anti-Corruption audits and the independent monitoring carried out for Sarbanes Oxley purposes;
- the average number of corrective actions per audit has remained stable for the various sectors, and to date substantial observance of the implementation times for planned actions has been recorded, confirming the attention paid by the audited structures to the time-scales agreed;
- risk assessment activities in 2013 were reduced after the process of integrated risk management got up to speed. The results are used by Internal Audit to plan their audit activities, adding more detailed analysis where deemed necessary in terms of risk assessment;
- there was a sharp increase in the number of ICRMS training initiatives compared to the previous year. These were aimed at the management of Eni SpA and its main subsidiaries in Italy and abroad and designed to provide an organic and integrated vision of the ICRMS and develop awareness of the role of management in the implementation and operation of an effective and efficient ICRMS. In particular, in 2013 "on site" workshops were conducted in about 15 Countries in addition to Italy.

Management of reports

(number)	2011	2012	2013
Internal control system reports sent to Internal Audit by area reported	86	86	110
- procurement	25	31	40
- human resources	7	9	11
- legal affairs	0	0	0
- commercial	18	9	7
- administration and finance	2	7	4
- assets acquisition	0	0	0
- contractual management	8	9	22
- logistics	9	6	1
- other corporate areas (security, HSE, etc.)	17	15	25
Internal control system reports closed in the year owing to completion of investigations	88	86	101
- grounded for which corrective actions were taken on the Internal Audit system	3	7	12
- grounded for which measures were taken against employees/suppliers and other corrective actions were taken (against clients/managers/agents/third parties; technical/operational interventions; complaints to public authorities, etc.)	9	14	18
- ungrounded with actions	26	23	27
- generic	14	5	4
- ungrounded	34	37	40
Reports on Other matters sent to Internal Audit by area reported	68	87	120
- human resources	18	33	37
- Code of Ethics	42	43	71
- relations with third parties	8	5	12
- others	0	6	0
Reports on Other matters closed in the year owing to completion of investigations	90	77	99
- grounded for which improvement actions were taken	0	2	2
- grounded for which measures were taken against employees/suppliers and other corrective actions were taken (against clients/managers/agents/third parties; technical /operational interventions; complaints to public authorities, etc.)	13	12	12
- ungrounded with actions	19	12	26
- generic	2	7	5
- ungrounded	56	44	54

From January 1 to December 31, 2013, 357 reports were received, grouped together in 230 files, 110 (48%) of which concern topics relevant to the "Internal control system" and 120 of which relate to "Other matters" (52%). In the same period, 200 files were archived in total, 101 of which concerned the "Internal control system" (51%) and 99 of which concerned "Other matters" (49%).

The audits carried out on the 200 files archived in 2013 had the following results:

- for 44 files (22%) the audits confirmed, at least in part, the content of the notification and the appropriate corrective actions were taken;
- for 147 cases the audits did not find any evidence to confirm the facts reported; nevertheless for 53 files (27%) improvement actions were taken in any case by the company structures involved. In conclusion, improvement actions were adopted in 49% of cases;
- in 9 cases the facts reported were found to be of a generic nature.

The number of reports received through active channels of communication in the last three years confirms widespread awareness of the reporting procedure (Whistleblowing procedure).

Added value

(€ million)	2011	2012	2013
Overall distributed net added value	23,294	22,475	20,421
- of which to human resources	4,592	4,895	5,518
- of which to shareholders	3,978	4,139	4,227
- of which to States and Public Administrations	9,903	11,659	9,008
- of which to financial backers	922	980	923
- of which to Company system	3,899	802	745

The distributed net added value in 2013 was €20,421 million, a reduction compared to the previous period primarily due to: (i) less production in the E&P sector due to extraordinary interruptions and the appreciation of the euro against the dollar; (ii) extraordinary losses on contracts in the Engineering & Construction sector in the first half of the year.

Added value in 2013 was divided as follows:

- 44% to the State and Public Administrations through taxes on the income of both Italian and overseas businesses;
- 27% to human resources remunerated through wages, salaries and welfare contributions;
- 21% to shareholders remunerated through the distribution of dividends;
- 5% to the financial backers, remunerated through financial charges;
- 4% to the company system, paid through the share of net profit reinvested in the company (profit for the year net of dividends and the share used to restore the plant and equipment and intangible fixed assets used in the production process).

Relations with customers and consumers

Eni call center performance		2011 ^(a)	2012	2013	AEEG ^(b) standard
Percentage of telephone calls of customers that spoke to an operator	(%)	97.7	97.1	95.5	80
Average waiting time at call center	(seconds)	102	105	90	240
First Call Resolution (FCR)	(%)	88	88	89	-
Self Care (operations carried out autonomously by customers out of total operations requested)		32	43	51	-

(a) The data refer to the G&P sector (before the creation of a single Eni call center).

(b) Italian Regulatory Authority For Electricity and Gas.

Since September 2012 the toll free number for customer service (800 900 700) has become the only phone access channel for Eni's retail customers in Italy, configured to respond to all requests for service and information about gas, electricity and fuel. This has resulted in three important improvements in the service for consumers: the creation of a single point of contact with Eni, a uniform customer experience and improvements in terms of service - including the extension in call center opening times (customers, including car drivers, who wish to contact Eni and holders of the you&eni card, now have free access 24 hours a day, seven days a week).

The results achieved by Eni's one-stop call center, against a background of rising contact requests resulting from the increased number of gas and electricity customers and the extension of the service to the R&M sector, include a reduction in the average waiting time, which fell from 105 seconds in 2012 to 90 seconds in 2013. First Call Resolution (FCR) also improved, rising to 89%. In this area, moreover, the number of operations carried out independently by gas and electricity customers (self care) as a percentage of total operations requested increased significantly, rising from 43% in 2012 to 51% in 2013. This result has been achieved through the introduction of a series of new "automated" services, both IT services and IVR (Interactive Voice Response) telephone and web-based devices, which allow gas and electricity customers to meet a series of needs without requesting support from an operator.

G&P Segment

G&P customer satisfaction on telephone services		2011	2012	2013
Eni customer satisfaction score	(%)	88.6	89.7	90.4 ^(b)
Panel Average ^(a)		88.9	91.2	93.1

(a) The panel analysed refers to companies representing more than 50% of the market with more than 50,000 customers (Source: AEEG survey – carried out on the first half of 2013 – relating to the quality of telephone services of providers of electricity and gas).

(b) The customer satisfaction score for 2013 relates to the first six months as at the date of publication of this document the Authority for Electricity and Gas had not yet published the data for the second half of the year.

Once again in 2013 there was further progress in the G&P sector on the programme of initiatives to increase customer satisfaction and to become a point of reference for the quality of gas and electricity services. Against this background the customer satisfaction score (CSS) increased to 90.4% compared with 89.7% in 2012.

During 2013 in Italy the G&P sector continued its strategy of launching innovative products and services that make it easier for customers to choose the gas and electricity contract that most closely meets their energy needs, manage their bills and choose the best services connected to the gas and electricity supply, with “best in class” multi-channel access.

From the viewpoint of the range of services on offer, 2013 saw the confirmation for domestic customers of the “eni3” package, further enhanced during the summer of 2013 with the launch of the “eni3summer” campaign. In addition, in the last quarter of 2013 the new “fixa super-Luce” package was launched, with a price that freezes the energy component of the cost of electricity for 2 years. In 2013 the “suMisura” package, dedicated to business activities such as shops, bars and restaurants, was also enhanced; this gives gas and electricity customers the opportunity to take advantage of the offer that best adapts to their energy needs, based on their energy consumption profile. The “sottoControllo” package, dedicated to small and medium-sized enterprises, was also launched. On the side of customer care, transparent contracts and assistance for retail gas and electricity customers, the G&P Division has continued to: (i) apply a restrictive selection process to sales business partners, combining this with contractual tools designed to prevent, deter and sanction potential misconduct by the indirect sales force (sales agents and call centre staff); (ii) roll out an extensive e-learning system to train sales staff; (iii) offer a simpler and more rapid process for customers to notify a change of mind about a proposed contract, by telephone or fax; (iv) make confirmation “check” calls the rule for all contract proposals signed up to through agencies, “eni energy stores” and phone sales.

These activities have substantially reduced to percentages close to zero the problem of so-called “unwanted contracts”.

In 2013 the “webolletta” service was widened to reach 800.000 customers, with over 2 million bills consulted on-line. The service allows users to view their bill in their own reserved area 10 days before the normal date of delivery of the paper copy.

The 2013 data on brand awareness of Eni as an electricity and gas supplier showed an increase compared to 2012 (spontaneous awareness increased from 44.9% to 51.6% and total awareness from 79.6% to 83%).

R&M Market

Customer satisfaction		2011	2012	2013
Customer satisfaction index	(Likert scale)	7.74	7.90	8.10
Customers involved in the satisfaction survey	(number)	30,524	30,438	29,863

In the Refining & Marketing sector in Italy at the end of 2012, new cards that combine the functions of consumer loyalty and payment cards were launched and in one year, more than 1 million cards have been issued, 40% of which were issued to new customers. The database of you&eni customers has thus expanded, reaching about 7 million cards.

In 2013 Customer Relationship Management (CRM) initiatives targeted at customers registered in the you&eni programme were implemented, offering members bonuses and discounts following the adoption of good practice and involving programme partners in the development of special offers to support the points collection.

Moreover, to ensure excellent service, periodic training courses are held for operators on various topics, not only from the technical point of view but also on the relationship with the end user. As part of these, particular attention is paid to training the *eni café* managers.

In Milan on December 16, 2013, Eni launched “Enjoy”, the Smart Mobility Initiative offering customers mobility products and services with low environmental impact, with a specific focus on car sharing, a service that promotes the transition from the logic of possessing a car to the logic of sharing it, so that the private car can be relinquished, with significant benefits in terms of reducing emissions, but without sacrificing flexibility in terms of meeting mobility needs. The car, thus, passes from consumer good to service asset.

People safety

		2011	2012	2013
Injury frequency rate	(number of injuries/million of worked hours)	0.60	0.49	0.35
- employees		0.65	0.57	0.40
- contractors		0.57	0.45	0.32
Injury severity rate	(days of absence/thousand of worked hours)	0.021	0.021	0.014
- employees		0.025	0.026	0.018
- contractors		0.018	0.017	0.012
Total recordable injury rate (TRIR)	(total recordable incidents/million of worked hours)	1.51	1.17	1.04
- employees		1.75	1.45	1.35
- contractors		1.37	1.01	0.86
Fatality index	(fatal injuries/one hundred million of worked hours)	1.94	1.10	0.98
- employees		1.19	0.87	1.74
- contractors		2.38	1.23	0.53
Near misses	(number)	2,723	2,862	3,961
Training hours on safety	(hours)	1,354,705	1,259,228	2,112,319
- to senior managers		8,244	5,046	7,290
- to managers/supervisors		131,541	69,890	73,067
- to employees		474,568	312,817	996,364
- to workers		740,352	871,475	1,035,598
Safety expenditures and investments	(€ thousand)	320,118	370,950	408,794
- current spending		193,227	260,420	253,312
- investments		126,891	110,530	155,482

In 2013 continued the trend of improvement in the safety field, with the lowest accident rates in the last nine years and the number of injuries down 32% from 2012 and more than 70% compared to 2006, going from more than 750 events to just over 200 in 2013. The injury frequency rate decreased by 28.9% for employees and by 29% for contractors, compared to 2012. The injury frequency rate for the total Eni workforce (equal to 0.35) decreased by 28.7% compared to 2012.

In 2013 there were 4 fatal accidents involving employees (in 2012 there were 2 and in 2011 there were 3) and 2 involving contractors (in 2012 there were 5 and in 2011 there were 10). All the fatal accidents in 2013 took place in the Engineering & Construction sector. During 2013 the project "zero fatalities" continued, aimed at even more aggressively addressing the main causes of fatal accidents. In this context, a video was made that illustrates the "golden rules" for preventing falls from height, intended for all staff (employees and contractors) on the operating sites. 2013 saw the continuation of "eni in safety" communication and training program (with 200 workshops held) and its extension to the contractors deemed most critical; the "Safety road show" campaign also continued, with visits to Eni operations sites in Italy and abroad and the overall participation of more than 2,500 people including employees and contractors.

Total safety costs increased by 10.2% compared to 2012 as a result of the increase in investments (up 40.7%), particularly in the E&P field where more than €43 million was invested in specific studies of safety procedures and standards and, secondly, in investments in the chemical sector for systems and fire-fighting equipment (equal to more than €10 million). Current costs, while remaining essentially stable (down 2.7%), indicate a growing financial commitment with regard to plant and equipment (in 2013 spending almost more than doubled in value compared to 2012) for the E&P, R&M and Chemical sectors, which recorded costs of over €20 million each.

People health

		2011	2012	2013
Health Impact Assessments carried out	(number)	20	28	23
Environmental surveys		6,655	7,030	6,707
OHSAS 18001 certifications		74	100	108
Employees included in health surveillance programmes		65,396	71,186	73,741
Professional illnesses reported		135	69	68
Diagnostic examinations		342,058	341,995	355,762
Services provided by Company health structures		509,473	536,958	548,386
- to employees		412,941	442,177	449,690
- to others subjects		96,532	94,781	98,696
Vaccinations provided by Company structures		31,397	23,700	22,795
- to employees		20,917	18,635	17,700
- to others subjects		10,480	5,065	5,095
Per capita health expenditures	(euro)	1,088	619	624
Health and hygiene expenditure and investments	(€ thousand)	78,950	48,192	51,317
- current spending		78,006	47,298	50,984
- investments		945	894	333

In 2013 the implementation program for the health and safety management system went ahead in all Eni companies with the aim of obtaining the OHSAS 18001 certification by 2015 for all Eni subsidiaries with a significant HSE risk profile. In particular:

- in the E&P sector, all the certifications obtained in previous periods were reconfirmed and certification was acquired for the jointly controlled company INAgip doo;
- in the G&P sector, where all the EniPower electric power plants reconfirmed their certifications, the coverage of foreign gas transport activities was further extended with the certification of its subsidiaries Sergaz SA, Adriaplin doo and Eni Gas & Power France SA;
- in the R&M sector, activities continued for the maintenance and the extension of certifications in the areas of industry, logistics and trade, with coverage for reclamation activities in unused sites, for the Gela Refinery (in addition to the four other refineries already certified) and the subsidiaries Costiero Gas Livorno SpA, Petrolog Srl, Eni Austria GmbH, Eni Marketing Austria GmbH, Eni Mineralolhandel GmbH and Oleoduc du Rhone SA;
- in the Chemicals sector, coverage has been confirmed for all the Italian and overseas plants;
- in the Engineering & Construction sector all the certifications already obtained in recent years have been confirmed the operational companies Saipem Contracting Netherlands BV - Sharjah Branch and PT Saipem Indonesia Karimun Branch in the Engineering & Construction sector were also certified and certification was completed at Saipem SpA with coverage also for drilling activities.

Implementation of the periodic environmental/exposure monitoring campaigns and the provision of health services is ongoing. In 2013 the E&P, R&M and G&P sectors also carried out evaluation studies of the health profile of the Countries where Eni operates and risk analyses for the health of both employees and the communities, through the Health Risk Assessment and Health Survey. In 2013 there was an overall reduction in the number of environmental surveys (due to the subsidiary G&P Distribuidora de Gas Cuyana leaving the consolidation domain and the trend observed for Other Activities, as well as the final closure of the dichloroethane plant at the site of Assemini), while the number of diagnostic examinations increased (due to the contribution of the E&C sector with over 30,000 more examinations than in 2012) as did the services provided by health care facilities (stable or growing in most areas of the sectors).

The total number of vaccinations fell due to the drop in E&C which was only partially offset by the increase in the Congo and Nigeria for the E&P sector.

Eni's consolidated figure for recognized occupational diseases has remained stable at 2012 values, halved compared to previous years.

Total spending on health (up 6.5% over 2012) shows a growing financial commitment with respect to occupational medicine (E&P and Chemicals sectors), industrial hygiene (E&P, R&M and Chemicals sectors) and training and information (E&P, Chemicals and Engineering & Construction sectors and corporate and finance company sectors).

Employment

(number)	2011	2012	2013
Employees as of December 31	72,574	77,838	82,289
- men	60,032	64,978	68,688
- women	12,542	12,860	13,601
- Italy	27,058	26,804	26,782
- Abroad	45,516	51,034	55,507
Employees abroad by type	45,516	51,034	55,507
- locals	34,801	39,668	43,121
- Italian expatriates	3,208	3,867	3,955
- International expatriates (including TCN)	7,507	7,499	8,431
Employees by type of contract	72,574	77,838	82,289
- temporary	30,664	35,896	38,813
- permanent	41,910	41,942	43,476
- part time	1,044	1,132	1,060
- full time	71,530	76,706	81,229
Senior Managers employed	1,468	1,474	1,475
- of which women	152	159	160
Managers/Supervisors employed	12,754	13,199	13,637
- of which women	2,477	2,615	2,767
Employees	36,019	38,497	39,943
- of which women	9,394	9,777	10,310
Workers employed	22,333	24,668	27,234
- of which women	519	309	364
Employees age band 18-24	3,587	4,203	4,636
- of which women	668	669	751
Employees age band 25-39	31,859	35,161	36,906
- of which women	5,738	6,079	6,421
Employees age band 40-54	29,190	29,998	31,200
- of which women	5,209	5,089	5,250
Employees age band over 55	7,938	8,476	9,547
- of which women	927	1,023	1,179
Employees by educational qualification	72,574	77,838	82,289
- less than secondary school diploma	17,677	15,535	10,406
- secondary school diploma	32,631	35,154	40,030
- degree	19,446	23,565	26,911
- post-graduate education	2,820	3,584	4,942
Number of hiring	5,592	6,372	6,666
- of which women	1,157	950	961
Number of resolutions	5,163	5,242	5,853
- of which women	833	693	610

In 2013, a rise of 4,451 in the number of workers as compared to 2012 was recorded, an increase of 5.7%. This is the result of a reduction of 22 in the number of workers employed in Italy (currently 26,782 people, 32.5% of total employment) and an increase of 4,473 in the number of workers employed abroad (currently 55,507, 67.5% of total employment).

In Italy, 1,565 persons were recruited, 579 of whom were given a fixed term contract.

The majority of recruitment to permanent (open-ended) contracts and apprenticeships (986 in total) involved graduates (623), recruited mainly into operating positions. In Italy, 1,514 work contracts were terminated, 844 of which were permanent (open-ended) contracts and 670 of which were fixed term. These reductions are mainly related to the restructuring measures being implemented.

The average age of people working for Eni is 43.7 in Italy and 38.9 abroad, in line with the average age in 2012 abroad and slightly higher for Italy.

International development

(number)	2011	2012	2013
Employees in Africa	13,501	11,882	12,413
- of which women	1,021	1,069	1,137
Employees in Americas	8,194	9,403	13,547
- of which women	1,270	1,244	1,556
Employees in Asia	13,545	17,495	17,596
- of which women	1,334	1,448	1,522
Employees in Australia and Oceania	402	1,119	1,139
- of which women	97	172	162
Employees in Italy	27,058	26,804	26,782
- of which women	6,022	6,114	6,245
Employees in the Rest of Europe	9,874	11,135	10,812
- of which women	2,798	2,813	2,979
Local employees abroad by professional category	34,801	39,668	43,121
- of which senior managers	228	223	216
- of which managers/supervisors	3,476	3,798	4,001
- of which employees	17,529	19,683	20,522
- of which workers	13,568	15,964	18,382
Employees in non-OECD Countries	34,313	37,659	38,336

The majority of new recruits abroad in 2013 were for the Engineering & Construction sector (up 3,872) due to the increase in local and expatriate resources needed to support ongoing construction projects (in Mexico, Canada, Australia, the Arabian Peninsula and Northwest Africa), prefabrication activities in Brazil and to a lesser extent engineering centers in India and Nigeria.

The increase in the E&P sector (up 848 persons) can be attributed to the increase in manpower in the developing Countries (Angola, Mozambique, Indonesia, Norway, Kazakhstan) and Countries with operations activities (Iraq, Libya, USA), the opening of new exploration branches (Cyprus, Vietnam and Kenya), the acquisition of Eni engineering from Saipem (approximately 120 persons) and the sale of assets in Russia.

In 2013 the company Versalis International was founded, which incorporated the companies PE Benelux and PE Iberica and the non-consolidated companies PE Polska, Norden and PE Hellas; this resulted in a slight increase in the sector (31 persons).

The G&P sector showed a decrease (-290 persons), due almost entirely to the deconsolidation of the Argentine company Distribuidora de Gas Cuyana.

In total, there are 3,955 Italian expatriates working abroad in the consolidated companies. The number of local overseas employees has increased compared to 2012 (+8.7%). The main category involved is workers (+15%); there has also been an increase in the number of white collar employees (+4.3%) and managers/supervisors (+5.3%); the number of directors and senior managers has slightly decreased.

Equal opportunities

		2011	2012	2013
Women employees in service	(%)	17.28	16.52	16.53
Women hired		20.71	14.91	14.42
Women in managerial position (senior and middle managers)		18.49	18.91	19.37
Women senior managers		10.35	10.79	10.85
Replacement rate by gender		1.08	1.22	1.14
- men		1.02	1.19	1.09
- women		1.39	1.37	1.58
Employees who took parental leave	(number)	567	522	641
- of which women		458	409	500
Employees returning from parental leave		539	477	586
- of which women		427	352	452
Pay gap senior managers (women vs men)	(%)	96	97	96
Pay gap middle managers and senior staff (women vs men)		97	96	98
Pay gap employees (women vs men)		96	97	94
Pay gap workers (women vs men)		101	104	102
Total pay gap (women vs men)		98	100	98

At the end of 2013 13,601 women worked in Eni (16.53% of the total workforce), of which 6,245 in Italy (23.3% of the Italian workforce) and 7,356 abroad (13.3% of the overseas workforce). In Italy, 25.5% of the 623 people recruited during 2012 were women. It is to be noted that in 2013 the rate of replacement for women (permanent recruitment divided by termination of permanent contracts) increased compared to 2012 both in Italy and at an international level (altogether 1.37 in 2012 and 1.58 in 2013).

The percentage of women occupying managerial positions (women managers and executives) rose from 18.49% in 2011 to 18.91% in 2012 and 19.37% in 2013.

In 2013 the survey of the gender pay gap was updated, using the same method as in 2011 and 2012, which neutralized, in the pay comparison, any effects deriving from differences in role and seniority. This survey was conducted at a worldwide level on a sample of more than 90% of the Eni workforce (about 76,000 people in more than 60 Countries), with an increase of 13% over the 2012 sample. The results of the analysis at a global level show on average a substantial alignment between the pay of the female population and that of the male population for the same role and seniority.

Enhancing people

(%)	2011	2012	2013
Employees covered by management review ^(a)	100	100	100
Employees covered by performance assessment tools (senior managers, managers/supervisors and young graduates)	53	55	60
Employees covered by potential assessment (young graduates and experts)	41	33	23 ^(b)

(a) Percentage referred only to the senior managers to whom the review process is applicable

(b) Percentage decrease due to the extension of the analysis perimeter for young graduates up to 7 years of service. Development of knowledge and appreciation of the skills of Eni's people has continued during 2013 with an approach focussed more than ever on the use of development tools in our foreign operations.

During 2013, as every year, a complete map of managerial resources was drawn up through the tool of management review. For specific segments of managerial resources, the assessment of skills and competencies was further developed. The results of this contributed to the updating of the "succession plan" and to the presentation of relevant positions to Eni's Nomination Committee. The process of mapping resources has also involved the population of young people and graduates who are annually evaluated by their counselor using a Segmentation tool. In particular, during 2013, more than half of Eni's people were mapped and, in particular, 86% of the managers and 41% of the young graduates. Eni's commitment to performance assessment is ongoing, with total coverage, in Italy and abroad, of 97% for directors and senior managers and 57% for managerial staff and young graduates, with an overall total of 60%. During 2013 the Performance and Feedback process was completed and communication meetings required for the implementation of the system were initiated. The new process involves the participation of the entire company population, in Italy and abroad, with mandatory application of performance management for all executives, managers and young graduates. The feedback process has been extended to the entire population. 2014 will see the launch of a simplification project for the two processes and the support tools in order to increase their effectiveness in terms of policy, guidance and monitoring of individual results and behaviours to be improved (also with reference to the induction process for new recruits), and to progressively expand the feedback targets. During 2013 a total of three 360° Feedback campaigns were launched (two of which were completed within the year) for a total of 370 participants; of these, 157 were delivered in English or French. The process, which between 2011 and 2012 involved staff in Italy, aims to raise participants' awareness of their own behaviour, from the viewpoint of managers, peers/colleagues and partners.

As regards to the assessment of potential, in order to better reflect the internationality of the business, it was decided to extend the boundary of the analysis, expanding the population of young graduates to include people with up to 7 years of service (until last year it was a maximum of 5 years). The trend in the percentage of employees covered by potential assessment (young graduates and experts) is the indicator most affected by the increase in the reference pool. Reading the data in absolute terms, the total number of assessments is rising: in 2013 a total of 883 reviews were performed, up 10% compared to 2012, which saw a total of 797 initiatives. In addition to this index, it is worth noting the evaluation activities carried out during the year on the population of managers and executives with an amount of 120 Individual Assessments and Management Appraisals.

Training

		2011	2012	2013
Training hours by type	(hours)	3,126,935	3,132,350	4,349,352 ^(a)
- HSE and quality		1,594,357	1,547,274	2,213,450
- Languages and ICT		297,012	311,142	339,058
- Conduct/Communication/Institutional		198,073	213,779	233,949
- Professional - transversal		320,211	251,668	334,018
- Professional - technical/commercial		717,282	808,487	1,228,877
Training expenditures ^(a)	(€ million)	49.98	55.67	75.91

(a) The total cost includes the activities carried out during 2013 as part of the project in Iraq for the subsidiary Zubair Field Operation Division.

During 2013, the number of hours of training increased by approximately 39% compared to the previous year, while the total cost of training increased by about 36%, with an increase in activities performed abroad.

Eni continued its partnerships with the academic world, developing a university network focused on oil and gas themes and, in general, broadening relations with academic institutions and the top business schools. In particular, through Eni Corporate University, several initiatives have been established with prestigious Universities: the specialized master in "Petroleum Engineering and Operations" and the master of science in "Petroleum Engineering" in partnership with the Politecnico di Torino; the specialized master in "Design of Oil & Gas Plants" and "Safety and Environmental Management in the Oil & Gas Industry" with the Università di Bologna; master of science "Energy Orientation - Hydrocarbons" with the Politecnico di Milano and "Geology of Hydrocarbons" with the Università di Perugia; also in progress is the fifth edition of the first level master's course in "Management of Health, Safety, Environment & Quality System" organized in partnership with the Università di Pisa and with the cooperation of the QUINN consortium; and the "Integrated petroleum geoscience course" was run with the Università di Perugia.

The 4th Edition of the "eni program for management development" was carried out in partnership with the SDA Bocconi School of Management, where 28 young managers were involved from all Eni's locations in Italy and abroad. The program is designed to provide methodologies and tools for acquiring an integrated vision of the company, an understanding of the economic and financial dynamics, the management of new business development models in international contexts and the acquisition of team leadership and team working skills.

In partnership with the Imperial College Business School and the Oxford Said Business School, a development path for excellence was created, the "ETS Summer School", for 35 young people on general management, finance and trade topics.

Altogether, in 2013, 160 participants were involved and monitored including students at masters level, masters graduate students and research fellows; all participants in the major initiatives were recruited by companies/divisions of the Group.

Anti-Corruption training and awareness

Anti-corruption training is compulsory and is extended to all people at risk, in Italy and abroad. The aim of the training is to illustrate the applicable Anti-Corruption laws, Eni's Anti-Corruption compliance programme and to provide the knowledge and tools to recognize potentially criminal conduct, the actions to be taken, and the risks, responsibilities and sanctions that may result, in order to prevent and combat instances of corruption.

Training is delivered through on-line courses (e-learning) and workshop training events carried out directly by the Anti-Corruption legal office (ACSLU) in Italy and abroad. In 2012 a new version of e-learning was developed, taking into account the changes in the international legislation on Anti-Corruption and, consequently, domestic regulations. This new version of the e-learning was delivered from 2013 onwards.

In 2013, approximately 9,200 employees were trained using the new e-learning cycle.

With specific reference to classroom training events, 57 sessions were held in 2013 (13 Anti-Corruption workshops at subsidiaries abroad; 5 seminars dedicated to specific functions such as Legal Affairs, Internal Audit and Communications within Eni; 8 seminars for top management; 4 "Responsible Leadership" seminars; 1 Welcome Board for board members of Eni and its subsidiaries; 11 "Safety Roadshows"; and 15 "institutional manager training" sessions) attended by about 1,570 persons.

Involving people

		2011	2012	2013
Users with access to the MyEni portal	(number)	25,746	23,578	25,088
Cascade Program meetings		565	569	1,000 ^(a)
- Countries involved		40	44	44
- Satisfaction of participants (positive feedback on the initiative)	(%)	87	88	87

(a) The first business meetings were made available on the corporate intranet, and staff meetings in the units were given priority for all subsequent meetings.

During 2013 the MyEni intranet was reconfirmed as the main tool for entry into the world of Eni, communication, and support for daily activities. The Italian version is visible to 25,088 persons, whereas the international version (MyEni International) is today reachable by every associate connected to the Eni telecommunications network and is the home page in 43 associate companies, open to a total of approximately 8,100 persons.

The Cascade programme, targeted at all Eni people with the aim of communicating the company's strategies by business area, was run for the seventh time in 2013. This year the formula was revamped with the aim of making the programme more interactive and timely. The intranet was used to make the first business meetings available and staff meetings in the units were prioritized for all subsequent meetings. The level of general satisfaction with the initiative was high and in line with the 2012 level. In addition to Italy, the Cascade has involved 43 Countries.

Also in 2013, Eni's commitment continued in the form of its proposal to introduce a qualitatively and quantitatively attractive corporate welfare model, as an incentive for the engagement of Eni's people. The priority areas for the initiative were confirmed, linked to the themes of "Health Promotion", "Work-Life Balance" and "Time & money saving".

In 2013, investment in "Health Promotion" was especially significant with the launch of the new project "Prevent with Eni" and the development of the "Early Detection Plan", which is aimed at expanding the cancer screening plan with the inclusion of more medical services. The goal is to offer a package, with check-ups and more in-depth and comprehensive tests every two years to support secondary prevention. The project was

started in November at three pilot sites (Ravenna, Brindisi and Genoa) with a potential pool of 1,000 people. Since the start date, about 90 people have joined the initiative. In 2014 the project will be expanded into several other venues, involving potentially about 3,300 of Eni's people in Italy. As part of Work-Life Balance, organized activities continued with the aim of supporting Eni's people with childcare; the initiatives, which in 2013 involved more than 2,600 children and teenagers in total, included the organization of summer holidays, themed trips, summer campuses in the city and the Eni crèche and Infants' school. In line with Eni's commitment to promoting initiatives to support young people and their personal and professional training, a new initiative was launched in 2013 aimed at the children of Eni's people aged between 16 and 18 years. This initiative, formed in collaboration with the Fondazione Intercultura (a non-profit partner of the most important worldwide intercultural exchange organizations) allowed 10 study trips abroad to be provided, enabling children to live and study in another Country for a whole academic year and enjoy a unique experience, learning a foreign language, sharing different cultures and customs, but above all developing a multicultural perspective.

In the field of "Time & Money Saving", to support people's spending power in this particularly difficult economic period, the existing agreements have been revamped (for travel, leisure, cars, clothing, healthcare, etc.) and new ones have been started, including e-commerce agreements for some of the categories of goods most commonly purchased by households.

Moreover in 2013, in Italy and abroad, all the activities that aim to promote a strong connection between Eni's people and the company went ahead (seniority awards, support to associations for employees and former employees, contributions for after-work facilities) as well as local-level initiatives involving Eni people (anniversaries, holidays and sporting events). As part of this, 1,726 persons in Eni were involved in the "Snow Trophy", organized in Folgaria, with a total of 27 participating companies, including 9 foreign companies. The initiative, the proceeds of which went to support the Smile Train Italia non-profit organization, provided an opportunity for colleagues working in different geographical and organizational areas to meet and share their experience.

Industrial relations

(number)	2011	2012	2013
Employees covered by collective contracting (Italy)	30,506	30,480	30,590
Consultations, negotiations with trade unions on organisational changes (Italy) ^(a)	437	359	278

(a) The minimum notification period for operational changes is in line with the provisions of the applicable laws and union agreements signed in the individual Countries in which Eni operates.

In 2013, in line with the agreement for development and competitiveness and for a new industrial relations model dated May 26, 2011, meetings with the trade unions produced agreements to support and promote efficiency processes in organizational and productive facilities, in particular the redevelopment project at the Assemini and Priolo petrochemical plants and the industrial conversion of the Gela Refinery.

In July, with the signing of specific trade union agreements, a redundancy and relocation programme was launched, for a maximum of 1,000 employees and in compliance with corporate technical and organizational needs; this agreement identifies all the measures required to minimize the impact on resources. The redundancy/relocation programme will end in 2014. Over the 2013-2015 period, Eni will also move on, with a view to professional and occupational replacement, to the progressive inclusion of 300 graduates/post graduates and fixed-term administrative workers and fixed-term contract workers for the oil and energy sector.

The home working pilot project, started in May 2012, represents a positive means of encouraging the right forms of work-life of balance: accordingly, a widening of the trial has been agreed into other Eni businesses as well as its extension to special situations involving employees with disabilities.

As for associations, of note among the main national collective labour agreements applied in Eni is the renewal in Italy of the Collective Bargaining Labour Agreement for Oil and Energy.

In relation to industrial relations activities at an international level, the relations with the European Works Council (CAE) on the progress of Eni policies within the European framework and with the representatives of the European Risk Observatory for Workers' Safety and Health are also worthy of note. The 2013 meeting was held in July in Bruges. One day was devoted to a seminar workshop for delegates with information on the European Union guidelines and measures concerning energy policy and employment policies and Eni projects to further integrity and non-discrimination.

A work environment that "does not discriminate" by gender, orientation, culture and age, is, in fact, an essential element of respect for fundamental personal rights and is also conducive to the enhancement and development of individual skills and capacities.

Employment disputes

		2011	2012	2013
Employment disputes	(number)	1,170	1,383	1,607
Prevention/disputes ratio		952/1,170	864/1,383	577/1,607
Disputes/employees ratio	(%)	1.39	1.80	1.95

In 2013, Eni's commitment to preventing and managing work disputes was maintained, working at the pre-trial phase with effective tools to reduce the number of legal disputes and the consequent costs.

Thanks to the continued legal assistance provided, the level of conflict remained low, taking into account the size of the company and the complex structure of employment legislation, particularly in Italy.

The number of cases reaching the Italian and non-Italian courts connected with work contracts such as claims for superior grading, recognition of pay differences and, in particular for Italy, alleged downgrading and deskilling remained at an extremely low level (0.35% of employees in service in December 2013). This confirms a model of work organization which allows Eni's people to make the most of their skills and potential with the support of a shared system of skill classification.

The majority of disputes (18% of the total) concern occupational illnesses and represent, at this time, a typical feature of Italian employment disputes; they are due to claims for alleged exposure to potentially damaging agents, often linked to the industrial sites acquired by Eni.

About 16% of the total disputes, however, relate to claims following outsourcing by Eni, such as transfers of company branches and service contracts.

Moreover, concerning disputes abroad, particular importance is assumed by requests for profit sharing in addition to the pay claims already referred to.

Spending for the territory

(€ million)	2011	2012	2013
Total spending for the territory	100.885	90.568	100.547
- of which interventions on the territories from agreements, conventions and PSA	69.279	63.052	57.570
- of which short-terms investments linked to initiatives in favour of the territories	0.865	3.377	0.813
- of which association memberships fees	1.624	1.803	1.800
- of which contributions to the Eni Foundation	3.000	-	10.000
- of which sponsorships for the territory	22.399	18.618	26.469
- of which contributions to Eni Enrico Mattei Foundation	3.718	3.718	3.895

In 2013, the overall cost for the territory amounted to over €100 million and included local projects stemming from agreements, conventions and PSA (community investments) and donations linked to local initiatives, membership fees for associations, sponsorships and contributions to the Eni Enrico Mattei Foundation. Over €57 million (about 60% of the total) was invested in community projects, established through agreements or conventions with local stakeholders, to encourage and promote community development in the Countries in which Eni works.

Community Investment

(€ million)	2011	2012	2013
Interventions on the territories from agreements, conventions and PSA by category	69.279	63.052	57.570
- training/professional coaching	4.570	9.886	13.527
- environment	15.899	9.698	9.164
- culture	1.938	1.300	1.713
- instruction and education	3.207	3.789	5.384
- health	2.035	3.886	2.931
- infrastructure development	18.334	20.344	15.176
- socio-economic development	6.794	6.357	5.792
- relationships with communities	7.134	7.077	2.332
- access to energy	9.368	0.715	1.551

The cost in 2013 of community projects deriving from local agreements and conventions (community investment) amounted to more than €57 million, about 93% of which was spent in the area of exploration and production activities. Spending on the African continent remained constant, with a positive trend in Sub-Saharan Africa, where €25.7 million was spent in 2013 against the previous year's €23.2. Regarding the E&P figures, the total for 2013 was €53.3 million, less than the total for 2012 of €59.5 million. This decrease is explained by reduced investment, mainly in infrastructure development in Kazakhstan, and the reduction in spending on training in Egypt; at the same time, there was increased investment in terms of access to energy, instruction, education and training. Concerning access to energy, the increase is attributable to the progress in electrification projects for local communities in Nigeria.

Sponsorship for the territory

(€ thousand)	2011	2012	2013
Sponsorships for the territory by intervention sector	22,399	18,618	26,469
- health	168	40	-
- training	71	185	183
- education	436	862	366
- environment	233	69	122
- culture	15,771	13,678	21,438
- social infrastructures	162	37	60
- social interventions	5,559	3,748	4,300

Eni also works to benefit local communities through support for initiatives selected on the basis of different criteria, such as affinity with the image and identity of the company, links with the territory, adherence to business goals and, as a common denominator, consistency with sustainability principles. In 2013, local sponsorship amounted to €26.5 million, almost all in Italy; more than 80% was dedicated to the promotion of cultural activities in regions where Eni is present. Among these, a few examples of excellence are the strategic partnership with Expo 2015 for sustainability initiatives in African countries and the collaboration with the Louvre and the Vatican Museums for the promotion of art and culture.

Local content

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

Ratio	Countries
100 - 115	Australia, Italy, the Netherlands, Hungary, Belgium, Germany, France, Libya, Romania, Norway, United Kingdom
116 - 130	United States, Angola, Countries of the Gulf Area
131 - 150	Peru, Venezuela, Algeria
151 - 180	China, Kazakhstan, Brazil
> 180	Egypt, Indonesia, Russia, India
135	Global Average

In its policy for local personnel (see the detail on local overseas employees by professional category in the International Development section), Eni defines relevant salary levels in terms of minimum/maximum range, in relation to market data for each individual Country, monitored annually using international providers.

The comparison between the minimum levels defined in Eni policies and the minimum market levels supplied by providers (1st decile of local pay levels) refers to the section of the workforce composed of middle managers and senior staff. The analysis carried out relates to a sample of about 14,000 resources in 24 Countries chosen from those most representative in terms of business presence and strategic importance. The results of the analysis show that on average the minimum levels defined in Eni's policy are in line with or superior to the market minimums.

Procurement by geographical area 2013

		Africa	Americas	Asia	Italy	Rest of Europe	Oceania
Number of suppliers used	(number)	7,105	6,116	5,246	9,980	9,940	520
Total procurement	(€ million)	8,434	2,871	5,036	10,714	5,340	419
- of which in goods	(%)	17.5	24.4	16.2	11.2	17.9	10.3
- of which in works		16.3	26.4	21.5	12.4	26.1	1.0
- of which in services		60.8	48.1	49.2	73.1	53.7	88.2
- of which unidentifiable		5.4	1.1	13.1	3.3	2.3	0.5

In 2013 more than 34.8 thousand suppliers worldwide worked for Eni, some of which operated on more than one continent; in particular, more than 20% were on the African continent, in line with the previous year (20% in 2012). Eni is committed to maximizing the participation of local enterprises when pursuing its business activities and contributing to the growth of local supply chains, including in developing and emerging Countries. In 2013 the total share of procurement from local markets increased, reaching 63%, with steady growth in Africa where the share of local procurement rose from 54% to nearly 60%. In 2013, among 54 countries under investigation, the share of procurement from local markets was higher than 50% in 39 Countries, with peaks of over 80% in several Countries including Nigeria (94%), Kenya (100%), Gabon (81%), Indonesia (92%), Vietnam (87%), Poland (94%), Venezuela (92%) and Ecuador (89%).

Local procurement 2013 by Country

% procurement on local market	Countries
0 - 25 %	UAE, Luxembourg, Malaysia, Mozambique, Peru, Portugal
26 - 49 %	Angola, China, Germany, Iran, Iraq, Libya, Norway, Czech Republic, Slovenia
50 - 74 %	Algeria, Saudi Arabia, Brazil, Republic of Congo, Croatia, Egypt, France, Ghana, United Kingdom, India, Kazakhstan, the Netherlands, Pakistan, Switzerland, Togo, Tunisia, Hungary
75 - 100 %	Argentina, Australia, Austria, Belgium, Canada, Cyprus, Ecuador, Gabon, Indonesia, Italy, Kenya, Mexico, Nigeria, Poland, Romania, Russia, Singapore, Spain, United States, Ukraine, Venezuela, Vietnam

Relations with suppliers

		2011	2012	2013
Procurement by macro-class	(€ million)	32,586	31,811	32,814
- works		6,782	7,024	5,948
- services		15,990	15,283	20,047
- goods		6,743	5,449	5,200
- unidentifiable		3,071	4,055	1,620
Supplier concentration top 20	(%)	20	15	17
Suppliers used	(number)	31,878	32,621	34,848
Qualification cycles carried out during the year		26,936	31,991	46,913
- of which with negative results	(%)	13	6	9
Checks carried out following negative feedback and consequent actions taken	(number)	365	381	451
- suspensions		73	69	106
- revocations		56	53	9
- states of attention		236	259	336

In 2013, Eni's total procurement valued €32.8 billion. The process of extending vendor management models (Assessment Process Level systems and training) to 4 foreign Countries has continued (in Angola, Congo, Tunisia and Pakistan). Suppliers are subjected to qualification and audit processes as well as performance assessment procedures and verification of corrective actions implemented. Monitoring of suppliers not yet in line with Eni standards (including sustainability requirements) has continued, with the production of monthly reports. In 2013, monitoring activities related in particular to four foreign enterprises and two Italian ones: Eni Gabon, Eni G&P France, Eni Indonesia, Eni Norge, Gela Refinery and Syndial. Communication initiatives were carried out to spread good practices and awareness of procurement issues overseas (in Pakistan, Mozambique, Norway and Angola) in addition to updates on sustainability topics for the personnel of associates at head office.

The status of initiatives encouraging the promotion of good practices in the supply chain management has been maintained. These include participation in the Carbon Disclosure Project Supply Chain, involving significant Eni suppliers; the IPIECA Supply Chain Task Force Working Group on the development of environmental topics and CSR in the supply chain; and participation in the Sustainable Supply Chain Working Group as part of Global Compact Network Italia.

Transparency over payments

Payments made by Eni to governments of Producing Countries that subscribe to the Extractive Industries Transparency Initiative (EITI)

Countries	Year ^(a)	Local currency	Amounts in local currency (thousands)	Amounts in US\$ (thousands)	Total amount in US\$ (thousands)
Norway	2012	NOK	9,264,035	-	1,592,273
Profit Taxes ^(b)			9,212,315		1,583,384
Fees ^(c)			51,720		8,889
Democratic Republic of Congo	2011	CDF	40,461		44
Profit Taxes ^(b)			40,461		44
Trinidad & Tobago	2011	TT\$	81,069		12,711
Profit Taxes ^(b)			81,069		12,711
Indonesia	2009		-	29,520	29,520
Profit Taxes ^(b)				29,520	29,520
Nigeria	2011		-	1,650,573	1,650,573
Profit Taxes ^(b)				1,073,957	1,073,957
Royalties				488,050	488,050
Fees ^(c)				305	305
Other significant benefits to government agreed by MSWG				88,261	88,261
East Timor	2011			401,269	401,269
Host government's production entitlement (eg Profit oil)				205,826	205,826
Profit Taxes ^(b)				169,821	169,821
Royalties				2,757	2,757
Fees ^(c)				410	410
Other significant benefits to government agreed by MSWG				22,455	22,455
Kazakhstan	2011	KZT	9,432,211	1,194,496	1,258,823
Host government's production entitlement (eg Profit oil)				417,705	417,705
Profit Taxes ^(b)			953,183	723,850	730,351
Bonuses ^(d)				52,941	52,941
Other significant benefits to government agreed by MSWG			8,479,028		57,826
Republic of Congo ^(e)	2012			100,523	100,523
State-owned company production entitlement				41,034	41,034
Profit Taxes ^(b)				16,851	16,851
Fees ^(c)				1,354	1,354
Bonuses ^(d)				15,000	15,000
Other significant benefits to government agreed by MSWG				26,284	26,284
Mozambique	2011	MZN	110,029	1,100	5,142
Profit Taxes ^(b)			110,029		4,042
Other significant benefits to government agreed by MSWG				1,100	1,100
Iraq	2010			43,750	43,750
Bonuses ^(d)				43,750	43,750
Togo	2011	XOF	1,107,796	500	2,851
Profit Taxes ^(b)			1,107,796		2,351
Other significant benefits to government agreed by MSWG				500	500
Gabon	2010		-	25	25
Fees ^(c)				25	25

(a) Last local financial year in which the data is referenced and in which the EITI disclosures has been made.

(b) Corporate tax-other tax on income/profit or production e.g. petroleum revenue tax.

(c) Signature, discovery and production bonus.

(d) On Licence, rental and any consideration for licence and or concessions.

(e) In addition to the amount shown in the table, some of the transfers made by Eni in Congo are "in kind" for a total of 11,171 kboe, which refers to the profit share in oil and the royalties pertaining to the Republic of the Congo, net of the barrels conferred to Eni by the Republic of the Congo on the basis of commercial agreements.

In 2013, Eni continued to participate in reconciliation and publication of payments made to producer Countries adhering to the Extractive Industries Transparency Initiative (EITI).

The table below shows the data on payments made by Eni and included in the latest EITI Report published in the respective Countries.

For Iraq, the 2011 EITI Report also includes purchases of crude oil made by Eni Trading and Shipping. For these purchases, Eni Trading and Shipping paid an amount equal to 1,306,390,867 USD in 2011.

Eni also takes an active part in the local multi-stakeholder EITI working groups, either directly or through participation in trade associations.

Again in 2013 Eni contributed financially to the functioning of the EITI Secretariat.

Royalties paid by Eni in Italy in the 2011-2013 period

(€ thousand)	2011	2012	2013
Royalties paid ^(a)	203,886	237,517	298,383
- of which to State	97,682	96,948	138,302
- of which to Regions	83,730	109,949	125,596
- of which to Basilicata	53,516	77,255	91,862
- of which to Municipalities	22,474	30,619	34,486

(a) The data include Eni SpA (E&P Division), Enimed, Società Adriatica Idrocarburi and Società Ionica Gas.

Human Rights

		2011	2012	2013
Hours of training on Human Rights	(number)	518	576	667
Reports received on probable Human Rights violations		39	39	43
Reports on Human Rights violations closed in the year		32	48	44
- groundless reports or only partially grounded reports with corrective and/or improvement actions taken		13	15	20
- groundless reports		19	33	24
Suppliers subjected to qualification procedures including screening on Human Rights		11,471	12,471	14,833
% procurement from suppliers subjected to qualification procedures including screening on Human Rights	(%)	90	88	87
SA 8000 audits carried out	(number)	16	16	23
- of which follow-ups		8	8	9
Security contracts containing clauses on Human Rights	(%)	50	65	84
Security personnel trained on Human Rights	(number)	169	1,008	235
Critical sites covered by assessments		30	11	21
Sites verified by means of check list		147	121	194
Countries with armed guards protecting sites		12	10	11
Training hours of specific nature to security managers		672	1,476	4,700

With reference to the management of whistleblowing concerning Human Rights topics, it is noted that during 2013:

- 43 files were opened, mainly relating to alleged abuses of workers' rights and referring to issues of harassment, bullying and workplace safety;
- 44 files were closed, 4 of which were found to be justified and 16 of which were not, for which corrective and/or improvement actions were adopted anyway. These actions mainly focused on abuses of workers' rights with regard to the issues of bullying, harassment and workplace safety.

The company's commitment to carrying out audits and inspections on the conduct of suppliers has been maintained, with particular reference to the protection of Human Rights. In 2013, SA 8000 Audits were performed on 14 suppliers/sub-suppliers in Australia/East Timor, Ecuador, Congo and Pakistan, and follow-up SA 8000 audits were performed on 9 suppliers (in Congo and Ecuador) audited in 2012. Regarding the involvement of personnel in this area, SA 8000 auditor training was given to 5 procurement staff in Italy.

In 2013 Secur, in collaboration with the Sustainability Unit and the E&P Division, and with the support of ECU, continued its work on the promotion and development of two training projects on "Security & Human Rights" for Security Forces working at Eni sites in Indonesia and Algeria.

150 agents of private security forces and 2 security managers were trained through these courses, for a total of 13 training sessions. In particular:

- in Indonesia in November 2013, 10 training sessions were held for a total of 151 participants, including 99 members of the Public and Private Security Forces. These sessions were held in Jakarta (Java), Jayapura (Papua) and Balikpapan (Borneo). The training courses were targeted at Indonesian Army and Navy personnel, Indonesian police officers and members of the Indonesian Human Rights Commission. Moreover, through this training project, for the first time employees of other companies in the oil&gas industry ("Chemical Gas Indonesia" and "Vico Indonesia") were involved as well as representatives of local NGOs;
- in Algeria in December 2013, 3 training sessions were conducted in Algiers, for a total of 57 participants, including 6 from Eni, belonging to the HR and Security departments and 51 agents of Private Security Forces.

During 2013, 7 training courses were conducted on topics of specific interest to Security staff, for a total of 4,700 hours training and 114 participants, 83 of whom were trained in Human Rights (43 in Italy and 40 in Kuala Lumpur (Malaysia) respectively). The latter staff were trained as part of a broader training project called "Security in the oil&gas Industry".

Finally, regarding the conduct clause aimed at ensuring respect for Human Rights, this was included in 84% of the contracts concluded with Security Services providers, compared to 65% in 2012. There is, therefore, a strongly positive trend in the number of security contracts containing Human Rights clauses.

Technological innovation

		2011	2012	2013
R&D expenditures	(€ million)	246	263	218
- R&D expenditures net of general and administrative costs		190	211	197
Tangible value generated by R&D activities ^(a)		-	-	937
Personnel employed in R&D activities (full time equivalent)	(number)	925	975	986
First patent filing applications		79	74	59
Existing patents		8,884	8,931	9,427
Patents average life	(years)	8.84	8.86	9.26

(a) Recent refinements made to the calculation methodology make the 2013 value non comparable with the years 2011 and 2012 which aren't therefore reported. The 2013 value refers to E&P activities, G&P, R&M and Versalis sectors.

Eni's financial commitment in the field of scientific research and technological development amounted to €197million in 2013 (or €218 million if the general overheads attributable to research activities and amortization and depreciation are included).

The tangible value generated by R&D is measured by the economic benefits related to the application of the innovative product/process technologies. In detail, the total tangible benefit is measured as 100% of the company share [of profits] from projects involving the application of technology, before tax. The economic benefits may be based on actual results or expected value (Net Present Value, NPV).

The assumptions applied on a case by case basis for the calculation are shared with the relevant technical structures/business lines. The tangible benefits are identified in a "what if" scenario, that is, as the difference derived from comparison with the application of the best alternative technology or, in the case of new products, as the difference compared to the margin generated by the products replaced. The value created in 2013 by the innovative products and technologies of the E&P, G&P, R&M sectors and Versalis amounted overall to €937 million. Compared to the overall value generated by R&D, the share based on actuals is 77%, and on expected return (assessed in terms of Net Present Value) is 23%. Compared to the cost incurred by Eni (net of Saipem) for R&D activities, the value created gives rise to a benefit/cost ratio of 5.7 in 2013.

The people involved in R&D activities as of December 31, 2013 numbered 986 persons (FTE), in line with the figure from 2012.

In terms of management of the Intellectual Property supporting technological innovation, in addition to the 59 new patent applications, 2013 was dedicated to conducting the evaluations (19) needed to determine the freedom for the implementation of the proprietary technologies closest to industrial production, with respect to third party rights.

The size of the total patent portfolio at the end of 2013 showed an increase of 5.6% compared to the previous year. The increase relates to the portfolio of Eni, Versalis and Engineering & Construction and is attributable mainly to the extension of protection overseas for inventions patented in previous years.

Knowledge management

(number)	2011	2012	2013
Knowledge community/network by application sector	58	63	65
- business	53	53	55
- transversal	5	10	10
Participants in knowledge community/network by application sector	3,634	4,732	5,676
- business	3,376	4,098	4,909
- transversal	258	634	767

In 2013, knowledge management initiatives confirmed the trend towards growing the dissemination of knowledge already demonstrated in recent years, thus evidencing the continued investment in tools and processes aimed at improving knowledge management and knowledge sharing and dissemination among Eni's people (5,676 participants, up 20% compared to 2012). During 2013, the design, development and launch of the new E&P intranet for knowledge management was completed, called #KMS, available throughout Eni. Among the most important innovations, in addition to the ease of use and development of up-to-date features for collaborative and professional networking, #KMS can display people, expertise, geographical areas and technical disciplines, creating greater opportunities for multidisciplinary and multicultural synergies among users and guaranteeing maximum accessibility to Communities of Practice, KM Webinars – the use of which is constantly growing (290 webinars = up 38% compared to 2012, with total participation of 12,700) – and knowledge repositories.

Likewise through the new #KMS portal, during 2013 the pilot project Innovation Idea Management (IIM) was developed, with the aim of increasing the innovative capacity of the E&P Division and promoting the creativity of Eni's People worldwide. This is an innovative approach based on the mechanisms of creative collaboration, allowing free participation by Eni people, regardless of their geographical location and seniority. The pilot was successfully concluded in November 2013 and the IIM process became an integral part of the function provided by #KMS.

The environmental management system

		2011	2012	2013
ISO 14001 certifications	(number)	103	108	112
ISO 50001 certifications		3	6	8
EMAS registrations		9	10	10
Total systems audits (internal and made from external certification bodies)		1,744	3,475	2,555
- of which made from external certification bodies (ISO 14001) ^(a)		36	117	90
- of which made from external certification bodies (OHSAS 18001) ^(a)		23	133	99
Audits of other typology (EMAS, ISO 50001, ISO 9001, audits on supplier/contractors, etc.)		2,152	2,842	1,165
Environmental expenditures	(€ thousand)	893,421	743,400	734,381
- current spending		551,799	468,263	491,043
- investments		341,622	275,136	243,338

(a) The figures don't include E&P subsidiaries.

The majority of management systems for the main operating units are registered under the ISO 14001 standard and in Europe the main production units have undergone the EMAS registration process. By 2015 ISO 14001 certification is expected for all the subsidiaries that have a significant HSE risk profile. In 2013 more than 70% of such companies were already certified, in particular:

- in the E&P sector, all the previously obtained certifications were maintained;
- in the G&P sector, where ISO 14001 certification had already been completed in 2011 for all the production plants and where the Ferrara Erbognone, Mantua, Ravenna and Ferrara plants are covered by EMAS Registration, all the existing certifications from previous periods were confirmed and the subsidiary Adriaplin doo obtained certification;
- in the R&M sector the task of maintaining the existing certifications continued (in particular for all the refineries) as well as the extension of certificates with coverage for reclamation activities in unused sites and the subsidiaries Eni Austria GmbH and Oléoduc du Rhône SA;
- in the Chemicals sector, coverage has been confirmed for all the Italian and foreign plants;
- in the Engineering & Construction sector all the certifications already obtained in recent years have been confirmed; the operational companies Saipem Contracting Netherlands BV - Sharjah Branch and PT Saipem Indonesia Karimun Branch in the Engineering & Construction sector were also certified and certification was completed at Saipem SpA with coverage also for drilling activities.

In 2013 Eni obtained 2 new ISO 50001 energy management system certifications (Oberhausen Petrochemical Plant and certification of ICT corporate headquarters) which have been added to those obtained previously (in the Refineries in Venice, Livorno, Sannazzaro and Taranto, the Szazhalombatta plant in the Chemicals sector and the Corporate offices).

Environmental spending recorded an overall light decline (down 1.2% compared to 2012), linked to the decline in investments (down 11.6%) in the E&P sector (down 15.5%, totalling approximately -€18.2 million), R&M (-16.7%, totalling approximately -€17.7 million) and other activities (-41.7%, totalling approximately -€4.5 million). In the E&P sector, the reduction in investments is primarily linked to Nigeria, due to the completion of the big flaring down project of Idu in 2012, the Akri and Ogbainbiri projects in the third quarter of 2013 (these were associated with lower investments compared to Idu) as well as completion of the project in Italy to replace the Perla-Prezioso Sealine.

Climate change

		2011	2012	2013
Direct GHG emissions	(tons CO ₂ eq)	49,128,806	52,498,789	47,299,618
- of which CO ₂ from combustion and process	(tons)	35,319,845	36,365,220	34,171,339
- of which CO ₂ equivalent from flaring	(tons CO ₂ eq)	9,553,894	9,461,518	8,478,376
- of which CO ₂ equivalent from unburnt methane and fugitive emissions		3,222,051	4,475,756	2,902,091
- of which CO ₂ equivalents from venting		1,033,017	2,196,295	1,747,812
CO ₂ emissions from Eni plants subject to EU ETS		23,615,602	22,099,231	20,417,804
Quotas allocated to Eni plants subject to EU ETS		25,373,975	24,978,257	9,233,300
Eni plants subject to EU ETS	(number)	39	39	40
Indirect GHG emissions from purchases from other companies (Scope 2) ^(a)	(tons CO ₂ eq)	1,190,860	846,294	756,062
Indirect CO ₂ emissions from sales of products and activities contracted out to third parties (Scope 3) ^(b)	(Mtons CO ₂ eq)	301.623	290.205	282.922
CO ₂ eq emissions/100% operated hydrocarbon gross production (E&P)	(tons CO ₂ eq/toe)	0.206	0.225	0.222
CO ₂ eq emissions/kWheq (EniPower)	(g CO ₂ eq/kWheq)	403.934	399.204	406.501
CO ₂ eq emissions/uEDC (R&M)	(tons CO ₂ eq/kbb/SD)	1,231	1,143	1,049
Volume of gas sent to flaring	(MSm ³)	4,433	4,506	3,762
Volume of gas sent to venting		26.32	25.92	20.65

(a) The 2013 figure also includes indirect emissions of N₂O from purchases from other companies.

(b) The figure includes GHG indirect emissions (CO₂, CH₄ and N₂O) from drilling activities contracted out to third parties in the E&P sector, from sales of petroleum products and natural gas (excluding oil products sold to Eni group companies and sold by Eni Trading & Shipping to third companies), from business travel and from road transport contracted to third parties on highway and maritime transport. Only for 2011 and solely for drilling activities contracted to third parties in the E&P sector, the figure refers only to CO₂.

In 2013 greenhouse gas emissions were reduced in all sectors (in particular, down 9.7% in E&P, down 12.1% in G&P and down 14.1% in R&M), causing an overall decline in Eni of 9.9% compared to the previous year.

The change was caused not only by lower production levels, but also by the implementation of specific strategies to reduce greenhouse gas emissions (in particular flaring down activities) and improvement actions designed to increase energy efficiency, as demonstrated by the improvement in the sector emission indexes for E&P and refining. In the thermoelectric sector accidental events (such as lengthy downtimes of the most efficient production units at Ferrera Erbognone and Mantua) and the need, for market reasons, to use the combined cycles at low loads, resulted in a reduction of overall performance and increased CO₂ emissions per unit of product, resulting in an increase in the performance index, which still remained below the threshold set for the reference period (415 gCO₂eq/kWheq).

The overall GHG performance positively affected the results obtained by the E&P sector with the flaring down projects, with volumes sent to flaring reduced by 16.5% compared to 2012 and the respective greenhouse gas emissions by 10.4%. Remembering that 2011 performance is not representative as it was affected by reduced production in Libya due to the Country's political situation, the 2013 result also stands out as positive compared to 2010, with a reduction of more than 29% in the GHG emissions index from flaring per unit produced.

In Congo the development of the M'Boundi field continued with the application of advanced recovery techniques and economic enhancement of the associated gas, and an increase in 2013 of the quantities sold under long-term contracts to power stations in the area, including the Centrale Electrique du Congo (CEC) with a production capacity of 300 MW. In Nigeria the Akri and Ogbainbiri flaring down projects commenced; the completion of the upgrade at the Ogbainbiri flowstation will reduce gas volumes sent to flaring by 0.11 million cubic meters a day. In 2013 the flaring down programme in the area was accompanied by the completion of the upgrade of the flowstation at the Idu field, with a reduction of the gas flared amounting to 1.4 million cubic meters per day. GHG emissions from venting were also reduced compared to 2012 (down 20.4%), as well as the volume of gas sent to venting (down 20.3%).

In Europe, within the framework of the Emissions Trading Scheme (ETS), in 2013 Eni's consolidated greenhouse gas emissions were 7.6% less than those for 2012. The quotas assigned in 2013 were drastically reduced compared to the historical series due to the new allocation system in effect for the third ETS period (2013-2020), while installations grew from 39 to 40 due to the entry of the Goliat site run by the subsidiary Eni Norge in the E&P sector.

The declining trend in emissions at the installations subject to ETS regards all the sectors, with the sole exceptions of E&P, where emissions (equal to 6% of the total) are increasing (up 31.7% compared to 2012) due to the Val D'Agri installation, Florence FPSO reaching peak production and the commencement of activities at the Goliat site and in the chemicals sector, where they remained essentially stable (down 0.4%), contributing to 18% of the total. In G&P, emissions, which accounted for 51% of Eni's total, were reduced by 9.6% due to the general decline of electricity production (down 11%) and in R&M, which accounted for 25% of the total, there was a decline of 14.2% as a result of the suspension of part of the activities in the Gela Refinery and a general reduction of processing activities (down 7%).

Indirect GHG emissions other than those due to the acquisitions from other companies (so-called Scope 3) showed a reduction (down 2.5% compared to 2012), related to the declining contribution of emissions associated with products sold due to the reduction in sales.

Energy efficiency

		2011	2012	2013
Electricity produced by type of source (EniPower)	(TWh)	25.40	1.08	23.14
- of which natural gas		23.52	1.03	21.52
- of which oil products		1.89	1.57	1.61
- of which other fuels		0.00	0.00	0.01
Energy consumption from production activities/100% operated hydrocarbon gross production (E&P)	(GJ/toe)	1.615	1.557	1.536
Energy Intensity Index (R&M)	(%)	79.4	76.9	76.3
Net consumption of primary resources	(toe)	14,304,869	14,629,243	14,174,056
- natural gas		9,202,030	10,126,614	9,912,862
- oil products		4,896,890	4,286,526	4,135,872
- other fuels		205,949	216,103	125,322
Primary energy purchased from other Companies by type ^(a)	(GJ)	94,263,949	83,652,390	61,127,412
- electricity		25,336,671	15,388,688	17,870,260
- primary resources		63,506,165	63,387,463	38,958,392
- steam		5,362,328	4,822,549	4,298,683
- direct heat process		58,785	53,507	0
- waste heat recovery		0	183	77
Energy efficiency and climate change expenditures ^(b)	(€ thousand)	120,212	72,042	75,349
- current spending		1,175	822	198
- investments		119,037	71,220	75,151

(a) The indicator measures only energy purchased by Eni for its own consumption and does not include the quota bought and sold on the market, therefore the 2011-2012 data differ from the last year disclosure.

(b) The figure is part of the environmental expenditures reported in the table "The environmental management system".

Initiatives to improve energy efficiency include, in addition to traditional investments, interventions of a managerial nature such as the adoption and certification of Energy Management Systems (EMS). At the end of 2013, Eni's energy management systems in the R&M Refineries of Livorno, Sannazzaro, Taranto and Venice were certified ISO 50001 as well as the chemical plants in Oberhausen and Szazhalombatta and the corporate headquarters of Eni SpA.

In the downstream sector, implementation of the measures in the energy saving plan continued, allowing excellent results to be achieved in terms of reducing consumption and containing emissions into the atmosphere. The measures undertaken between 2008 and 2013 enabled energy savings of over 300 thousand toe/year, the equivalent of a reduction in emissions of approximately 800 thousand tonnes of CO₂. In the refining sector, the measures undertaken in 2013 were able to produce savings at a rate of about 34 ktOE/y; for the chemicals sector, the measures undertaken in 2013 will lead to savings at a rate of about 23 ktOE/y.

In the G&P sector initiatives continued to improve energy efficiency and achieve technical and economic optimization of electricity generation plant use, with repowering of the turbo-units of the power plants at Ferrera Erbognone, Mantua and Ferrara. In addition, EniPower continued to invest in renewable and alternative resources through the construction of photovoltaic plants and biomass power station at Porto Torres to produce electricity.

Other emissions into the atmosphere

		2011	2012	2013
NOx (nitrogen oxide) emissions	(tons NO ₂ eq)	97,114	115,571	101,832
NOx emissions/100% operated hydrocarbon gross production	(tons NO ₂ eq/ktOE)	0.486	0.571	0.538
NOx emissions/kWheq (EniPower)	(g NO ₂ eq/kWheq)	0.162	0.155	0.158
NOx emissions/uEDC (R&M Refineries)	(tons NO ₂ eq/kbbl/SD)	1.14	1.11	0.91
SOx (sulphur oxide) emissions	(tons SO ₂ eq)	37,943	30,137	27,949
SOx emissions/ 100% operated hydrocarbon gross production	(tons SO ₂ eq/ktOE)	0.055	0.044	0.091
SOx emissions/kWheq (EniPower)	(g SO ₂ eq/kWheq)	0.037	0.027	0.017
SOx emissions/uEDC (R&M Refineries)	(tons SO ₂ eq/kbbl/SD)	3.93	3.22	2.19
NMVOc (Non-Methane Volatile Organic Compounds) emissions	(tons)	46,228	48,702	43,536
TSP (Total Suspended Particulate) emissions		3,297	3,548	2,848
Air protection expenditures ^(a)	(€ thousand)	46,736	56,882	69,153
- current spending		16,608	15,795	20,707
- investments		30,128	41,087	48,446

(a) The figure is part of the environmental expenditures reported in the table "The environmental management system".

In 2013 emissions of NOx were reduced by a total of 11.9% from 2012, thanks to the contribution of all the business areas (in particular, down 13.7% in E&P, down 26.1% in G&P, and down 23.1% in R&M). The E&P sector, which accounts for more than 60% of Eni's total figure, reduced its emissions by over 9,700 tonnes, due to the change of fuel mix used in different Countries (Indonesia, Kazakhstan, Ecuador and Nigeria), with a consequent improvement in the emission index per unit produced (down 5.9%). The refining sector significantly improved its performance (down 17.9% reduction recorded in the emission index), in particular due to projects underway at the Refineries in Sannazzaro and Gela, which at peak production result in the benefit of no NOx emissions for approximately 110 t/y.

In the field of electricity generation, where full operation of VeLoNOx burners at peak production reduced emissions of NOx by more than 20%, the index of emissions per unit produced did not decline (up 1.5%), due to unscheduled shutdowns in some plants and, due to market needs, combined cycles not running at full speed.

In 2013 total emissions of SOx went down 7.3% compared to 2012. The declining trends were established mainly in the refining sectors (down 6,186 tonnes), chemicals (down 661 tonnes) and G&P (down 393 tonnes), while E&P (up 5,028 tonnes) and E&C (up 91 tonnes) showed a growing trend. In the refining sector, which contributes about 38% of the consolidated Eni total, the declining trends (down 36.4% compared to 2012 for emissions and down 32% for the index referring to production) are to be attributed both to reduced processing in the refineries and to a change in the used fuel mix (increased use of natural gas in the refineries and consequently reduced use of fuel oil and coke) as well as energy-saving initiatives. The positive performance was also boosted by the work performed at the Gela Refinery to interconnect the four-stack chimney with the SNOx chimney, which allows the fumes sent to the latter to be maximised. Also at the Gela Refinery, the creation of a new SRU unit is planned with the expected benefit of no SOx emission at full production for about 740 t/y.

In the E&P sector the increase in SOx emissions compared to 2012 (both in absolute terms and relative to units produced) is mainly attributable to the Libyan contribution, a result not fully accounted during 2012 due to the difficult situation in the Country and, secondly, to the subsidiary Agip Karachaganak (Kazakhstan) due to greater accuracy in the estimation of emissions.

NMVOc and TSP emissions went down 10.6% and 19.7% respectively compared to 2012. The changes are mainly attributable to the E&P sector due to the reduction of flaring. The reduction of volatile organic compounds was also affected by fewer movements of petroleum products in R&M and specific operations undertaken at the Mantua and Dunkirk petrochemical plants.

Reclamation

		2011	2012	2013
Waste from reclamation activities	(tons)	10,852,410	10,102,297	11,976,764
- of which hazardous		2,886,996	3,754,056	3,968,183
- of which non-hazardous		7,965,414	6,348,241	7,345,262
Soils and groundwater reclamation expenditures ^(a)	(€ thousand)	336,525	197,468	193,977
- current spending		271,582	182,112	186,014
- investments		64,943	15,356	7,963

(a) The figure is part of the environmental expenditures reported in the table "The environmental management system".

In Italy Eni operates in 17 Sites of National Interest where a reclamation process is in progress and the number of procedures opened in the Country as a whole exceeds 900; clearly there is extreme variability in the scale of the issues related to the reclamation activities, which involve the refineries, petrochemicals and well areas as well as fuel retailers.

Reclamation activities have mainly been carried out through Syndial, a company dedicated to the reclamation and remediation of contaminated sites following decommissioning (63% of total expenditure in 2013) followed by R&M (22%) and the Chemicals sector (12%).

Total spending on reclamation in 2013 is broadly in line with that for the previous year, which was significantly lower than 2011 due to delays in granting some preliminary authorizations by the Public Administration, which had an impact on Syndial's activities.

In 2013, activities focused on the ongoing restoration of major sites (Gela, Priolo, Assemini and Porto Marghera). Syndial started to apply sustainable remediation principles (using the in-house application "Sustainable Assessment Framework") for the appraisal of the projects in Ravenna, Brindisi and Porto Torres. An example of application of the sustainability principles that all business units are moving towards is the start of solar electricity production from the EniPower plant built on the former phosphogypsum landfill at Gela, allowing considerable savings of resources and a reduction in carbon dioxide emissions of approximately 4,500 tonnes /year.

The commitment of R&M continued concerning the management of safety measures and reclamation in the marketing sector (fuel sales outlets) as well as in the industrial sector. The most significant activities included the completion of the installation of drainage systems in Taranto as well as the reclamation works in the area of the refinery tank park.

In the chemicals sector, reclamation activities continued on sites with approved projects; in particular, Sarroch tested the IWS (In Well Stripping) technology as the first stage of the aquifer reclamation project, which will involve the reduction of discharges into the surface water. At the Ferrara plant, the process of reclamation of the surface soil matrix and the wetting water ended positively: this is one of the most important projects and is unique in Italy in terms of the extension of the reclamation area inside a petrochemical plant.

E&P is committed to reclamation both in Italy and abroad where, in addition to the conclusion of activities at the site of Abu-Rudeis/Belayim (Egypt) and follow-up remediation of two "burning pits" in Congo, a project to run pilot trials with "Thermal Desorption technology and Three Phase Recovery" is underway in Nigeria to provide a more sustainable alternative, with the widespread adoption of "enhanced natural attenuation" in the Region.

Regarding the production of waste from reclamation, 95% of the volume produced refers to polluted groundwater, a slight increase compared to the previous year due to the peak flow from TAF (groundwater treatment) plants managed primarily by Syndial which undertook recovery initiatives like the production of demi water downstream of the TAF facility in Assemini for reuse within the production cycle or the passage of treated water from the TAF in Brindisi to EniPower for industrial use.

The project in Priolo is also expected to be completed; this involves placing a portion of the treated water from the TAF in the industrial water network used for production activities on the multi-company site (the remainder will be used in the groundwater barrier below the ERG/MED area) as well as energy optimization of TAF facilities, in order to improve the processes and reduce the consumption of raw materials and energy. The operative TAF in Sicily can handle highly contaminated groundwater with an efficiency level in terms of reclamation higher than anywhere else in the world, based on the quality of the water resulting from the reclamation.

Protection of water resources and biodiversity

		2011	2012	2013
Total water withdrawals	(Mm ³)	2,577.98	2,359.21	2,206.36
- of which sea water		2,375.83	2,142.82	2,002.22
- of which fresh water		187.6	191.4	185.696
- of which salt/salty water taken from underground or surface sources		14.55	24.59	18.44
Water withdrawals/kWheq produced (EniPower)	(m ³ /kWheq)	0.0136	0.0119	0.0166
Water withdrawals/crude and semi-finished products processing (R&M)	(m ³ /ton)	31.03	25.43	19.98
Total production and/or process water extracted (E&P) ^(a)	(Mm ³)	58.16	61.17	61.32
- of which injected into deep wells for disposal purposes		-	9.44	13.40
- of which re-injected		25.18	20.82	20.02
- of which discharged into surface water body or into sea		30.47	26.94	24.60
- of which sent to evaporation ponds		2.51	3.97	3.30
Production water re-injected including the one injected into deep wells for disposal purposes/Total production water	(%)	43	49	55
TAF treated groundwater used in the production cycle (Syndial)	(Mm ³)	-	0.47	0.68
Concentration of oil in production water	(mg/l)	13.5	9.61	7.79
Total recycled and/or reused water	(Mm ³)	519.43	519.93	735.89
Percentage of fresh water reused	(%)	73.5	73.1	79.9
Fresh water discharged	(Mm ³)	131.6	130.62	138.28
Sea water discharged		1,866.96	1,931.74	1,823.73
Water resources and drains expenditures and investments ^(b)	(€ thousand)	76,298	83,415	51,337
- current spending		46,167	39,808	37,159
- investments		30,131	43,607	14,178
Expenditures on landscape protection and ecosystems and biodiversity conservation ^(b)		11,094	5,863	5,925

(a) Since 2012, the amount includes the contribution of production water injected into deep wells for disposal purposes.

(b) The figure is part of the environmental expenditures and investments reported in the table "The environmental management system".

In 2013 there was a reduction in total water extraction compared to 2012 of 6.5% (equal to about -153M m³) mainly due to the decrease in sea water extraction in the refining sector (where the Gela Refinery alone reduced withdrawals of seawater by more than 137Mm³ due to plant shutdowns). The fresh water withdrawn, representing 8% of the total water resources used, decreased compared to 2012 (down 3%), due to a decline recorded by the E&P sector (where activities of the Libyan Abu Attifel, El Feel and Wafa fields were stopped or reduced) and Other Activities (where the ethylchloride plant was shut down at the Assemini site). The parameter is also in decline in the sectors R&M (down 2.9%, amounting to approximately -0.5Mm³) and G&P (down 7%, amounting to about -2Mm³).

The percentage of reused fresh water increased overall compared to 2012, reaching almost 80%.

There was further improvement in the performance relating to production water in the E&P sector, with a percentage of re-injection rising to 54% (the best result ever, an increase of more than 10% compared to 2012). Performance was positively influenced by the completion in late 2012 of the Belayim project in Egypt, with a re-injection of 99.5% (equal to 27,265 cubic meters/day).

The concentration of hydrocarbons in the production water fell compared to 2012 (down 18.9%).

Syndial increased the quantity of groundwater treated through TAF and used subsequently in its own production cycles (up 45.9% compared to 2012). Eni is committed to integrating management of biodiversity and ecosystem services in all its operational enterprises throughout the project life cycle, in particular in the upstream sector. In order to achieve the goal of defining integrated action plans for biodiversity and ecosystem services in 20% of the Assessment Units exposed to biodiversity risk in 2012, specific Biodiversity Risk Assessment and Action Plans will be implemented to identify, assess and mitigate the potential impacts associated with E&P activities in any operating environment. Currently, the sites involved are DIME (Val d'Agri), Agip Oil Ecuador (Villano), KPO (Karachaganak), Eni Congo (M'Boundi), Eni Pakistan (Bhit and Badhra) and Eni US Operating Company (Nikaichuq). The new exploratory and development projects will continue to ensure the proper integration of the issues of biodiversity and ecosystem services in pre-ESHIA.

Internationally, Eni's commitment will continue in WBCSD, BSR, IPIECA and OGP with the chairmanship of the Biodiversity Working Group (BESWG). Moreover, membership of the Proteus partnership was renewed; this is an initiative promoted by UNEP-WCMC with the private sector that provides access to both the World Database on Protected Areas (WDPA) and the Integrated Biodiversity Assessment Tool (IBAT).

Oil spills

		2011	2012	2013
Total number of oil spills (>1 barrel) ^(a)	(number)	418	329	386
Total volume of oil spills (>1 barrel) ^(a)	(barrels)	14,952	12,428	7,903
- of which from sabotage and terrorism		7,657	8,669	6,002
- of which due to operations		7,295	3,759	1,901
Spill prevention expenditures and investments ^(b)	(€ thousand)	40,530	63,771	51,141
- current spending		4,252	8,354	10,054
- investments		36,278	55,417	41,087

(a) In 2011, with the exception of the E&P sector, oil spills of less than one barrel were included.

(b) The figure is part of the environmental spending and investments shown in the statement "The environmental management system".

In 2013 the total number of oil spills increased (up 17.3%), while the volume spilled decreased significantly (down 36.4%), both for spills from acts of sabotage and terrorism (down 30.8%) and from operations (down 49.4%).

As in previous years (except for 2011, characterized by one spill in the E&C sector of over 4,000 barrels in Algeria), the total figure for 2013 is determined essentially by the performance of the E&P sector (which is responsible for more than 95% of the events and more than 90% of the volume spilled). In 2013, E&P, despite an increase in the total number of oil spills, recorded a decline in the volume spilled (down 36.9% compared to 2012) and an improvement in the index for the volume spilled from operational accidents per million boe produced (down 38% compared to 2012). In particular, in 2013 the target scheduled for 2016 for reducing the index of boe spilled per Mboe produced was achieved ahead of time. In E&P over 60% of the volume of oil spills from operational accidents in 2013 is attributable to activities in Nigeria, as well as all the spills from acts of sabotage and terrorism, with the exception of one event that occurred in Egypt.

Eni's total spending on spill prevention in 2013 remains above €50 million.

Waste from production activities

		2011	2012	2013
Waste from production activities	(tons)	1,309,135	1,378,385	1,599,997
- of which from drilling activities		388,539	342,026	366,440
Hazardous waste from production activities		476,552	365,695	374,421
Non-hazardous waste from production activities		832,582	1,012,690	1,225,576
Waste from production activities recovered and /or recycled		232,884	315,880	180,825
- of which hazardous		73,174	67,203	47,566
- of which non-hazardous		159,710	248,677	133,259
Waste from production activities disposed		982,423	1,038,709	1,401,739
- of which hazardous		326,495	278,812	316,765
- of which non-hazardous		655,927	759,897	1,084,974
Waste from drilling activities / drilled meters	(tons/m)	0.340	0.512	0.584
Waste management expenditures and investments ^(a)	(€ thousand)	96,263	92,113	95,422
- current spending		83,403	91,341	95,074
- investments		12,860	772	348

(a) The figure is part of the environmental expenditures and investments reported in the table "The environmental management system".

Waste from production activities in 2013 (about 1.6 million tonnes) increased by 16.1% compared to the previous year (up 2.4% hazardous waste and up 21% non-hazardous waste) due to the contribution of all the businesses, with the sole exception of Other Activities. In particular, the rising trend is attributable to Engineering & Construction (up about 130,000 tonnes), G&P (up 37,000 tonnes), R&M (up about 32,000 tonnes) and E&P (up about 19,000 tonnes). As better shown below, the increase or decrease in the volume of waste reflects the frequency of scheduled maintenance and the opening and operation of work sites.

In the Engineering & Construction sector the rising trend, for hazardous waste, is related to increased offshore drilling activity and, for non-hazardous waste, to increased onshore construction activities, with particular reference to the "Shah Plant and Pipeline" project.

In G&P non-hazardous waste increased as a result of construction activities at various plants (over 25,000 tonnes at Bolgiano for revamping, over 7,000 tonnes at Mantua for decommissioning of thermal power stations and more than 5,000 tonnes at Ferrera Erbognone for the arrangement of the area for external companies and the construction of a new warehouse).

R&M was affected by the special five-year maintenance tasks performed in the Taranto Refinery, where the quantities of non-hazardous waste products more than doubled, exceeding 40,000 tonnes.

The increase in waste production in the E&P sector solely relates to non-hazardous waste (from increases recorded in Egypt at the subsidiaries Petrobrel and Agiba and in Italy due to the increase of production waters stored and disposed of as waste and increasing onshore activities compared to 2012).

Hazardous waste conversely decreased due to the completion of construction activities in Algeria at the MLE CTH field and the Bolashak site in Kazakhstan.

The volume sent for recovery from production activities in 2013 decreased by 42.8% compared to 2012; the trend consolidates a reduction in both hazardous waste (down 29.2%) and non-hazardous waste (down 46.4%) and is primarily attributable to the E&P sector where the quantities were considerably reduced (down approx. 134,000 tonnes), likewise in relation to the conclusion of the construction activities in the Bolashak site.