Integrated performance

Reporting criteria

Eni's reporting system is structured with a multi-channel approach which allows for different levels of analysis and communication methods to reach all Eni's stakeholders in an effective, timely and immediate way.
Pursuing its commitment towards an integrated reporting, Eni has included in its Annual Report 2014 a prospect of integrated performance indicators: for each strategic objective the most significant indicators of each capital used by Eni (financial, productive, intellectual, natural, human, social and relationship) have been considered in drafting the company strategy.

Reporting principles

The present prospectus has been drafted following the principles of balance, comparability, accuracy, timeliness, reliability and clarity (reporting principles), as defined by the Global Reporting Initiative - GRI in the "G4 Sustainability Reporting Guidelines".
The performance indicators, selected according to the issues which have resulted being the most relevant, have been collected on an annual basis; the reporting periodicity is set according to a yearly frequency. The information and quantitative data collection process has been structured in order to guarantee the comparability of the data over several years, in order to allow all the stakeholders interested in the evolution of Eni's performances to have a proper interpretation of the information and a complete vision of the companies' results.
The data related to the years 2012 and 2013 can differ slightly from those previously published as a result of consolidating data that became available after the publication of the documents. For the same reason, the data on the year 2014 are the best estimates possible with the ones available at the time of writing of this prospectus.

Reporting perimeter

The present prospectus reports the integrated performance indicators of the 2012-2014 period. The information refer to Eni SpA and the consolidated companies. The internal consolidation perimeter matches with the one of the consolidated report 2014, except a few data which have been expressly indicated.
Regarding the health, safety and environmental data the consolidation scope is defined according to the operational criteria (control of the operations).

Increase the value of explorative resources and growth in upstream cash generation

			2012	2013	2014
Financial capital	Capital expenditure	(€ million)	10,307	10,475	10,524
	Opex per boe	($/boe)	7.1	8.3	8.4
	Cash flow per boe		32.8	31.9	30.1
Productive capital	Estimated net proved reserves of hydrocarbons	(mmboe)	7,166	6,535	6,602
	Reserves life index	(years)	12	11	11
	Organic reserves replacement ratio	(%)	147	105	112
Intellectual capital	Existing patents (E&P)	(number)	2,292	2,370	2,016
	First patent filing applications (E&P)		13	8	15
Human capital	Employees at year end (E&P)	(number)	11,304	12,352	12,681
	Employees outside Italy (E&P)		7,371	8,219	8,147
	- of which locals		5,834	6,476	6,441
	Female employees (E&P)		2,146	2,442	2,462
	Number of hiring (E&P)		1,479	1,324	681
	Injury frequency rate (E&P)	(No. of accidents per million worked hours)	0.34	0.23	0.23
	Safety expenditure and investments (E&P)	(€ million)	109	150	100
	Employees covered by potential assessment (young graduates and experts) - (E&P)	(%)	61	27	21
	Employees covered by performance assessment tools (senior managers, managers/supervisors and young graduates) - (E&P)		28	70	62
	Training expenditure (E&P)	(€ million)	24.8	44.4	29.0
Social and relationship capital	Interventions on the territories from agreements, conventions and PSA (community investment)	(€ million)	59	53	63
Natural capital	Direct GHG emission (E&P)	(million tons CO_2eq)	28.68	25.90	22.98
	- of which CO_2 equivalent from flaring		9.46	8.48	5.64
	CO_2eq emissions/100% operated hydrocarbon gross production	(tons CO_2eq/toe)	0.23	0.22	0.20
	Volume of gas sent to flaring	(mmcm)	4,506	3,762	2,334
	Oil spills due to operations (>1 bbl)	(bbl)	3,015	1,728	936
	Produced water re-injected	(%)	49	55	56

Return to structural profitability in the Gas & Power business

			2012	2013	2014
Financial capital	Adjusted operating profit	(€ million)	398	(638)	310
	Operating expenses reduction	(%)	9	(10)	(15)
Productive capital	Worldwide gas sales	(bcm)	95.32	93.17	89.17
	LNG sales	(bcm)	14.60	12.40	13.30
	Customers in Italy	(million)	7.45	8.00	7.93
	Electricity sold	(TWh)	42.58	35.05	33.58
Intellectual capital	Existing patents (G&P)	(number)	46	56	43
	First patent filing applications (G&P)		3	0	0
Human capital	Employees at year end (G&P)	(number)	4,682	4,445	4,136
	Employees outside Italy (G&P)		2,626	2,336	2,191
	Female employees (G&P)		1,442	1,397	1,312
	Number of hiring (G&P)		222	179	68
	Injury frequency rate (G&P)	(No. of accidents per million worked hours)	2.23	1.43	0.49
	Safety expenditure and investments (G&P)	(€ million)	12.3	8.9	7.1
	Employees covered by performance assessment tools (senior managers, managers/supervisors and young graduates) - (G&P)	(%)	74	63	72
	Training hours (G&P)	(number)	167,975	147,011	92,701
	Training expenditure (G&P)	(€ million)	3.0	1.9	1,2
Social and relationship capital	Customer satisfaction code (CSS)	(%)	89.70	92.90	93.4 [a]
Natural capital	Direct GHG emissions (G&P)	(million tons CO_2eq)	12.77	11.22	10.08
	CO_2eq emmisions/kWheq (EniPower)	(gCO_2eq/kWheq)	399.03	406.33	408.18
	Power generation (EniPower)	(TWh)	26.01	23.15	21.05
	NOx emissions/kWheq (EniPower)	(gNO_2eq/KWheq)	0.16	0.16	0.15
	SOx emissions/kWheq (EniPower)	(gSO_2eq/kWheq)	0.027	0.017	0.001
	Water withdrawals/kWeq produced (EniPower)	(cm/kWheq)	0.01	0.02	0.02

(a) The customer satisfaction score for 2014 relates to the first six months as at the date of publication of this Annual Report the Authority for Electricity, Gas and Water has not yet published the data for the second half of the year.

Turnaround in Refining & Marketing and Chemical businesses

			2012	2013	2014
Financial capital	Recovery in profitability (R&M)	(%)	46	(58)	54
	Recovery in profitability (Versalis)		(77)	20	10
	Refining capital expenditure	(€ million)	675	462	362
Productive capital	Service stations in Europe at year end	(number)	6,384	6,386	6,286
	Balanced capacity of refineries	(kbbl/d)	767	787	697
	Average plant utilization rate (Versalis)	(%)	66.7	65.3	71.3
Intellectual capital	Existing patents (R&M)	(number)	772	839	662
	Existing patents (Versalis)		3,365	3,474	2,946
	First patent filing applications (R&M)		7	6	15
	First patent filing applications (Versalis)		17	10	14[a]
Human capital	Employees at year end (R&M)	(number)	6,993	6,815	6,156
	Employees at year end (Versalis)		5,668	5,708	5,443
	Female employees (R&M)		1,306	1,316	1,144
	Female employees (Versalis)		588	620	607
	Injury frequency rate (R&M)	(No. of accidents per million worked hours)	1.74	1.01	0.86
	Injury frequency rate (Versalis)		1.09	0.57	0.28
	Safety expenditure and investments (R&M)	(€ million)	34	43	31
	Safety expenditure and investments (Versalis)		117	116	106
	Employees covered by performance assessment tools (senior managers, managers/supervisors and young graduates) - (R&M)	(%)	49	48	40
	Employees covered by performance assessment tools (senior managers, managers/supervisors and young graduates) - (Versalis)		84	73	61
	Training hours (R&M)	(number)	265,702	244,279	163,321
	Training hours (Versalis)		253,207	258,927	180,163
	Training expenditure (R&M)	(€ million)	2.8	3.3	2.5
	Training expenditure (Versalis)		2.6	3.0	1.9
Social and relationship capital	Customer satisfaction index (R&M)	(likert scale)	7.90	8.10	8.20
	Customers involved in the satisfaction survey (R&M)	(number)	30,438	29,863	24,081
Natural capital	Direct GHG emissions (R&M)	(million tons CO_2eq)	6.06	5.20	5.34
	Direct GHG emissions (Versalis)		3.72	3.69	3.09
	GHG emissions/refining throughputs (R&M)	(tons CO_2eq/kt)	273.28	251.32	290.67
	SOx emissions/refining throughputs (R&M)	(tons SO_2eq/kt)	0.77	0.52	0.33
	NOx emissions (Versalis)	(tons NO_2eq)	3,428	3,286	2,450
	SOx emissions (R&M)	(tons SO_2eq)	16,990	10,805	6,091
	NMVOC emissions (Versalis)	(tons)	4,404	3,933	3,508
	Water withdrawals (Versalis)	(mmcm)	1,036	1,004	837
	Recycled and/or reused water (Versalis)	(%)	81.6	86.2	87.7

Focus on efficiency

			2012	2013	2014
Financial capital	Changes in working capital	(€ million)	(3,281)	456	2,668
	Purchases, services and other		95,034	90,003	86,340
Human capital	Days of absence due to accidents	(number)	13,084	8,627	7,933
	Total employment disputes		1,383	1,607	1,355
	Disputes/employees ratio		864/1,383	577/1,607	658/1,355
Natural capital	Net consumption of primary resources	(toe)	14,629,243	14,225,297	12,463,585
	of which: natural gas		10,126,614	9,964,105	9,341,204
	of which: oil products		4,286,526	4,135,871	3,034,550
	of which: other fuels		216,103	125,322	87,831
	Energy consumptions from productive activities/100% operated hydrocarbon gross production	(GJ/toe)	1.56	1.54	1.67
	Energy Intensity Index (R&M)	(%)	76.9	76.3	77.8
	Total water withdrawals	(mmcm)	2,356	2,205	1,878
	Total recycled and/or reused water	(%)	73.4	80.0	81.7

(a) Among the 14 first patent filing applications, one application is shared between R&M and Versalis and it is assigned to the latter.

Other significant performances

			2012	2013	2014
Governance	Members of the Eni's Board of Directors	(number)	9	9	9
	- executive		1	1	1
	- non executive		8	8	8
	- independent[a]		7	7	7
	- non-independent		2	2	2
	- members of minorities		3	3	3
	Presence of women on the Boards of Directors of Eni Group companies	(%)	8	14	22
	Presence of women on the Boards of Statutory Auditors of Eni Group companies	(%)	15	28	36
Intellectual capital	R&D expenditure	(€ million)	263	218	199
	First patent filing applications	(number)	74	59	84
	- of which filing of renewable energy		21	28	29
	Existing patents		8,931	9,427	8,225
Human capital	Employees at year end	(number)	77,636	82,093	83,599
	- men		64,789	68,505	69,949
	- women		12,847	13,588	13,650
	Local employees abroad by professional category		39,668	43,121	45,864
	- of which senior manager		223	213	201
	- of which manager/supervisors		3,798	4,004	4,096
	- of which employees		19,683	20,522	21,662
	- of which workers		15,964	18,382	19,905
	Female managers (senior manager and manager/supervisors)	(%)	19	19	20
	Injury frequency rate of total Eni workforce	(No. of accidents per million of worked hours)	0.49	0.35	0,31
	Fatality index	(Fatality injuries per one hundred millions of worked hours)	1.10	0.98	0.72
	Safety expenditure and investments	(€ million)	364	400	361
	Training hours	(hours)	3,132,350	4,348,352 [b]	3,207,027 [c]
	Training expenditure	(€ million)	55.67	75.91	60.93
Social and relationship capital	Total spending for the territory	(€ million)	91	101	96
	Suppliers used	(number)	32,621	34,848	31,555
	Total procurement	(€ million)	31,811	32,814	42,800
	Suppliers subjected to qualification procedures including screening on Human Rights	(number)	12,471	14,833	19,823
	SA8000 Audits carried out		16	23	20 [d]
	Hours of training on Human Rights		576	667	700
	Security personnel trained on Human Rights		1,008	235	143
	Security contracts containing clauses on Human Rights	(%)	65	84	90
Natural capital	Direct GHG emissions	(tons CO_2 eq)	52,840,365	47,599,206	42,925,895
	NOx emissions	(tons NO_2 eq)	115,571	103,736	89,916
	SOx emissions	(tons SO_2 eq)	30,137	27,949	24,891
	NMVOC (Non Methan Volatile Organic Compounds) emissions	(tons)	49.562	44.027	27.978
	TSP (Total Suspended Particulate) emissions		3,548	2,876	2,256
	Total number of oil spills (> 1 bbl)	(number)	329	386	368
	Total volume of oil spills (> 1 bbl)	(bbl)	12,428	7,903	15,580
	- of which from sabotage and terrorism		8,669	6,002	14,401
	- of which due to operations		3,759	1,901	1,179
	Total water withdrawals	(mmcm)	2,356	2,205	1,878
	- of which sea water		2,143	2,002	1,705
	- of which fresh water		189	184	162
	- of which salt/salty water taken from underground or surface sources		25	18	10

(a) This refers to independence according to law, mentioned by Eni Statute; 6 out 9 directors are indipendent pursuant to Code of Self-regulation.
(b) Data include the activity of the Iraq project performed in 2013 for company subsidiary of Zubair Field Operation Division.
(c) Data not include the activity of Iraq project performed in 2014 for company subsidiary of Zubair Field Operation Division and included 61,764 hours.
(d) Data include SA800 Audits of 8 suppliers/sub-suppliers that was performed in Mozambique, Indonesia, Pakistan and Angola as well as 12 follow-ups of audits performed in 2013 in Congo, Pakistan and Timor Leste.

Transparency over payments

Concerning transparency of payments, Eni has been working to voluntarily achieve a higher degree of disclosure on payments, before the entry into force of transparency legislation and alongside the company's continued support to the Extractive Industries Transparency Initiative (EITI).
In particular, as Eni believes that the active involvement of governments is key to a sustainable use of revenues, the company has reached out to all its counterparts in upstream contracts in order to share the company's commitment on transparency and request their consent on disclosing taxes, royalties and the other forms of payment foreseen by the EITI Standard and the EU Directives.
Therefore, Eni voluntarily discloses payments ("on a cash basis") to governments (including to local authorities and other governmental authorities) for the year 2014.
Payments refer to those Countries whose governments/local authorities/governmental counterparts provided consent to this disclosure.
Data in the following table correspond to the Company's accounting records and include data for the parent company and consolidated subsidiaries.

Payments to governments referring to petroleum activities operated by Eni are disclosed on a 100% basis, when Eni paid on behalf of the Joint Venture partners.
Payments made by Joint Venture partners on behalf of Eni in those activities where Eni is not the operator are not reported.
Payment categories are in line with EITI Standard and EU directives' payment categories. The following disclosure represents approximately 38% of Eni's 2014 production (50% when including the three countries adhering to EITI listed below).

(€ thousands)	Year	Host government's entitlement	National Oil Companies entitlement	Profit taxes	Royalties	Bonus	Fees	Other significant payments and benefits	Capital Expenditure[*]	Revenues from sales of equity hydrocarbons[*]
Australia	2014			6,337			568		33,654	112,435
Cyprus	2014						313	600	94,634	
Ecuador	2014			16,183					32,120	112,606
Gabon	2014						15	1,129	72,379	
Ghana	2014						158	903	30,443	
Indonesia	2014			49,374					625,521	226,943
Iraq	2014			10,109				14,285	360,074	510,413
Italy	2014				327,187		1,928	13,028	923,121	3,028,401
Nigeria	2014	5,749		256,346	242,182		48	25,565	834,474	2,133,497
Norway	2014			314,619			13,498		1,366,403	2,070,686
Pakistan	2014			48,667	33,501		423	3,381	107,935	304,479
United Kingdom	2014			188,852			1,364		273,731	1,149,012
Timor Leste	2014	84,510		47,593	2,135		610		92,096	254,001
Vietnam	2014					1.505		424	12,449	
EITI data [**]										
Kazakhstan[a]	2013			405,743				(4,467)		
Mozambique	2012			33,069				156		
Congo[b]	2013		35,600	17,810			1,196	19,325		

(*) Accrual basis.
(**) The reported data refer to the last EITI disclosure issued in relation to EITI countries where eni did not receive consent from relevant Government/Authorities to publish 2014 data on voluntary basis.
(a) The 2013 EITI report is showing payments for a total amount of 10,296,119 thousand of Tenge (KZ) for "Social Development and Local Infrastructures" that are not reported in the above table since they were made by the operator NCOC BV of the North Caspian Sea PSA.
(b) In addition to the amount showed in the table some transfers "in kind" were made amounting to 10,864 kboe.

Royalties paid in Italy in the 2012-2014 period

(€ thousands)	2012	2013	2014
Royalties paid [a]	**237,517**	**298,383**	**327,187**
- of which to State	96,948	138,302	149,454
- of which to Regions	109,949	125,596	130,610
- of which to Basilicata	*77,255*	*91,862*	*94,925*
- of which to Municipalities	30,620	34,485	47,123

(a) The data include Eni SpA (Exploration & Production), Enimed, Società Adriatica Idrocarburi and Società Ionica Gas.