

Eni for
2015

Transparency



Eni's approach to transparency

Improving natural resource governance, in particular by improving financial transparency in the extractive industries, is a crucial first step to ensuring local communities can hold their Governments accountable for the oil&gas and mineral wealth obtained through drilling and mining activities. As a matter of fact, in the extractive sector, where investments are hefty and require a long time to generate returns, political instability and social tensions are the real enemy.

Transparency at national, local and community level shows what is being done, where, and at what cost. Eni adopts a proactive approach to transparency, undertaking a voluntary disclosure on payments, investments and revenues, pursues tax strategy targets in accordance with local tax laws and guarantees the full respect of laws and regulations by all its personnel, according to the principle of "zero tolerance" to corruption stated in Eni's Code of Ethics. This is one reason why Eni has

been a member of EITI since 2005 and supports its efforts in promoting open and accountable management of natural resources. Finally, as evidence of its commitment to transparency and accountability, Eni has officially welcomed the draft Rule proposed by the SEC, which requires resource extraction issuers to disclose payments made to the U.S. Federal Government or foreign Governments for the commercial development of oil, natural gas or minerals.

Eni and the Extractive Industries Transparency Initiative

The Extractive Industries Transparency Initiative (EITI) is a global standard which seeks to strengthen Government and company systems, to inform public debate, and to enhance trust in order to promote open and accountable management of natural resources. In each implementing Country, it is supported by a coalition of Government, companies and civil society working together. Eni has been committed to the EITI since

2005. At the local level, Eni plays an active role in the Countries where it operates by supporting the implementation of the initiative and by contributing to the preparation of the Reports. In the Countries that have joined the EITI, such as Congo, Mozambique, Timor Leste, Ghana and Ukraine, Eni is a member of the Multi Stakeholder Groups, while it follows the works of the Multi Stakeholder Groups in Kazakhstan, Nigeria and Norway

through industry associations or side EITI groups.

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A growing commitment to transparency

Besides supporting the EITI, in 2014 Eni decided to adopt a voluntary disclosure on payments, investments and revenues envisaged by the EITI Standard and European Directives, without waiting for the entry into force of the EU legislation (mandatory in

Italy as of 2017). For this reason, the Company contacted all its upstream counterparties in order to advise them of its commitment to transparency and to ask for their permission to publish these data. As a result of this activity, Eni discloses the Country payments

made ("cash basis") in 2015 to those Countries, whose Governments/local authorities/governmental counterparties granted their permission for publication. 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. These data show a

meaningful increase in the number of Countries which support Eni's voluntary disclosure compared to 2014.

Transparency on payments made to Governments

(€ 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 ^(*)
Angola	2015		46,335	193,814	80,202		33	1,447	1,354,317	1,585,505
Australia	2015			4,390			520		14,620	91,657
China	2015			1,484			136		11,248	62,060
Croatia	2015			4,607					2,597	36,958
Cyprus	2015							600	112,189	
Denmark	2015									
Ecuador	2015			41,106 ^(a)				8,757	21,960	124,851
Gabon	2015						21	1,416	80,089	
Ghana	2015						1,388		203,428	
Indonesia	2015			27,669		39			732,705	165,603
Iraq	2015			15,843				11,647	481,312	576,265
Ireland	2015								2,057	
Italy	2015				301,871		2,202	1,868	726,832	2,123,516
Kenya	2015						161		3,825	
Libya	2015		1,554,740	1,983,759	222,621			45,065	444,061	3,840,949
Myanmar	2015						901		5,529	
Nigeria	2015		11,277	163,789	168,537		9,681	28,664	451,078	1,559,178
Norway	2015			41,411			8,565		1,115,747	1,383,956
Pakistan	2015			27,122	30,584		724		55,443	279,963
Portugal	2015						523	160	3,589	
Rep. of Congo	2015	40,098	9,433	173,989	162,855		3,780		888,754	1,284,200
Russia	2015			1,439					55	
The Netherlands	2015			275						
The United Kingdom	2015			126,713			926		200,746	907,974
Timor Leste	2015	47,965		21,735	1,693		509		16,909	163,479
Ukraine	2015			98					13	
USA	2015			9,401	40,290		4,126		660,009	1,092,182
Vietnam	2015					451		563	16,080	
EITI DATA ^(**)										
Kazakhstan	2014			343,922				(94,344) ^(b)		
Mozambique	2013-2014			53,280 ^(c)				301,132 ^(d)		

(*) Accrual basis.

(**) The reported data refer to the last EITI disclosure issued in relation to EITI Countries.

(a) The data include the payment of \$ 33,136 thousands for previous years taxes subject to tax dispute.

(b) Mainly refers to VAT reimbursement of 23,226,728 thousands of Tenge relating to Agip Caspian Sea BV Branch.

(c) Including taxes on employees and withholding taxes on suppliers.

(d) Payment of \$ 400,000 thousands to fiscal Authority of Mozambique relating to taxes on disposal of 28.57% shares of Eni East Africa SpA.

Royalties paid in Italy in the 2013-2015 period

(€ thousands)	2013	2014	2015
Royalties paid^(a)	298,383	327,187	301,871
- of which to State	138,302	149,454	126,172
- of which to Regions	125,596	130,611	122,684
- of which to Basilicata	91,862	94,925	86,652
- of which to municipalities	34,486	47,123	53,015

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

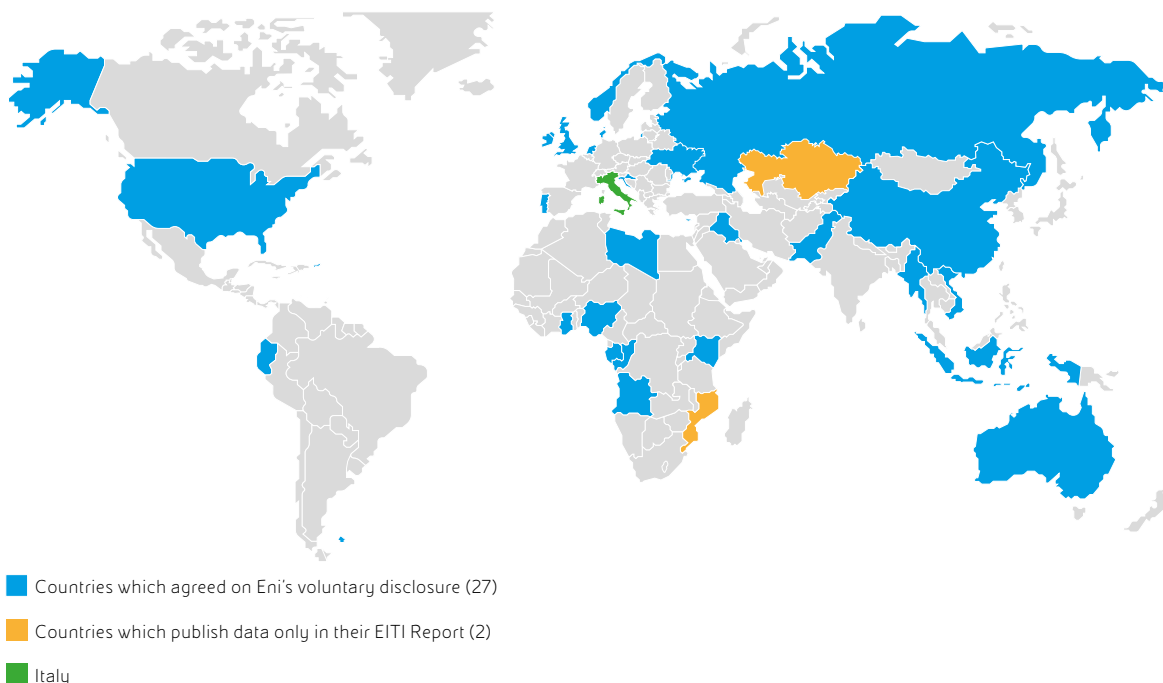
Data shown in the table correspond to the Company's accounting records and include data for the parent company and consolidated subsidiaries.

The disclosure represents approximately 75% of Eni's

2015 production (80% when including

the two Countries adhering to EITI).

Map of Countries covered by voluntary disclosure



Tax strategy

The purpose of Eni's tax strategy is to determine a fair amount of taxes due in each jurisdiction in which we operate and to minimize the risks of tax disputes. Eni is fully compliant with the tax rules currently in force, with the aim of avoiding the risk of double taxation of earning, both economic and jurisdictional. We pay taxes on profits from our hydrocarbon exploration, development and production activities in the Countries which own reserves, in accordance with each Country's contractual

and fiscal regime. The fact that our subsidiaries in the Exploration & Production segment are, in most cases, incorporated in Countries other than the ones in which we are conducting oil&gas activities serves to the Group's organizational and corporate purposes and does not affect the level of taxation borne in each Country of operations. We incur substantial amounts of corporate income taxes, royalties, production taxes and other items connected to our exploration & production

activities. Historically, the tax rate in our upstream segment has been around 60%; in 2015, due to a weak commodity price environment, our upstream tax rate rose to approximately 80%. Eni does not make use of organizational structures lacking industrial rationale in order to obtain tax advantages, nor do we incorporate our subsidiaries in Countries, which do not adhere to international protocols on tax transparency (the so called tax heavens). As part of its general tax policy,

Eni does not incorporate any subsidiary in Countries, which are designated tax heavens under the Italian tax code. Our presence in tax heavens is limited to few subsidiaries of our Exploration & Production sector, which have been acquired in the past following

business combinations and other corporate acquisitions. The taxable income of such entities is immaterial to the Group's taxable profit. These subsidiaries are undergoing a streamlining process aimed at rationalizing our chain of control and exiting tax heavens.

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Transparency and Anti-Corruption

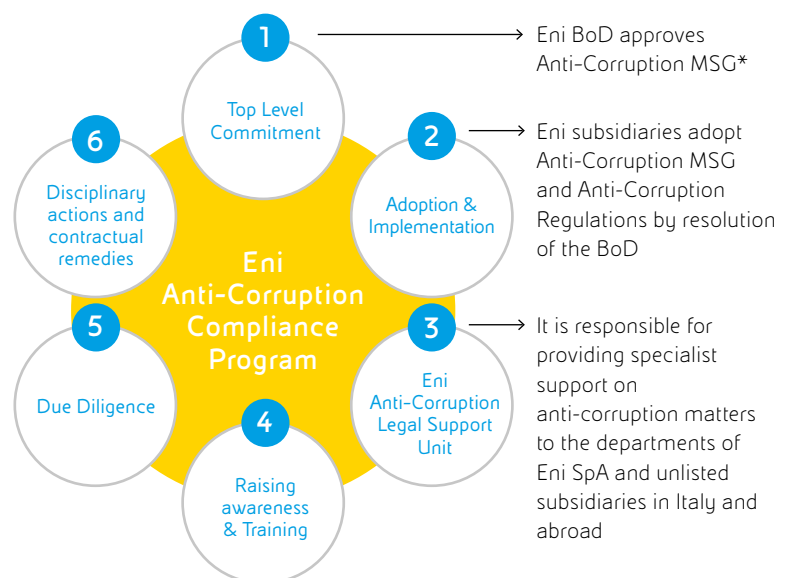
Corruption is an intolerable obstacle to business efficiency and fair competition. To this end, Eni considers ethical integrity, full respect for the law and regulations, and fairness to be constant commitments of

all of its personnel. In accordance with the principle of "zero tolerance" against corruption established in the Code of Ethics, Eni implemented an articulated system of rules and controls

to prevent corruption-related crimes, in line with the current applicable Anti-Corruption provisions as well as with international conventions ("Eni Anti-Corruption Compliance Program").

Eni Anti-Corruption Compliance Program

Compulsory system of rules & controls for the prevention of crimes of corruption, aimed to strengthen the implementation of the "zero tolerance" principle contained in the Eni Code of Ethics.



* MSG = Management System Guideline - on 29 October 2014 Eni BoD approved an update of the Anti-Corruption MSG

The adoption and implementation of the Anti-Corruption Compliance Program is mandatory for Eni SpA and all its subsidiaries, in Italy and abroad. Furthermore, Eni SpA also uses its best efforts to ensure that the entities in which Eni has a non-controlling interest comply with the standards set out in its internal anti-corruption rules, by adopting and maintaining an adequate internal control system in line with the requirements of the anti-corruption legislation. To ensure the effectiveness of the Eni Anti-Corruption Compliance Program, an ad hoc organizational structure, the Anti-Corruption Legal Support Unit, has been set up to provide legal support on anti-corruption matters to Eni SpA and its unlisted subsidiaries in Italy and abroad. In 2013, a global assessment

was performed by an independent external expert specialised in FCPA and UK Bribery Act matters to assess the effectiveness of Eni's Anti-Corruption Compliance Program, both in terms of adequacy of its procedural design and effective application of such design. The assessment found that Eni's Anti-Corruption Compliance Program is solid, well designed and effectively implemented, and that the policies and procedures in place substantially meet all the international benchmarks necessary for an appropriate and effective anti-corruption compliance program. In order to continuously improve the compliance program, in part by following several of the suggestions put forth by the external expert, Eni further strengthened the program by updating the Anti-Corruption

Management System Guidelines ("Anti-Corruption MSG"), approved by the Board of Directors of Eni SpA on October 29, 2014. The Anti-Corruption MSG provides a systematic framework of Anti-Corruption regulatory tools that have been planned and implemented by Eni over time. This regulatory system has the aim of providing the Eni people, and all those who work with Eni in Italy and abroad, with all the principles and rules to be adhered to in order to ensure compliance with the Anti-Corruption legislation.

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Organizational transparency

Organizational transparency is a key aspect for a company like Eni that operates through a network of subsidiaries, joint-ventures and affiliates. Transparency International, a non-governmental

organization which monitors and publicizes data and reports concerning the corruption phenomenon, considers organizational transparency as a crucial measure against corruption.

This measure is even more important for companies operating in Countries where the level of openness may not reflect the highest standards or enable local stakeholders' oversight.

At the 31st December 2015 the companies of Eni SpA are classified as follows:

	Subsidiaries			Joint arrangements and associates			Other significant investments ^(a)		
	Italy	Outside Italy	Total	Italy	Outside Italy	Total	Italy	Outside Italy	Total
Fully consolidated subsidiaries	35	210	245						
Consolidated joint operations				9	6	15			
Investments owned by consolidated companies ^(b)									
Equity-accounted investments	4	35	39	27	64	91			
Investments valued at cost	6	8	14	5	30	35	5	24	29
Investments valued at fair value							1		1
	10	43	53	32	94	126	6	24	30
Investments owned by unconsolidated companies									
Owned by controlled companies		1	1						
Owned by joint arrangements					15	15			
		1	1		15	15			
Total	45	254	299	41	115	156	6	24	30

(a) Related to investments in companies other than subsidiaries, joint arrangements and associates with an ownership interest higher than 2% for listed entities or 10% for unlisted ones.

(b) Investments in subsidiaries accounted for using the equity method and valued at cost refer to non-significant companies and entities acting as sole-operator in managing oil&gas contracts.

In the Annual Report on Form 20-F 2015, Eni provides information on the names, percentage holdings and Country of operations and of incorporation of its subsidiaries, joint arrangements, associates and other significant investments as of December 31, 2015.

Transparency International and the corporate reporting survey

Eni has participated in various editions of the analysis on the transparency in corporate reporting carried out by Transparency International (TI), both at national (through the Italian chapter of TI) and international level.

In the last edition of the corporate reporting survey, published by TI in November 2014, Eni topped the ranking among the world's 124 largest listed companies, gaining 7.3 points out of the 10 available.

The research is based on the data as of October 2013, and analyzes the companies' corporate reporting on the basis of three dimensions of transparency:

- anti-corruption programs (reporting on anti-corruption programs);
- organisational transparency (including the disclosure of the names, percentage holdings and Country of operations and incorporation, for both fully consolidated and non fully consolidated company holdings);
- country-by-country reporting (including revenues, capital expenditure and tax payments).

Eni reached an excellent score, particularly with respect to transparency of anti-corruption programs and was ranked as best performer in organisational transparency thanks to the disclosure of full lists of company holdings, including Countries of operations and of incorporation and the percentages of ownership.

The evaluation obtained - significantly increased compared to the 33rd place in the previous research - represents an appreciation of Eni's efforts to improve transparency in corporate reporting, in addition to meet the requirements set by Transparency International.

Eni was also best performer research on transparency in corporate reporting conducted by the Italian Chapter of Transparency International in 2013, among a sample of 15 major Italian companies.

