

FOR

EXECUTIVE SUMMARY

ENI FOR 2018



TAKING ACTION TO MEET THE ENERGY CHALLENGES OF TOMORROW

COUNTRIES
IN THE WORLD
WHERE ENI
OPERATES

67



30,950



OUR GLOBAL
WORKFORCE

The world faces significant energy challenges in the coming decades and Eni is committed to help meet them with a forward-looking business model and the expertise of its people

The next few decades will see soaring demand for resources such as energy in a world where the population is set to rise to 9 billion by 2040. Of those people, almost 650 million will still not have access to electricity. Meanwhile, concerted efforts to combat climate change will be essential, with urgent work on cutting the levels of greenhouse gas (GHG) emissions in the atmosphere.

Eni is committed to playing its part in meeting these extensive challenges. The expertise and dedication of our 30,950 people, working in 67 countries, as well as the harnessing of innovation and technology, are vital for turning these challenges into opportunities and supporting the transition to a more sustainable use of resources.

"When the challenge is great and urgent, we must act together, seeking common objectives and values"

Claudio Descalzi

No organisation can face challenges of this magnitude alone. In this spirit, we have built partnerships around the world with governments, international organisations and NGOs, as well as with the private sector. This sustainability report shows how Eni is conducting its activities within a business model that focuses on long-term investments and looks beyond short-term profit goals, while seeking to unlock the full potential of individuals. Eni is transforming itself to face global challenges and contribute to delivering on the United Nations' Sustainable Development Goals.

GHG EMISSION
INTENSITY INDEX
UPSTREAM
VS 2014

-20%



UPSTREAM
METHAN FUGITIVE
EMISSION VS 2014

-66%



VOLUMES
OF HYDROCARBONS
SENT TO PROCESS
FLARING VS 2014

-16%



SPENT
ON RESEARCH
& DEVELOPMENT
IN 2018

€197M



THE PATH TO DECARBONIZATION

With the Paris agreement of November 2015, almost 200 countries committed themselves to limiting the temperature rise to well below 2°C and to pursuing further efforts to limit it to 1.5 °C from pre-industrial levels. The need to reduce emissions in line with the objectives of the Paris Agreement, coupled with the need to satisfy a growing energy demand, is a double challenge that Eni is committed to address, considering it a strategic priority and a responsibility. In the short term, by 2025, Eni aims to zeroing routine gas flaring. It will also reduce Upstream GHG emission intensity by 43 per cent and Upstream methane fugitive emissions by 80 per cent, compared with 2014. Eni is also pursuing a low-carbon oil and gas portfolio, developing renewable energy sources and strengthening green business through a circular-economy approach. In the medium term, Eni aims to reach a net zero carbon footprint on direct emissions from its exploration and production activities (Upstream) by 2030, by increasing carbon efficiency and developing forest conservation projects. We know this is only the beginning of a long path: the ambition is to make the company carbon neutral in the long term, developing an integrated energy transition plan and promoting an energy mix with a low carbon impact. This will also involve strengthening our circular economy approach, developing emission offsetting initiatives through forestry projects and delivering on carbon capture, utilisation and storage technologies.

Eni's climate strategy contains a commitment to using innovative technology to find ways to ease the energy transition and make decarbonization as efficient as possible. More than 53 per cent of Eni's total planned research spending in the next four years is dedicated to carbon neutrality and the circular economy.

LOCAL UPSTREAM
EMPLOYEES
IN HISTORICAL
PRESENCE
COUNTRIES

87%



OPERATIONAL EXCELLENCE

People are fundamental to Eni's purpose. The company's business objectives can be achieved only through their skills, dedication and professionalism, and their ability to work together towards common goals. That is why, when many operators sought to increase efficiency by cutting staff, Eni pursued a different path, with strategies that focused on developing its people's technical skills. This decision led to a landmark success: the discovery of Zohr, the largest gas field ever found in the Mediterranean, which was brought into production in a record time-to-market for the sector. The plurality of Eni's staff, who represent 106 different nationalities, makes the company better able to face global challenges. In countries where Eni has a historical presence, such as Nigeria, Congo, Egypt, Libya and Kazakhstan, 87 per cent of employees are locals.

IN 2018,
ENI INCREASED
TRAINING
INVESTMENT OVER 9%
AND BOOSTED
THE TRAINING HOURS
PROVIDED BY 5%

+9%



Ensuring safety for all employees, contractors and local communities is an essential part of Eni's operations. In 2018, Eni renewed its efforts to eliminate accidents, with new risk assessments, management strategies, training plans, skills development programmes and increased promotion of a safety culture. These and other initiatives have seen the Total Recordable Incident Rate (TRIR) fall by 51 per cent compared with 2014, to 0.35 in 2018.

REUSE OF
FRESHWATER

87%



In 2018, the Eni Statement on Respect for Human Rights was published, setting out the company's approach, based on dignity for everyone, and the responsibility of businesses to contribute to the well-being of their local communities. The statement also asserts Eni's compliance with the UN Guiding Principles on Business and Human Rights.

TRIR
(TOTAL RECORDABLE
INCIDENT RATE):
-51% COMPARED
TO 2014

0.35



Protecting the environment means more efficient use of natural resources, too. In 2018 in Brindisi, southern Italy, for example – a water stress area – Eni reduced water consumption by 52 per cent, or approximately 990,000 cubic meters per year, which is about 13 per cent of the city's annual consumption. In Assemini, Sardinia, Eni worked with the FAI - Fondo Ambientale Italiano (The National Trust for Italy), to turn the site of a former saltworks into a nature trail and conservation area.

PROMOTING LOCAL DEVELOPMENT

GAS SOLD
TO LOCAL
MARKET
IN 17
COUNTRIES

60 BN M³



Access to energy is a priority: Eni supplies gas to domestic markets in 17 of the countries in which it operates and, in 11 of them, satisfies the entire demand of the local market.

In Nigeria and Congo, the company has invested around \$2 billion in the construction and rehabilitation of networks and thermoelectric power plants. In 2019, this will fund an increased installed capacity, from 480MW to 1GW, at Nigeria's Okpai plant. In the Congo, meanwhile, a new 170MW turbine will be installed in the 314MW Central Electrique du Congo, which currently produces three-quarters of the energy needed locally.

€ 94.8 MLN



Eni works hard to understand local priorities and challenges in its work to promote and support development across a range of countries with diverse needs. In Angola in 2018, for example, Eni continued to work on a HALO Trust project that involves women in reclaiming land left unusable by the 500,000 mines still in place after the civil war that ended in 2002.

In Nigeria, Eni worked with the Food and Agriculture Organisation of the United Nations (FAO) to build wells and water collection points, providing water to 4,000 people in the northeast of the country, which is experiencing a humanitarian crisis.

INVESTMENT
FOR LOCAL
DEVELOPMENT

Our complex and rapidly-changing world requires a strong collective commitment: Eni has worked strenuously in recent years to become a force for positive change, building partnerships for development with the United Nations Development Programme, UNESCO and other organisations, many of which are focused on promoting development with a view to helping achieve the UN's Sustainable Development Goals.