

# FOR

EXECUTIVE SUMMARY

ENI FOR 2019



# ENI FOR A JUST TRANSITION

Committed in the present to build the future

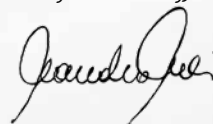
*Eni for 2019 describes the transformation process, launched 6 years ago, that led the company to define a new business model and a new mission, while laying the foundations for its new 2050 Strategy, which integrates economic-financial sustainability with environmental and social sustainability.*

*The report illustrates the Company's determination to play a key role in today's energy challenge of contributing to a low carbon future in which everyone can have access to energy.*

“We often talk about long-term vision, circular economy, about the need to find a new development model fit for human beings. Never before has it been possible to experience how solidarity among people and communities – and not mere profit – is the key to guarantee a future for the next generations. This is why we chose to dedicate the Eni for 2019 edition to the just transition, to our commitment to promote a fair evolution that takes into account all the factors at stake: from the need to reduce our carbon footprint in the direction of the Paris Agreement to the need for a global development of mankind.”

**Claudio Descalzi**

Chief Executive Officer



## TOWARDS A JUST TRANSITION: ENI'S NEW BUSINESS MODEL

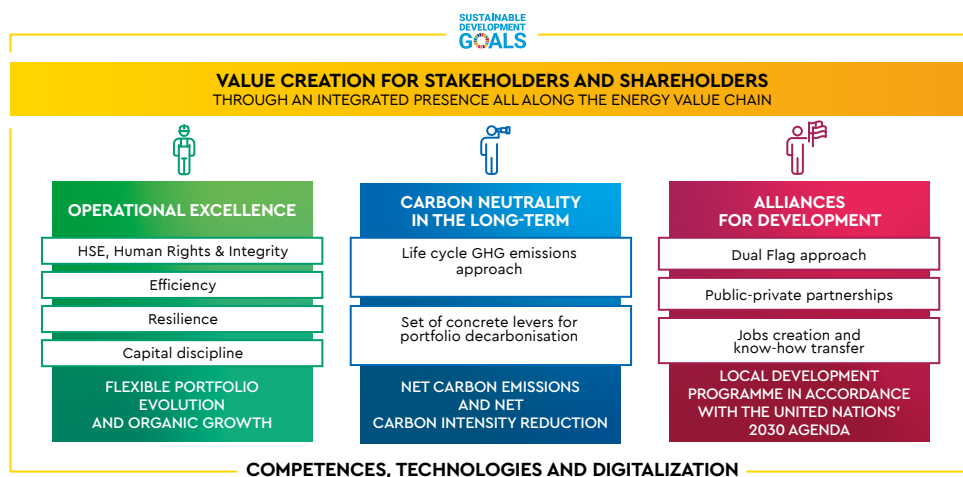


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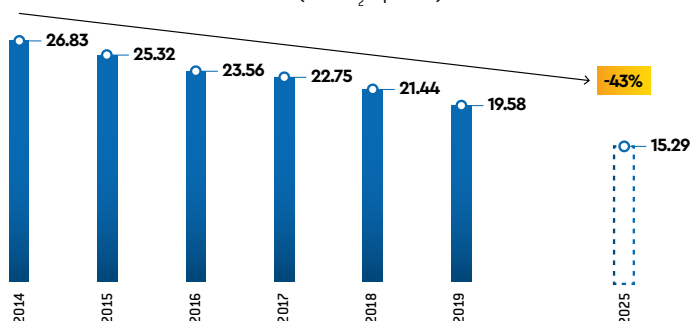
COUNTRIES  
WERE WE OPERATE

Eni, as an integrated energy company, contributes, directly or indirectly, to the achievement of the Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda, supporting a socially fair energy transition and responding through concrete, quick and economically sustainable answers to the challenge of combating climate change while promoting access to energy resources in an efficient and sustainable way, for all.

Eni for 2019 explains this path, the results for 2019 and the objectives for the coming years in three priority areas for this evolution: the path to carbon neutrality in the long-term, the model for operational excellence and the importance of alliances for the promotion of local development.



UPSTREAM GHG INTENSITY INDEX (ton CO<sub>2</sub> eq/kboe)



31,321

PEOPLE

21,078

IN ITALY

10,243

ABROAD

LOCAL ENI PEOPLE IN THE UPSTREAM SECTOR (%)



### PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

FOOD AND AGRICULTURE ORGANIZATION-FAO;  
UNITED NATIONS DEVELOPMENT PROGRAMME-UNDP (2018)  
DOM BOSCO, UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION –UNIDO (2019)  
WORLD BANK, E4IMPACT (2020)

## CARBON NEUTRALITY IN THE LONG TERM

### 2019 MAIN RESULTS:

# 41.20

million tonnes CO<sub>2</sub> eq  
DIRECT GHG EMISSIONS  
(SCOPE 1)  
-5% VS. 2018 AND -29% VS. 2010

# 19.58

tonnes CO<sub>2</sub> eq/kboe  
UPSTREAM GHG EMISSION  
INTENSITY INDEX  
-9% VS. 2018 AND -27% VS. 2014

# 1.2

billion Sm<sup>3</sup>  
VOLUMES OF HYDROCARBON  
SENT TO PROCESS FLARING  
-15% VS. 2018 AND -29% VS. 2014

# 21.9

ktonnes CH<sub>4</sub>  
METHANE FUGITIVE  
EMISSIONS (UPSTREAM)  
-44% VS. 2018  
AND TARGET REACHED VS. 2014

# 31.41

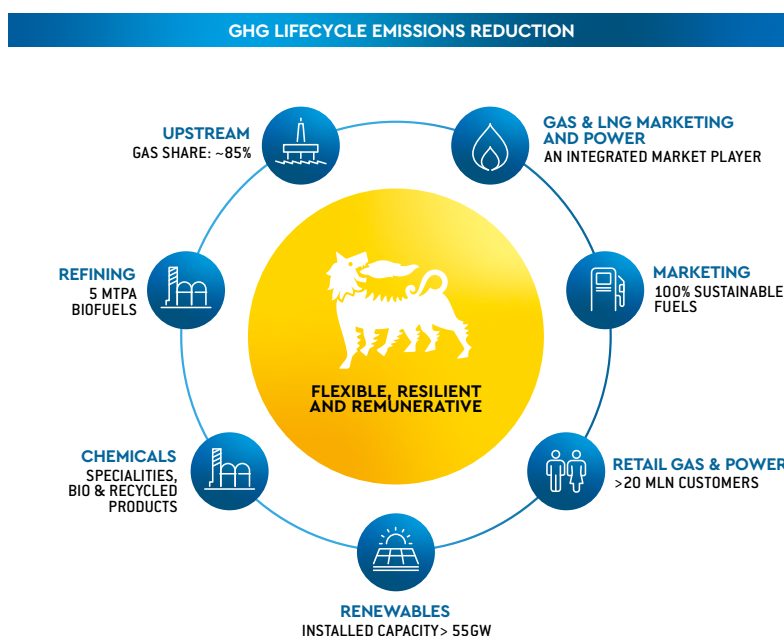
tonnes CO<sub>2</sub> eq/kboe  
CARBON EFFICIENCY INDEX  
-7.4% VS. 2018

# 102

€ million  
R&D TOTAL SPENDING  
IN DECARBONIZATION

Eni has launched a decarbonization path to rise to the crucial challenge of the energy sector: to supply energy to a growing world population, creating value while at the same time reducing the carbon footprint, in line with the Paris Agreement goals. The strategy comprises, in addition to the reduction of direct GHG emissions, the development of the renewables business and new businesses based on circularity, research and technological innovation and a resilient hydrocarbon portfolio in which gas will play an important role, by virtue of its lower carbon intensity and of the possibility of integration with renewable sources in electricity generation.

Eni has confirmed and further extended intermediate decarbonization goals: net-zero carbon footprint for Scope 1 and 2 emissions by 2030 from exploration and production (upstream) activities and by 2040 from the whole Eni Group. The Strategy defines goals up to 2050: 80% reduction in net emissions referable to the whole life cycle of the energy products sold, including Scope 1, 2 and 3 emissions -higher than the 70% threshold indicated by the International Energy Agency (IEA) in the Sustainable Development Scenario (SDS) compatible with the goals of the Paris Agreement- and a 55% reduction in emissions intensity compared to 2018.



### Progress in 2019 vs 2018

- Upstream GHG emission intensity index: -9% VS. 2018 (-27% VS. 2014)
- Volumes of hydrocarbons sent to process flaring: -15% VS. 2018 (-29% VS. 2014)
- Fugitive methane emissions: -44% VS. 2018. Target achieved (-81% VS. 2014)
- Carbon efficiency index: -7.4% VS. 2018

### Objectives

- -43% upstream GHG emission intensity index VS. 2014
- Zero process flaring by 2025
- -80% of upstream fugitive methane emissions by 2025 VS. 2014
- Carbon efficiency index: average improvement of 2% per year to 2021 VS. 2014
- Net zero carbon footprint (Scope 1 and 2):
  - of upstream activities in 2030
  - of all group activities in 2040
- Emissions throughout the life cycle at 2050 VS. 2018 (Scope 1, 2 and 3):
  - -80% of net absolute emissions
  - -55% of net carbon intensity

## OPERATIONAL EXCELLENCE MODEL

### 2019 MAIN RESULTS:

#### PEOPLE

7,590

WOMEN  
+3.9% VS. 2018

#### ENVIRONMENT

89%

FRESHWATER REUTILIZATION

#### SAFETY

Total Recordable  
Injury Rate:

0.34

TOTAL RECORDABLE INJURIES/  
HOURS WORKED X 1,000,000  
-3% VS. 2018 -52% VS. 2014

#### HUMAN RIGHTS

97%

SECURITY CONTRACTS  
CONTAINING CLAUSES ON HUMAN  
RIGHTS (VS. 90% 2018)

#### TRANSPARENCY

23,347

EMPLOYEES TRAINED  
ON ANTI-CORRUPTION,  
OF WHOM 59% IN MEDIUM/HIGH  
CORRUPTION RISK CONTEXT

The operating excellence model underlines continuous commitment to build on the value of each individual, safeguarding their health and safety, and to protect the environment in which Eni operates. People are the enabling factor of Eni's strategy to ensure the achievement of environmental and social targets, aiming at carbon neutrality in the long term and minimizing operational risks. Operating excellence also means conducting business with the utmost attention to integrity, i.e. respecting and promoting human rights and always operating with transparency and honesty. These elements allow the Country to exploit opportunities linked to the evolution of the energy market and to technological progress, aiming to grow organically through efficient, resilient and sound financial discipline.



#### Progress in 2019 vs 2018

- **Training and development:** +16.5% training hours vs. 2018
- **Consolidation of the safety culture:** dissemination of the "Safety starts @ office" campaign and implementation of the Safe 360° program
- **Water:** +7.5% of groundwater treated at TAF plants and used in the production cycle or reinjected VS. 2018 (5.1 million m<sup>3</sup> in 2019)
- **Human rights:** +143% hours of training on human rights vs. 2018
- **Anti-corruption training:**
  - continuation of awareness program for some categories of Eni's Business Associates
  - roll out of the method for the segmentation of Eni's personnel on the basis of the corruption risk

#### Objectives

- **Training and development:** continue the design and development of professional paths tied to digitalization and Energy Transition
- **Occupational and process safety and asset integrity:** eliminating the occurrence of incidents; Digital Safety initiatives; dissemination of golden rules on process safety and asset integrity
- **Water:** achievement of the share of 5.4 million m<sup>3</sup> by 2020 of groundwater treated at TAF plants and used in the production cycle or reinjected
- **Human rights:** continue the Human Rights training campaign
- **Anti-corruption training:** application of method to segment the population

## ALLIANCES FOR THE PROMOTION OF LOCAL DEVELOPMENT

Facilitating access to electricity while promoting initiatives in favour of communities - from diversification of local economies to projects for health, education, access to water and hygiene - are Eni's distinctive approach to host Countries, known as "Dual Flag" since Enrico Mattei's time. This is possible thanks to the definition of specific Local Development Programmes (LDP) that follow the direction traced by the 2030 Agenda of the United Nations and by the Nationally Determined Contributions (NDCs), signed by each Country in the Paris Agreement. Eni has chosen to extend the range of the development initiatives, going beyond the boundary of its own operating areas through alliances with authoritative partners active locally and recognized internationally. The synergic action and the sharing of knowhow that derive from it are aimed at improving people's living conditions in the Countries of presence and to increasingly contribute to the Sustainable Development Goals (SDGs) of the 2030 Agenda.

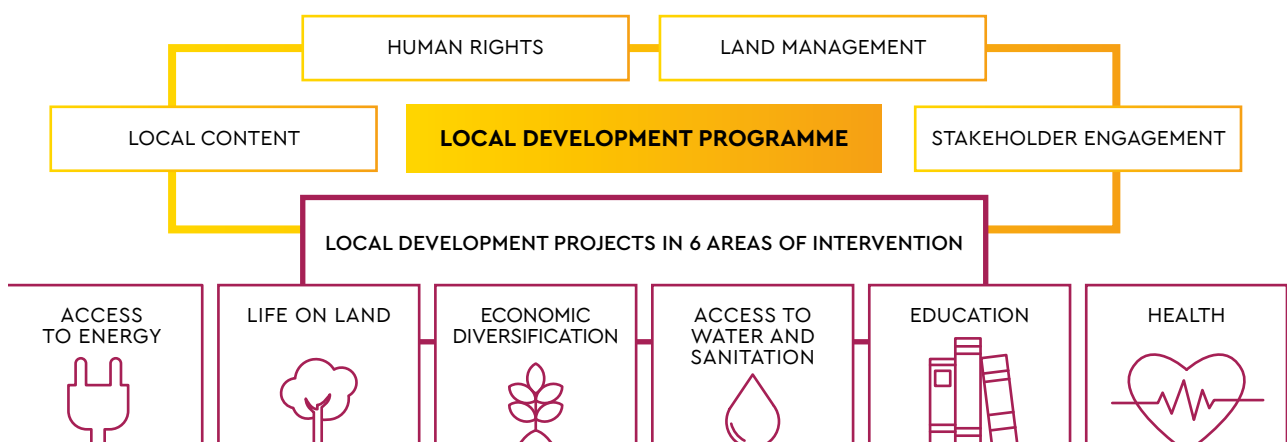


### Progress in 2019 vs 2018

- **Investments for local development:** 95.3 mln €
- **Signed partnerships:** FAO, UNDP (2018); UNIDO, Dom Bosco (2019); World Bank, E4Impact (2020)
- **New agreements:** MoUs signed with Angola, Mexico and Mozambique
- **Access to energy:** 64 bln Sm<sup>3</sup> gas sold to domestic markets in 17 Countries

### Objectives

- **2020-2030 investments for local development:** 381 mln€, which will also allow, inter alia, to reach the following objectives in 2020:
  - Access to energy: 4,600 families benefiting from access to clean cooking technologies in the involved communities;
  - Education: 2,730 students attending schools that were renovated and with services improved by Eni



## MISSION



We are an energy company.

We concretely support a just energy transition,

with the objective of preserving our planet

and promoting an efficient  
and sustainable access to energy for all.

Our work is based on passion and innovation,

on our unique strengths and skills,  
on the equal dignity of each person,  
recognizing diversity as a key value for human development,

on the responsibility, integrity and transparency of our actions.

We believe in the value of long-term partnerships  
with the Countries and communities where we operate,  
bringing long-lasting prosperity for all.



The new mission represents more explicitly the Eni's path to face the global challenges, contributing to achieve the SDGs determined by the UN in order to clearly address the actions to be implemented by all the involved players.

### THE SUSTAINABLE DEVELOPMENT GOALS

#### Global goals for a sustainable development

The 2030 Agenda for Sustainable Development, presented in September 2015, identifies the 17 Sustainable Development Goals (SDGs) which represent the common targets of sustainable development on the current complex social problems. These goals are an important reference for the international community and Eni in managing activities in those Countries in which it operates.

