

# FOR

HUMAN RIGHTS

DECEMBER 2019



## MISSION



### WHY READ ENI FOR HUMAN RIGHTS?

With its first Human Rights report Eni aims to illustrate its commitment to respect for Human Rights in compliance with the UN Guiding Principles (UNGPs) and in line with the main recommendations of the UN Guiding Principles Reporting Framework (published in February 2015).

The Introduction provides an overview of Eni's activities and the relevant challenges and opportunities in terms of respect for human rights, also taking into consideration the evolution of the business and human rights scenario. Eni's approach to human rights builds on these premises and mirrors the structure of the UN Guiding Principles. The heart of the document analyses the three main components of Eni's approach:

- commitment to respect for Human Rights, including the internal policies and rules on human rights, how they are integrated in corporate governance, the awareness and training initiatives and the long-term relationships with human rights experts and organizations;
- the human rights due diligence where, in addition to a description of cross-cutting impact assessment processes, information on due diligence is provided with specific reference to Eni's Human Rights salient issues;
- access to remedy, which describes the methodology and the process applied by Eni to provide access to remedial measures in the event of impacts resulting from or associated to its activities.

# CONTENTS

Message to rightsholders and stakeholders	5	Assessing and monitoring the human rights impacts of Eni's activities	34
Eni's business model	6	Human rights in the workplace	41
Scenario	7	Human rights in Eni's relations with suppliers and other business partners	57
<b>Eni's approach to human rights</b>	<b>10</b>	Human rights in host community relations	67
<b>Eni's commitment to respect for human rights</b>	<b>11</b>	Human rights and security	77
The evolution of Eni's human rights legal framework	12	Communication and disclosure	83
Eni's Statement on Respect for Human Rights	13	<b>Access to remedy</b>	<b>84</b>
Human rights reflected in Eni's internal policies	16	Eni's commitment to remediation	84
Human rights governance	19	How to engage in remediation	86
Communicating commitment: Eni's CEO speaks out on human rights	24	Grievance mechanisms	86
Embedding human rights: training activities	25	Whistleblowing reporting management system	88
International relations for human rights	30	Definitions, abbreviations and acronyms	92
<b>Human rights due diligence</b>	<b>32</b>	<b>UN Guiding Principles Reporting Framework</b>	<b>93</b>
The identification of salient human rights issues	33		



**THE GLOBAL GOALS**  
For Sustainable Development

The 2030 Agenda for Sustainable Development of the United Nations, presented in September 2015, identifies the 17 Sustainable Development Goals (SDGs) that represent common goals of sustainable development on the complex current social challenges. These objectives constitute an important reference point for the international community and for Eni in conducting its activities in the Countries in which it operates.

**"THE RECOGNITION OF THE INHERENT DIGNITY AND OF THE EQUAL AND INALIENABLE RIGHTS OF ALL MEMBERS OF THE HUMAN FAMILY IS THE FOUNDATION OF FREEDOM, JUSTICE AND PEACE IN THE WORLD."**

**UNIVERSAL DECLARATION OF HUMAN RIGHTS  
PROCLAIMED BY THE UNITED NATIONS GENERAL  
ASSEMBLY IN PARIS ON 10 DECEMBER 1948**



## MESSAGE TO RIGHTSHOLDERS AND STAKEHOLDERS

The respect for human rights is ingrained in our corporate culture: our approach builds on the dignity of every human being and on the company's responsibility to contribute to the well-being of individuals and communities.

As an energy company operating in 67 Countries worldwide, we are acutely aware of the challenges the world faces today. A world that needs more energy for its growing population, especially in non OECD Countries, and needs to cut its greenhouse gas emissions. That is why, as we state in our new mission, inspired by the United Nations' Sustainable Development Goals, we concretely support a just energy transition. Energy is crucial for achieving virtually all of the Sustainable Development Goals, as a prerequisite for development: from its role in combating climate change, to the eradication of poverty through progresses in health, education, water supply and industrialization. Our aim is to improve access to energy while decarbonising the world's energy mix and at the same time contributing to reduce global inequalities. Today, 860 million people don't have access to electricity, and many more live in Countries where energy is insufficient to promote jobs, health, sustainable development at an adequate scale. 2.7 billion people still rely on wood, coal, charcoal or animal waste for cooking and heating.

At the same time, more than 5 billion people around the world live in Countries where there is no adequate legal system to protect and respect human rights.

Concretely respecting human rights is a prerequisite for a just energy transition, it is rooted in our company's business model and is led first by our Top Management who sets an example and spreads this value into the company's culture. The respect of human beings is something that has to be defended every day, in every moment. This means to make diversity and respect a valuable resource for the company.

Our commitment starts from the relations we have with our co-workers, and extends to our relations with local communities, governments, with our suppliers and business partners, as well as to security activities and labour rights.

It must be a common thread for each of the company's activities. This implies that in the host Countries we commit to guarantee that human rights are respected in all our business, applying our social and environmental standards and we engage our stakeholders to adopt this attitude as a priority over operations. In every Country we commit to foster an open dialogue and especially in the critical areas we choose to strengthen our presence, not going away but building bridges with local communities. Supporting them in this direction is indeed the first step for their development and for reducing the risks related to human right abuses.

To spread our culture on this subject, in December 2018 our Board of Directors adopted a Statement on Respect for Human Rights, in line with the UN Guiding Principles on Business and Human Rights (UNGPs). The Statement reflects our most relevant (salient) human rights issues and it is a fundamental landmark in our journey to improve further.

The UNGPs require companies "to show" their commitment, the measures they put in place to assure due diligence on human rights and an access to remedy, their partnerships and the main potential issues they are facing on human rights. This document, "Eni for Human Rights", is another step we are taking in this direction, acknowledging the importance of providing transparent, concrete and updated information on our effort to respect human rights.

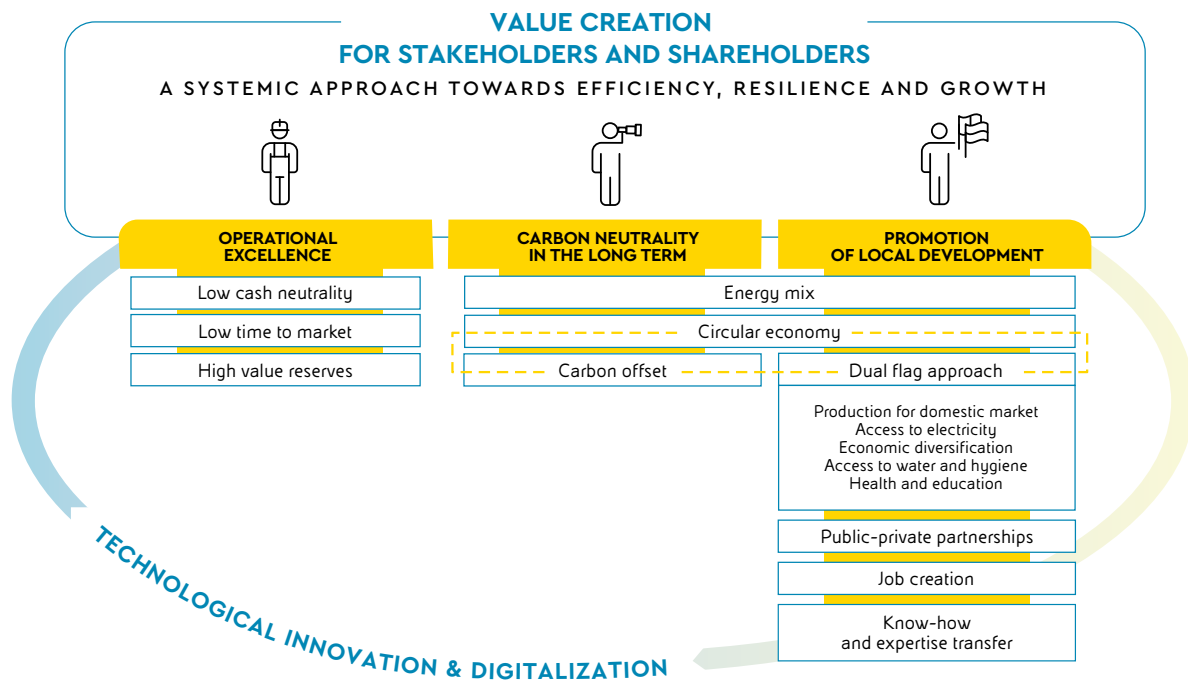
We want to be a force for good in tackling today's challenges, cooperating with all actors involved: we can find the best solutions only by working in partnership – with the private sector, governments, international organizations, civil society. The respect and the promotion of human rights is fundamental to be able to operate over the longer term, developing ourselves and supporting the development of the Countries that host us.



Claudio Descalzi  
Chief Executive Officer

# ENI'S BUSINESS MODEL

Eni's **business model** is focused on creating value for its stakeholders and shareholders. Eni has adopted a systemic approach to pursuing efficiency, resilience and growth, which organically integrates sustainability in its business, incorporates emerging trends of decarbonisation and inclusive development including them in its industrial plan and operating model. Eni, therefore, adopts a business model fuelled by the application of its own innovative technologies and the digitalization process, leveraging the following: **1 operational excellence, 2 carbon neutrality in the long term, 3 promotion of local development**<sup>{1}</sup>.



## THE PROMOTION AND RESPECT FOR HUMAN RIGHTS ARE AN INTEGRAL PART OF ENI'S BUSINESS MODEL

Efficiency and integration are the strategic drivers leading Eni's business towards operational excellence. This drives the achievement of low cash neutrality, a low time-to-market and a high value resource portfolio that is also resilient in a low carbon scenario. The excellence of the operating model is also characterized by a steady commitment to minimizing risks and creating opportunities along the entire value chain through the development of human resources, the safeguard of health and safety, environmental protection, respect for and promotion of Human Rights and focus on transparency and anti-corruption. Secondly, Eni's business model envisages a path to decarbonisation with the ambition of making the Company carbon neutral in the long term, maximizing efficiency and reducing direct emissions through the compensation of residual emissions, promoting an energy mix with a low carbon impact. In the long term, Eni supports a change of energy paradigm and a conversion of the current consumption pattern towards a more sustainable and rational one, leveraging the principles of circular economy, pursuing a path to conversion by exploiting the group's expertise and positioning in the downstream business. Promotion of local development in Eni's Countries of activities is the third lever of the business model. First of all, we supply our gas production to the local market, expanding access to electricity and promoting a large portfolio of initiatives addressed to local communities: from the diversification of local economies to projects for health, education, access to water and hygiene. This "Dual Flag" approach leverages the collaboration with institutions, cooperation agencies and local stakeholders in order to identify actions to satisfy the needs of communities in accordance with the national development plans and the 2030 UN Agenda. Eni is also committed to creating job opportunities and transfer its know-how and expertise to local partners.

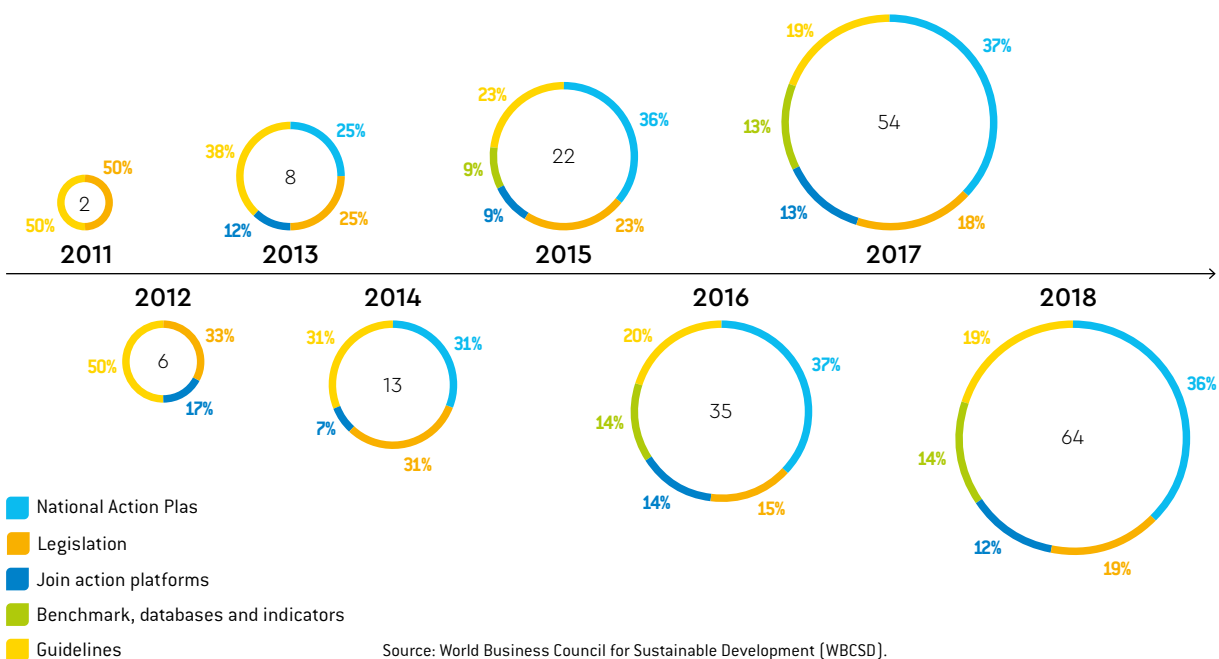
{1} For further details on how human rights are seized in the operational excellence and the promotion of local development, please refer to [Eni For 2018](#).

# SCENARIO

Eni works in 67 different Countries, with around 31,000 employees all over the world. We are aware that Eni's regional presence and business activities and relationships pose remarkable risks and opportunities. It is interesting to acknowledge, however, that the landscape and the rules of the game are continuously changing. States are increasingly conscious of the importance of the Business and Human Rights workstream and willing to advance their agenda in terms of both regulations and initiatives aimed at accompanying and supporting private sector and civil society actors. Since 2011, when the United Nations adopted the "Guiding Principles on Business and Human Rights", legislations, initiatives, standards and documents on the issue have proliferated at international and domestic level.

**TO FACE THE RISKS AND OPPORTUNITIES OF ENI'S ACTIVITIES AND REGIONAL PRESENCE IT IS IMPORTANT TO UNDERSTAND THE GLOBAL LANDSCAPE**

## Increased business and human rights National Policies, legislative instruments, and stakeholders' initiatives



In addition, it is worth mentioning that in 2014, following the increasing relevance of the UN Guiding Principles, the UN Human Rights Council established an Intergovernmental Open-ended Working Group with the mandate of drafting an "internationally binding instrument to regulate at international level the activity of transnational corporations and other business enterprises". The drafting process is ongoing.

Companies are progressively showing a commitment to implementing a Human Rights Due Diligence in line with the UN Guiding Principles on Business and Human Rights.

**AT 2019 UN ANNUAL FORUM ON BUSINESS AND HUMAN RIGHTS**

**2,000**

**PARTICIPANTS FROM GOVERNMENTS, BUSINESSES, NGOs AND OTHER ACTORS.**

**IN 2012 AT THE 1<sup>ST</sup> UN ANNUAL FORUM THERE WERE 1,000 PARTICIPANTS**

## MAIN HUMAN RIGHTS CHALLENGES LINKED TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The UN's 2030 Agenda for Sustainable Development, presented in New York in September 2015, identifies 17 Sustainable Development Goals (SDGs) which represent common goals for the current complex challenges and are an important reference for the international community. The Agenda recalls the importance of the Universal Declaration of Human Rights, as well as other international instruments relating to Human Rights, and remarks that the SDGs seek to realize the human rights of all.

Eni is aware that promoting respect for Human Rights in its business and value chain is a cornerstone for the achievement of the SDGs and their 169 targets. A study issued by the Danish Institute for Human Rights<sup>2</sup> outlines how human rights and the 2030 Agenda are interwoven, with 92% of the SDGs' targets linked to international human rights instruments.

Eni's strategy of promoting human rights and recognizing the dignity of the human person must face global challenges both outside the organization, as guaranteeing access to energy, basic sanitation and various forms of education of the communities in the Countries where it operates, and within its business, as protecting from accidents its workforce and guaranteeing equal pay for men and women, as well as enforcing the respect of the workers' rights along its value chain.

### SDGs



[2] "Human rights and the 2030 Agenda for sustainable development."



## UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

The **UN Guiding Principles on Business and Human Rights** (UNGPs) are a set of guidelines developed by Professor John Ruggie, UN Special Representative on the issue of human rights and transnational corporations and other business enterprises. In 2011, the UN Human Rights Council unanimously endorsed the Guiding Principles for Business and Human Rights, making the principles the first authoritative standard on human rights and corporate responsibility to be endorsed by the United Nations.

The UN Guiding Principles on Business and Human Rights rest on three pillars:

<b>PROTECT</b>	THE STATE DUTY TO PROTECT	States must protect against human rights abuses by third parties, including business enterprises, through regulation, policymaking, investigation, and enforcement
<b>RESPECT</b>	THE CORPORATE RESPONSIBILITY TO RESPECT	Companies should carry out proper Due Diligence processes to minimize and address potential negative impact on human rights
<b>REMEDY</b>	THE VICTIMS, RIGHT TO ACCESS TO EFFECTIVE REMEDY	The need for rights and obligations to be matched to appropriate and effective remedies through judicial, administrative, and legislative means. Companies have the responsibility to prevent and remediate any human rights violations that they contribute to

In order to meet their responsibility to respect for human rights, companies should adopt specific policy commitment on human rights and a due diligence process. The Guiding Principles provide for the implementation of due diligence to identify, address and mitigate human rights impacts. In particular, companies are expected to: i) assess actual and potential human rights impacts; ii) integrate and act upon the findings; iii) monitor and track performance; and iv) report how impacts are addressed.

The framework itself reflects the international community's efforts to reach consensus over outstanding issues such as:

What needs to be done to ensure that people have their human rights protected, respected and promoted?	Who are the duty bearers in this regard?
--	--

The Guiding Principles apply to all states and all businesses worldwide and are currently being implemented by companies, governments and their stakeholders everywhere in the world.

Following the adoption of the UN Guiding Principles, the Business and Human Rights international agenda has been further developed. The main international standards on social performance, such as the OECD Guidelines for Multinational Enterprises and the IFC Performance Standards, were subject to review namely in 2011 and 2012 in order to align them with the UN Guiding Principles. Sectoral initiatives launched by Regional Bodies such as the European Commission Oil & Gas Sector Guidance on Business and Human Rights approved in 2013 were powerful catalysts of these widespread efforts towards a new common ground. Further examples of this development was the release of the G4 version of GRI's Sustainability Reporting Guidelines in 2013, which recognized the importance of due diligence and identified links to the UN Guiding Principles. Industry associations like IPIECA played a key role in disseminating and operationalising the UN Guiding Principles, also by publishing guidelines and tools on fundamental topics such as Human Rights Impact Assessments and grievance mechanisms. Eni participated in most consultation processes preceding the issuance of these standards providing inputs based on its experience and criticalities.

## ENI'S APPROACH TO HUMAN RIGHTS

Eni's approach to human rights is integrated into its **mission** and it is carefully explained in Eni's Statement on Respect for Human Rights, approved by the Board of Directors in December 2018.

Eni's vision of human rights builds on the dignity of every human being and on companies' responsibility to contribute to the well-being of local individuals and communities. This vision goes beyond obtaining a social licence to operate: it is an integral part of Eni's identity and its way of doing business. Indeed, Eni believes that business must respect internationally recognized human rights, as established in the UN Guiding Principles on Business and Human Rights. As seen in the previous paragraph, the paramount importance of upholding the business and Human Rights Framework is also confirmed by the current landscape at global level.

**Eni's approach to Human Rights Due Diligence** has been developed in line with the evolution of the Business and Human Rights framework and mirrors the UN Guiding Principles' structure:

### COMMITMENT TO RESPECT FOR HUMAN RIGHTS

**See section Eni's commitment to respect for Human Rights**

*Eni's Statement on Respect for Human Rights* expresses the company's commitment to respect for human rights in line with the UN Guiding Principles on Business and Human Rights. Human rights are also embedded in Eni's policies and governance processes. Furthermore, Eni values continuous engagement and training on human rights for its people and its business partners, starting from communication initiatives from the highest level; and works with other organizations to improve its performance and promote the implementation of the Business and Human Rights agenda.

### DUE DILIGENCE

**See section Human Rights Due Diligence**

Eni has developed a wide range of processes and tools to assess its salient human rights issues, risks and impacts; in addition, it applies the Due Diligence requirement to its salient human rights issues. Eni assesses and monitors its risks and identifies customized strategies and solutions in an ongoing effort to be more effective in preventing and mitigating its impact. It has also been working on the design, implementation and reporting of Eni's Human Rights Due Diligence process to ensure its alignment with the UN Guiding Principles on Business and Human Rights.

### ACCESS TO REMEDY

**See section Access to remedy**

Eni has defined a "Grievance Mechanism" for handling communities and individuals' grievances; and it has a whistleblowing process in place that enables anyone to send information concerning violations of the Code of Ethics, including human rights issues.

## ENI IN THE CORPORATE HUMAN RIGHTS BENCHMARK ASSESSMENT

In November 2019, the results of the 3<sup>rd</sup> edition of the **Corporate Human Rights Benchmark (CHRB)** were released. These results showed Eni ranking eighth in the list of 200 companies analyzed from different industries, Eni's progress is also highlighted by the improvement in the score obtained in the three editions of the CHRB. Eni is among the companies that have increased their score most since the first edition in 2017. In 2019, the company's total score improved in all the six categories used for the analysis. In addition, in 2019, Eni was also the best performer in the "Company Human Rights Practices" section, which assesses the factors and processes that enable the respect for human rights and the prevention and mitigation of risks and impacts on human rights. The significant improvement in Eni's performance assessed by the **CHRB** mirrors the continuous progress we are making in our approach to human rights. Eni began working to **integrate respect for human rights** into its policies and practices ten years ago and has experienced renewed impetus in the last four years. We consider it an ongoing process. The commitment from our CEO and the rest of our top management, in addition to Eni's people at all levels, is essential to our progress in implementing the company's **human rights program**.

The CHRB is a collaboration led by investors and civil society organisations dedicated to creating the first open and public benchmark of corporate human rights performance. The benchmark provides a comparative snapshot year-on-year of the largest companies on the planet, looking at the policies, processes, and practices they have in place to systematise their human rights approach and how they respond to serious allegations.

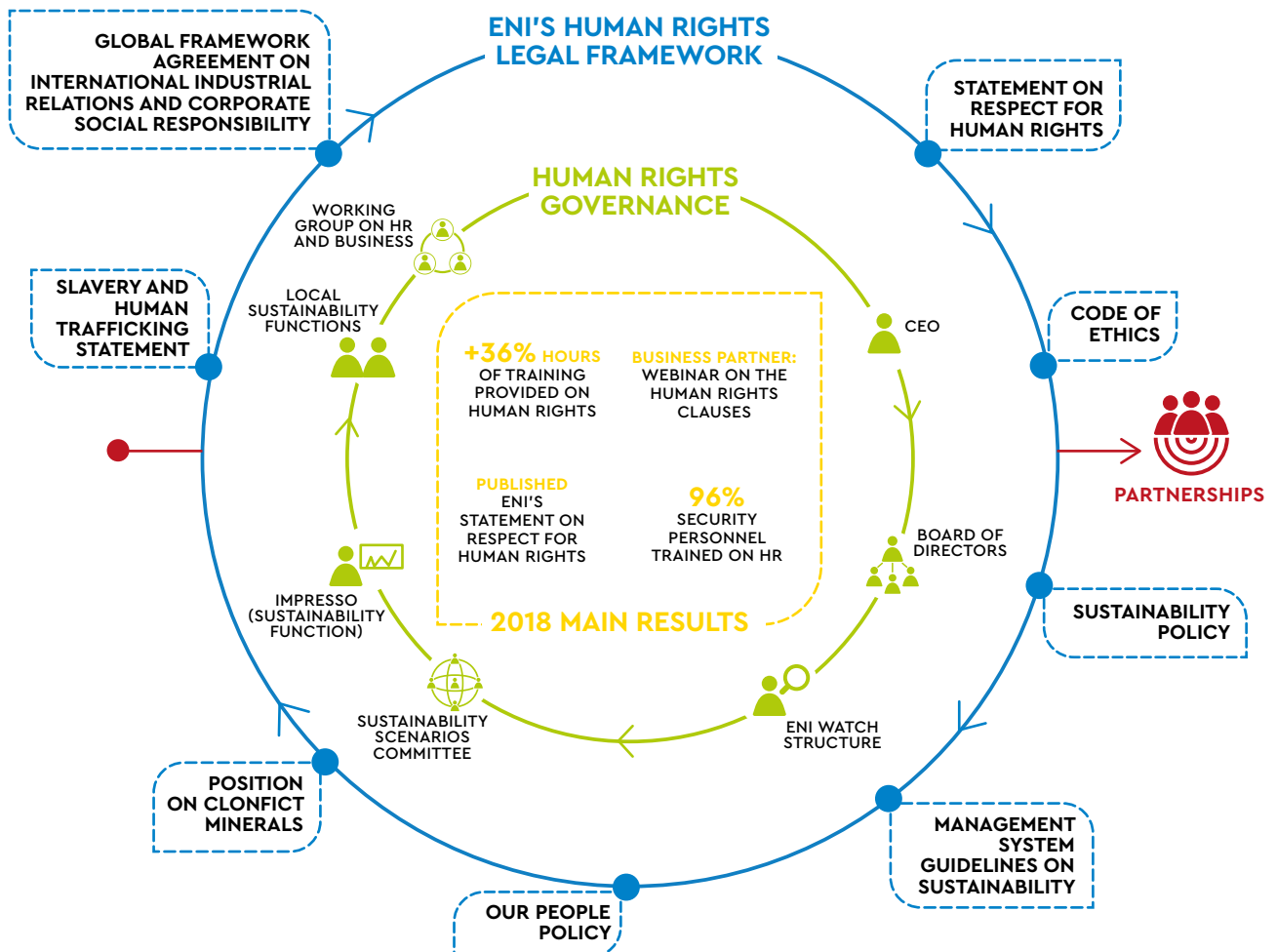
# ENI'S COMMITMENT TO RESPECT FOR HUMAN RIGHTS

## HOW ENI INTEGRATES HUMAN RIGHTS IN ITS ACTIVITIES

Eni started to integrate respect for human rights into its policies, procedures and practices since 2000s, which led to the publication of Eni's Statement on Respect for Human Rights, in 2018. Eni's commitment towards human rights starts from the top with the CEO and the Board of Directors and spreads along the entire organization. To ensure that everybody who works in or for Eni is aware of the importance the company places on human rights, Eni developed training and awareness-raising activities dedicated to its employees and business partners. Moreover, Eni collaborates with human rights experts and organizations to contribute to the debate on the topic.

This section presents information on:

- The evolution of Eni's Human Rights legal framework, in terms of human rights integration into policies and practices (page 12);
- Eni's Statement on Respect for Human Rights (page 13);
- Human Rights reflected in Eni's internal policies, including a description of policies, procedures and guidelines (page 16);
- Human Rights Governance, including performance incentives (page 19);
- Communicating commitment: Eni's CEO speaks out on human rights (page 24);
- Embedding human rights: training activities (page 25);
- International relations and partnerships for human rights (page 30).

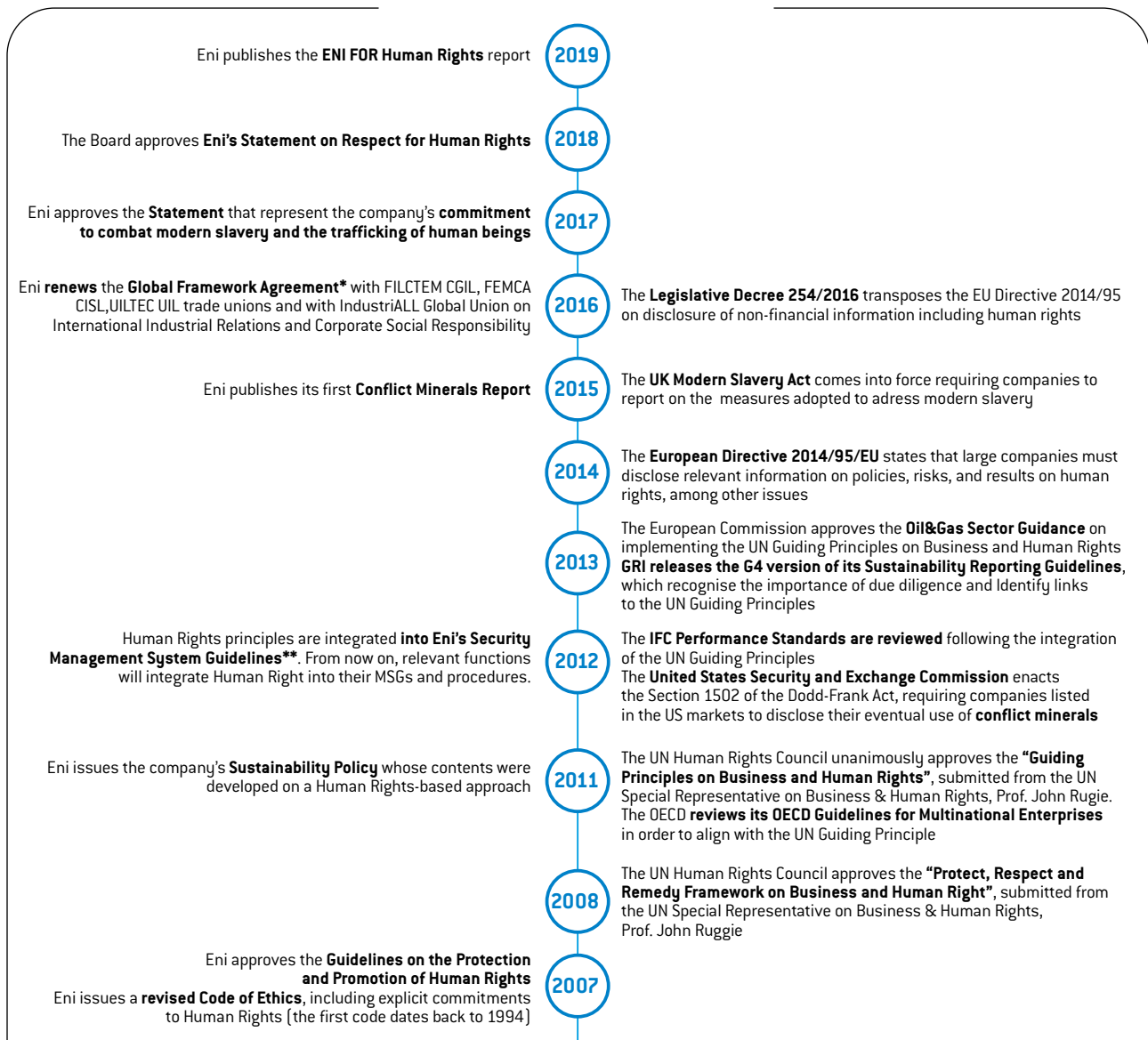


## THE EVOLUTION OF ENI'S HUMAN RIGHTS LEGAL FRAMEWORK

Eni began working to **integrate respect for human rights** into its policies and practices in the 2000s and has experienced renewed impetus in the last four years. Indeed, Eni's Top Management Workshop on Business and human rights held in October 2016 added momentum to the Company's Human Rights agenda. The renewed commitment from Eni's CEO, who opened the Workshop and published a post on his blog on the importance of Human Rights for Eni (for details see p. 24), led to the launch of a training program and to the appointment of the second Working Group on Human Rights and Business (HRBWG, for details see p. 19).

### → Integration of Human Rights into Eni's HR internal framework

### Evolution of international scenario and national policy framework ←



[\*] The GFA was renewed again in 2019.

[\*\*] The **Management System Guidelines (MSG)** define the rules common to all Eni units and may regard either processes or compliance/governance.

## ENI'S STATEMENT ON RESPECT FOR HUMAN RIGHTS

### OBJECTIVE OF THE STATEMENT

A decisive moment in Eni's development of the Business and Human Rights agenda was the publication, in 2018, of **Eni's Statement on Respect for Human Rights** approved by the Board of Directors (BoD). The ultimate goal of the document is **to illustrate Eni's approach to human rights, the standards adopted and the commitments to meet its responsibilities.**

The Statement is addressed to all parties working for and with Eni, including employees, business partners and local communities and its application is mandatory for Eni SpA and all companies directly and/or indirectly controlled by Eni in Italy and abroad.

The document aims to meet the requirements set out in the UN Guiding Principles starting from an explicit commitment to both implementing the Human Rights Due Diligence and providing access to remedy. Moreover, the Statement sets out Eni's human rights salient issues and outlines the standards and processes in place to manage them. The document also addresses cutting-edge topics such as biodiversity, ownership and use of land and natural resources, including water, as well as vulnerable groups, including children, human rights defenders and other affected stakeholders.

### IN 2018 ENI'S STATEMENT ON RESPECT FOR HUMAN RIGHTS IS PUBLISHED



### SET UP PROCESS

The Statement was drafted thanks to the cooperation within the **inter-functional working group on Human Rights and Business** (for details see p. 19). Following its drafting, the document was **shared with rights-holders' representatives** (IndustriAll) and **authoritative third-party organizations and experts**, such as the Danish Institute for Human Rights (DIHR), the Institute for Human Rights and Business, Unicef Italia and the Italian Interministerial Committee for Human Rights. The aim of this consultation was to gather input on Eni's commitments, strategies and processes in order to integrate rights-holders' and stakeholders' views and concerns into the draft. Furthermore, the CEO actively participated in the process and Eni's Board approved the Statement. Discussions at the maximum decision levels provided a unique opportunity to consolidate Eni's mindful commitment to respect for human rights.



TRAINING WORKSHOP FOR THE  
COMPANY'S SENIOR MANAGEMENT  
ENTITLED "RAISING AWARENESS ON BUSINESS  
AND HUMAN RIGHTS IN ENI ACTIVITIES"

## MAIN ISSUES ADDRESSED IN THE STATEMENT

- Explicit reference to **international treaties and standards** such as:
    - International Bill of Rights;
    - ILO Declaration on Fundamental Principles and Rights at Work
    - UN Guiding Principles on Business and Human Rights;
    - Principles of the UN Global Compact;
    - OECD Guidelines for Multinational Enterprises;
    - Voluntary principles on Security and Human Rights;
    - IFC Performance Standard on Land Acquisition and Involuntary Resettlement.
  - Provisions on the development of **complaint and remediation** mechanisms in case of negative impacts and against retaliation;
  - Specific commitments regarding respect for human rights in the workplace, for individuals and local communities, in security and in business relations, including suppliers, in order to assess, manage and prevent the most critical aspects related to the respect of human rights;
  - **Provisions** ranging from using its leverage with **Joint Venture Partners and other Business Partners** to expressing concern in case of human rights issues in a Country of operation;
- Moreover, in the event of obstacles to the implementation of the Statement deriving from divergence between national local laws and its operating standards, Eni is committed to striving to develop alternative measures aimed at promoting respect for human rights.
- Commitment to issue specific instructions and deliver focused training to Eni's employees and other awareness-raising initiatives dedicated to contractors and other business partners;
  - Participation in multi-stakeholder initiatives at local, national or international level, and public/private partnerships in this area.



INTERVIEW

**MINISTER FABRIZIO PETRI**  
 PRESIDENT OF THE  
 ITALIAN INTERMINISTERIAL  
 COMMITTEE FOR HUMAN  
 RIGHTS

### INTERVIEW WITH MINISTER FABRIZIO PETRI (CIDU)

Plenipotentiary Minister Fabrizio Petri has been President of the Italian Inter-ministerial Committee for Human Rights (CIDU) since 2016. The CIDU has the task of performing, coordinating and monitoring at national level the activities of compliance, implementation and follow up of the International Human Rights Conventions and the commitments undertaken by Italy in International Law relating to the protection and promotion of human rights. CIDU has directed and coordinated the drafting process of the Italian National Action Plan on Business and Human Rights, one of the first Plans to be adopted at global level (2016).

**President Petri, thanks to the work carried out in recent years by the CIDU, Italy now recognizes the importance of the relationship between business and human rights. In this regard, what role do you see for large companies like Eni?**

*In our opinion, the role of large companies is crucial above all for their ability to act as cultural transformers in the field of the protection of human rights by the private sector. The voluntary, soft law approach of the United Nations Guiding Principles and the Italian Action Plan requires that large companies take the lead, as they can control production chains, but above all because they can set a good example that stimulates small and medium-sized enterprises to take the necessary steps along the BHR path.*

**The CIDU is one of the authoritative stakeholders with which Eni has worked in developing its new Statement on Human Rights and the identification of "salient issues". What is your impression of Eni's track record in the field of human rights?**

*The Statement seemed well structured to us and it brings out Eni's commitment and clearly underlines its priorities. On behalf of the CIDU, I would like to express our hope that over time you will be able to further strengthen interaction, both at national and international level, with civil society and, in particular, with human rights defenders. Listening to the demands of the most defenceless groups of the population and of those most at risk of suffering violations of human rights, even primary ones, is perhaps the most important task of large companies like Eni.*

## ENI'S STATEMENTS IN COMPLIANCE WITH NATIONAL LAWS

### Eni's Slavery and Human Trafficking Statement

#### OBJECTIVES

- **Eni's Slavery and Human Trafficking Statement** is set out to be compliant with the UK Modern Slavery Act 2015 that requires companies to report the measures taken to address modern slavery in their supply chains.
- The Statement represents Eni's and its companies' commitment to combat modern slavery and the trafficking of human beings within the organization.
- For further information see p. 59.



#### BOARD APPROVAL

- On April 24<sup>th</sup> 2019, the Eni SpA Board of Directors approved the 2018 Statement.

### Eni's position on Conflict Minerals

#### OBJECTIVES

- **Eni's position on Conflict Minerals** is set up to be compliant with the Section 1502 of the Dodd-Frank Act enacted by United States Security and Exchange Commission, that requires companies listed in the U.S. to disclose any sourcing of conflict minerals and the due diligence measures adopted in the supply chain.
- Eni's standard contractual terms regarding the supply of products that contain or may contain Conflict Minerals include binding and clear-cut requirements regarding Conflict Minerals and responsible sourcing.



## SPECIFIC AGREEMENTS

### The Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility

#### OBJECTIVES

- The Global Framework Agreement (GFA), renewed on June 2019 with the FILCTEM CGIL, FEMCA CISL, UILTEC UIL trade unions and with IndustriALL Global Union includes a number of commitments to comply with the UN Universal Declaration of Human Rights, the Declaration on the elimination of all forms of discrimination against women, the Declaration of the Rights of the Child, the International Covenant on Civil and Political Rights, the ILO Conventions more directly applicable to Eni's business, the OECD Guidelines for Multinational Enterprises, the principles of the UN Global Compact, the ILO Declaration on Multinational Enterprises revised in 2017, and the UN Guiding Principles on Business and Human Rights.

For details see pp. 44; 46; 60.



## HUMAN RIGHTS REFLECTED IN ENI'S INTERNAL POLICIES

Eni's Statement represents both Eni's manifesto on human rights and the summary of its journey over the last decade whose strategic landmark was the integration of Human Rights into the internal legal framework. Indeed, provisions aimed at ensuring respect for Human Rights have been embedded in a number of policies and procedures specific to: **Human Resources**, relations with **Business Partners**, including **suppliers, relations with Host Communities, and Security operations**.

### INTERNAL POLICIES

Policies are part of Eni's regulatory system, they are mandatory documents that define the general principles and rules of conduct that must inspire all of Eni's activities, in order to achieve corporate objectives, having taken due account of risks and opportunities. Policies cut across processes and each focuses on a key element of Company management. The policies are approved by Eni's Board of Directors.

### Code of Ethics



#### OBJECTIVES

- The **Code of Ethics sets out the main values** that guide Eni's actions and translates them into rules of conduct so that the principles contained therein form a practical guide for corporate operations. The Code of Ethics applies to all direct and indirect subsidiaries both in Italy and abroad. In 2019 a project to significantly update the Code of Ethics was launched, with the aim to deliver the new Eni Code of Ethics by 2020. The Code will be revised as a Charter of Values, it will be more concise, making appropriate references to internal regulations and, at the same time, it will further enhance Eni's commitment to respect its people and the application of human rights.

#### BOARD APPROVAL

- Eni's Board of Directors approved the latest review of the Code in November 2017. The review of the Code itself is based, among other things, on consultation with stakeholders: *The proposal is made taking into consideration the Stakeholders' evaluation with reference to the principles and contents of the Code, promoting active contribution and notification of possible deficiencies by Stakeholders themselves.* In line with this provision of the Code, the first review of the Code greatly benefited from consultation processes involving both internal and external rights holders representatives (trade unions and Consumers Associations) and stakeholders including NGOs **focused on environmental and human rights issues** and ESG Investors, representatives of suppliers, vendors and franchisees.

#### COMMITMENTS

- to operate in accordance with the United Nations' **Universal Declaration of Human Rights**, the eight **Fundamental Conventions of the ILO** and the **OECD Guidelines on Multinational Enterprises**;
- to take **all possible measures** to ensure the respect of the principles included in the Code of Ethics within Eni's relations with its Business Partners, including Joint Venture partners and suppliers;
- to carry out Eni's activities in compliance with international standards on **occupational health and safety and environmental and public safety protection**. Indeed, **Eni employees and managers are required to actively participate in the risk prevention process as well as environmental, public safety and health protection for themselves, their colleagues and third parties**;
- to **engage stakeholders** and integrate the outcomes of these informed consultations into its projects in order to minimize impacts;
- to provide potential users of a **whistleblowing process** with transparent information on the process and **guarantee confidentiality and non-retaliation**.

[For details see p.88]



## Sustainability Policy

### OBJECTIVES

→ The **Sustainability Policy** illustrates **Eni's will to endorse human rights** and communicates its expectations to both its own people and its Business Partners.

### COMMITMENTS

- To set out several provisions concerning **respect for the human rights of host communities** with reference to the most critical activities, including consultation, land management, security activities and relations with indigenous peoples;
- To develop alternative measures aimed at promoting respect for human rights in the event of obstacles to the implementation of Eni's internal policies deriving from divergence between national local laws and its operating standards.



## Our People Policy

### OBJECTIVES

→ Eni's **Our People Policy** strengthens the **Company's approach to human rights** and encompasses not only the labour rights recognized in the fundamental ILO Conventions, but also other entitlements and freedoms included in the Decent Work agenda, including dignity at work and zero-tolerance for harassment in the workplace.

### COMMITMENTS

- To ensure **non-discrimination** and encourage initiatives aimed at fostering international mobility and internal communication.
- To provide **equal opportunities** without any discrimination based on race, colour, gender, religion, nationality, political preferences, sexual orientation, social status, age or any other personal condition not relevant to the work requirements.
- To uphold the rights recognized in the "**Universal Declaration of Human Rights**" in the Countries in which Eni operates, condemning any behaviour against those principles and promoting actions inspired by **honesty, integrity and respect**.
- To condemn all forms of harassment in or outside the workplace.
- To recognize merit-based raises and incentives which are based exclusively on criteria relating to assigned levels of responsibility, competencies and performance, which are assessed through standardized international methods and on the basis of market references, excluding any form of discrimination.
- To recognize fair remuneration, aligned with relevant market references, significantly higher than minimum level wages.



## The integrity of our Operations Policy

### OBJECTIVES

→ **Eni's integrity of our Operations Policy** formalizes its **culture**, which guides Eni's actions to **prevent risks and improve integrity in its operations**. With this aim in mind, Eni adopts a proactive approach in mitigating risks, as an integral part of management and business activities.

### COMMITMENTS

→ To manage the security risk by adopting preventive and defensive measures, in full accordance with human rights regulations and the highest international standards.



## 2019-2020 OBJECTIVES: FINALIZATION OF THE SUPPLIERS CODE OF CONDUCT



### Our partners of the value chain

#### OBJECTIVES

→ Eni's **Our partners of the value chain** Policy promotes the creation of long-term relationships with strategic partners. Eni recognizes that managing partner relationships is vital to guarantee an integrated, coordinated and transparent approach, in order to take advantage of the best opportunities and minimize risks. Eni is also aware that providing high-quality products and services to customers is of fundamental and indispensable value.

#### COMMITMENTS

- To promote sharing of know-how, technology and processes with strategic partners.
- To contribute to sustainable development through tangible projects in the territories in which it operates.
- To select partners that satisfy the necessary requirements of professionalism, ethics, honourability, and transparency, within a framework of transparency and fairness.
- To favour free competition adopting antitrust rules.
- To monitor the performance of its partners through appropriate feedback and reporting tools.

### INTERNAL GUIDELINES

Management System Guidelines (MSG) define the rules common to all Eni units and may regard either processes or compliance/governance (the latter usually approved by the Board of Directors).



### Eni's Management System Guidelines on Responsible and Sustainable Enterprise

#### OBJECTIVES

→ Eni's **Management System Guidelines on Responsible and Sustainable Enterprise** reflect the increasing importance and complexity of the Business and Human Rights framework. The document was specifically meant to implement Eni's Sustainability Policy, as well as to summarize the main processes aimed at improving Eni's performance relating to human rights and its social footprint in general.

As an **Annex** to this fundamental document, Eni is developing a new document specifically focused on **human rights** and aimed at regulating Eni's human rights due diligence process both at entity and process level.

#### COMMITMENTS

- To provide instructions to the owners of the most critical processes in terms of processes and tools to be aligned with the Business and Human Rights framework;
- To be compliant with international standards on workers' rights and access to remedy;
- To prevent and mitigate Human Rights risks deriving from the conduct of Business Partners, including suppliers.

## HUMAN RIGHTS GOVERNANCE

### MANAGING HUMAN RIGHTS STARTING FROM THE TOP

#### STRUCTURE

#### MAIN ACTIVITIES

##### CEO

The CEO proposes the Company's strategy and objectives, including those for sustainability, to be approved by the Board of Directors, and ensures the implementation of Board resolutions, periodically reporting the results to the Board. During some meetings held in 2018, the CEO informed the Board also on human rights.

##### BOARD OF DIRECTORS

The Board plays a central role in the integration of human rights into the governance of Eni's sustainability: it approves the Company's strategy and objectives, including those for sustainability, and it is also responsible for approving the most important internal policies, including Eni's Statement on Respect for Human Rights and the Code of Ethics.

In 2018, the Board addressed the following issues, which directly concern human rights or are particularly relevant to the topic:

- Eni's Statement on Respect for Human Rights;
- The 2018 Annual Report, which includes the Consolidated disclosure of non-financial information; the 2019 Remuneration Report, which includes sustainability objectives in the determination of performance incentives, including those for health and safety; and the 2018 Sustainability Report "Eni for 2018";
- HSE Performance in 2017, which examines issues with a direct impact on respect for human rights by Eni, which applies not only to workers but also to local communities. As an example, the HSE Performance reports on Eni's capacity to respect the right to safe and healthy working conditions and the right to the highest attainable standards of physical and mental health;
- Sustainability scenario, which sets out emerging issues – including those connected with respect for human rights – and the initiatives Eni has planned in this area;
- Updating of the UK "Modern Slavery Act" Statement 2017;
- Memorandum of Understanding with UNDP (United Nations Development Program), aimed at expanding the access of local communities to social and economic rights.

##### ENI WATCH STRUCTURE

Eni Watch Structure acts as the Guarantor of the Code of Ethics, responsible for promoting and verifying the Code's implementation. It is appointed by the Eni Board and it is made up of both internal and external members, including the Chairman, who meet specific requirements for their independence, expertise and professionalism. Eni Watch Structure is also responsible for presenting a **report every six months** on the Code's implementation and any necessary updates to the Control and Risk Committee, the Board of Statutory Auditors and to Chairman and CEO of Eni, who reports to the Board.

##### SUSTAINABILITY AND SCENARIOS COMMITTEE

Established in 2014, the **Sustainability and Scenarios Committee** within the Board advises the Board on scenarios and sustainability issues. The Committee is also in charge of evaluating the processes, initiatives and activities aimed at supporting Eni's commitment to sustainable development throughout the value chain. The Rules of the Committee were updated in 2017, explicitly including human rights among the sustainability issues for which the Committee submits proposals and advice to the Board.

The Committee is appointed by the Board and consists of four non-executive directors, most of whom are independent, in line with current legislation and Corporate Governance Code, including the Chairman.

During 2018, the Sustainability and Scenarios Committee also examined several aspects directly or indirectly concerning human rights, in particular, the aforementioned Eni Statement on the Respect for Human Rights.

## STRUCTURE

### SUSTAINABILITY FUNCTION “Responsible and Sustainable Enterprise (IMPRESSO)” and local sustainability functions

## MAIN ACTIVITIES

The **Sustainability function** is in charge of coordinating Eni’s overall approach to Human Rights Due Diligence and supporting Eni’s business/support functions to ensure respect for human rights. Clearly, such an ambitious role can only be filled through leadership and coordination aimed at engaging and creating synergies with all Eni’s functions playing a role in ensuring the Company’s respect for human rights.

The Sustainability function is also in charge of:

- cooperating with all the Company’s functions in finding day-to-day solutions if Human Rights issues arise;
- providing technical assistance to the Sustainability and Scenarios Committee;
- proposing Human Rights Management Objectives to the Company’s management and monitoring their achievement.

The competent **local sustainability functions** support those in charge of industrial projects and ensure the implementation of Eni’s Human Rights Due Diligence at the local level, including context specific human rights issues such as respect for indigenous peoples’ special rights and the responsible acquisition of land, making use of the technical assistance provided by the Sustainability function.

### INTERNAL HUMAN RIGHTS AND BUSINESS WORKING GROUP (HRBWG)

The Human Rights and Business Working Group (HRBWG), led by the Sustainability function, was appointed in 2017, and completed its activities in June 2018, publishing a Report with 35 identified actions, 29 of which were to be completed by December 2018 and the remaining ones by December 2019.

The HRBWG had a cross-cutting nature and was initially composed of approximately 20 members, covering several functional areas and business units, then involving over 100 colleagues belonging to over 50 units, with over 100 meetings. The represented functions were Exploration, Refining & Marketing, Upstream Operations, Versalis, Sub Saharan Region Sustainability Manager, Procurement, Human Resources, Compliance, Health, Safety, Environment, Security, International Negotiations, Integrated Risk Management, Investor Relations, Governance, International Relations and External Communication.

The strategic mission of the HRBWG was to design the Company’s Human Rights agenda. To this aim, the HRBWG goals were:

- identifying the main improvement areas;
- defining the actions required to fill the identified gaps;
- developing an action plan for the implementation of the actions.

The steps undertaken by the working group were:

- The organization of a Workshop aimed at identifying Eni’s salient human rights issues [for details see p. 33];
- Conducting a Company-wide human rights gap analysis carried out by the DIHR as a pre-condition for meeting its planned goals [for details see p. 33].

The working group was also meant to focus on new trends and requirements deriving from the evolution of the Business and Human Rights framework.

The main achievement of the HRBWG was to define the model for the governance of human rights in the Company, which sees the Sustainability function having a coordination role in the Human Rights Due Diligence, whose responsibility for its proper execution remains under each department in charge of the most salient processes.

Further key accomplishments include:

- a brand new policy commitment on human rights;
- a model to assess E&P projects in terms of potential human rights impacts, aimed at identifying the riskiest projects requiring a deeper understanding and assessment of their impacts on rights-holders. By applying this new prioritization model the Company will be able to select the projects worth of dedicated measures, such as a Human Rights Impact Assessment.
- a comprehensive mapping of the indigenous peoples living in areas where Eni has operations in place, to allow the adoption of the necessary measures to not infringe human rights of this vulnerable group;

**STRUCTURE**

**INTERNAL WORKING GROUP ON HUMAN RIGHTS AND BUSINESS (HRBWG)**

**MAIN ACTIVITIES**

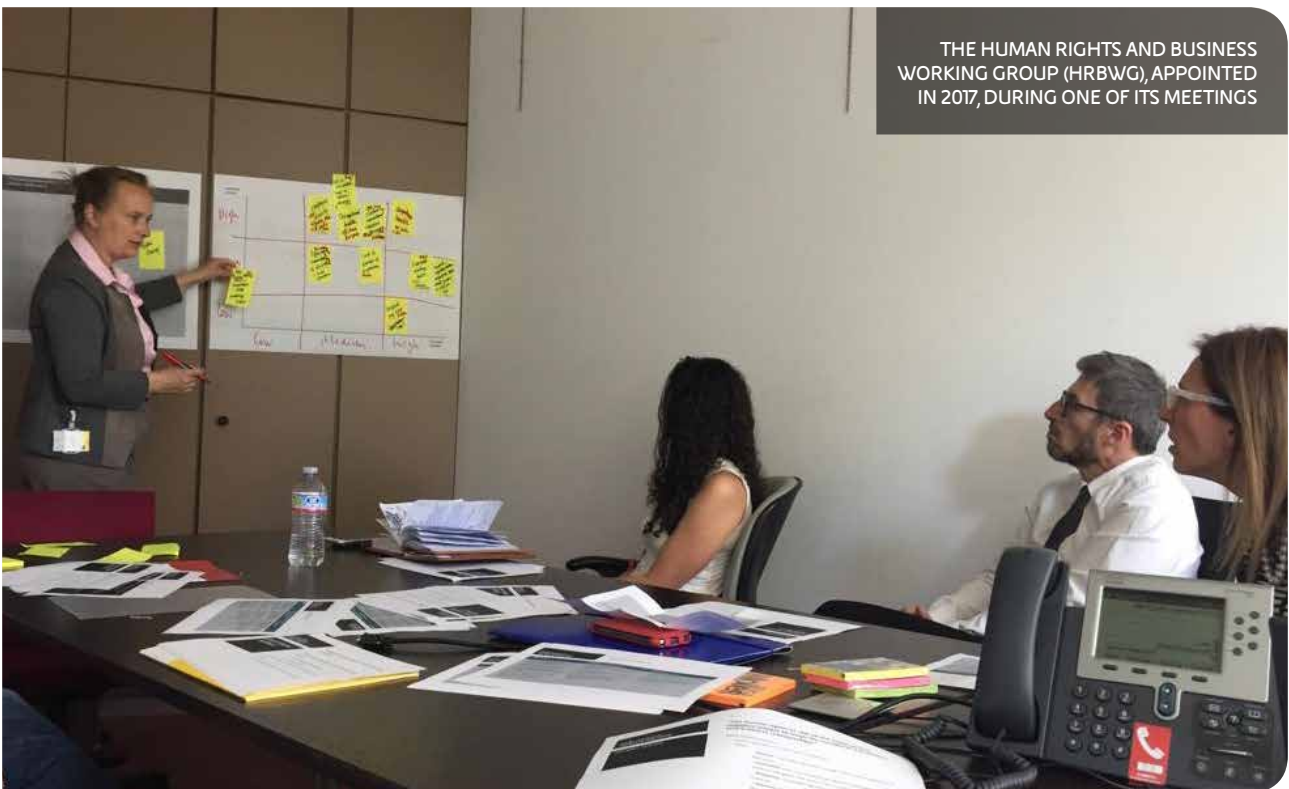
- a methodology to integrate the human rights view in the Environmental, Social, Health Impact Assessment that the Company carries out before entering into each gate of an E&P project;
- a clause on human rights to be applied in the agreements with state authorities, government entities and Business Partners;
- a methodology to screen potential Business Partners on the basis of their previous human rights track records and performances, aimed at bringing to light potential red flags requiring specific measures in terms of Company leverage to improve Business Partners' Human Rights standards;
- training initiatives on salient human rights issues in the areas of security, relations with communities, the workplace and the supply chain;
- new tools to vet and evaluate suppliers based on their labour and Human Rights standards;
- closer cooperation and engagement with international and local partners in the field of human rights, such as IPIECA, the Institute for Human Rights and Business, the Italian Interministerial Committee for Human Rights (CIDU), AVSI, IndustriAll, etc.
- new measures to further improve Security activities and the degree of their alignment with the Voluntary Principles on Security and Human Rights.

**2019-2020 OBJECTIVES: FINALIZATION OF THE INTERNAL SYSTEM FOR MANAGING HUMAN RIGHTS ISSUES DESIGNED BY THE HRBWG**

Moreover, an Annex to Eni's Management System Guidelines on Responsible and Sustainable Enterprise has been drafted in order to make the activities of the HRBWG more systematic and continuative.

The process to assign Management Objectives to senior management in charge of several departments was implemented as a crucial trigger for the achievement of such ambitious targets. The results of this HRBWG were brought to the attention of the Chief Services and Stakeholder Relations Officer and a selection of them to the attention of Eni's Sustainability Committee.

The activities of the HRBWG followed the work of a first Human Rights Working Group appointed in 2011. See page 39 for information on its activities.



THE OBJECTIVES

2019 OBJECTIVES FOR THE ANNUAL VARIABLE INCENTIVE PLAN OF THE CEO/GM

**25%**  
ENVIRONMENTAL SUSTAINABILITY AND HUMAN CAPITAL

**12.5%** SEVERITY INCIDENT RATE  
**12.5%** GHG EMISSIONS INTENSITY UPSTREAM

ENSURING RESPECT FOR HUMAN RIGHTS USING MANAGEMENT OBJECTIVES

Eni Managers working in Departments which carry out activities that may impact human rights have objectives linked to the integration of the human rights perspective in their analyses and activities, together with operational and economic-financial targets. These objectives can be assigned to Managers with various degrees of responsibility [i.e.: Directors, Vice Presidents, Global Heads or Managing Directors, Commercial Managers of Eni subsidiaries, etc.].

As per the CEO's 2018 performance indicators, for instance, particular relevance has been assigned to the environmental sustainability and human capital objective, with an overall weight of 25% in terms of reducing CO<sub>2</sub> emissions intensity and the Severity Incident Rate (SIR). SIR measures the frequency of total injuries recordable over the number of hours worked, **considering both employees and third parties' staff**, assigning them increasing weights depending on the severity of the incident.

For Managers with strategic responsibilities, remuneration plans are also strictly aligned with those of the Chief Executive Officer and General Manager, to better guide and align managerial action with the objectives set out in the Company's Strategic Plan.

In addition, Eni's variable remuneration schemes maintain a strong link with Eni's sustainability goals, including those relating to human rights, with a weighted percentage ranging between 10% and 25%, depending on the responsibilities assigned and the impact on the results.

In 2018, Management Objectives directly linked to the implementation of the Company's Human Rights policy commitment were assigned to 8 Directors (out of 16 in the first reporting line of the CEO), over 30 senior managers and 5 Managing Directors of Eni's subsidiaries, in addition to their operational and economic-financial targets. These Management Objectives, assigned to senior management in charge of business departments that may produce potential impacts on human rights (such as Security, Procurement, Human Resources, Exploration and Production), have been linked to several human rights targets. The organization of Human Rights workshops for security forces, the update of the methodology in use to assess the social performance of suppliers, the development of specific training initiatives are examples of the criteria that have been in place for assigning and measuring Management Objectives.

In specific circumstances, Eni's Business Partners were involved in this process, for example in the drafting, negotiation and application of a human rights clause to be reflected in business agreements. The application of Management Objectives also related to the performance of human rights studies, aimed at understanding the impacts of specific business projects on communities and individuals.

Roles and responsibilities on sustainability issues



## THE PROCESS LEADING TO THE ASSIGNMENT OF MBOs

The Sustainability function is responsible for proposing and monitoring progress in Management Objectives on Sustainability issues, including human rights.

The Board of Directors approves the policy for the remuneration of the Directors and other Managers with strategic responsibilities, which is described in the Remuneration Report. The Remuneration Policy is also subject to the Annual General Meeting's non-binding vote.

When specific activities and issues require special attention due to their potential impact on human rights, whether it be positive or negative, Management Objectives are also assigned to Eni's subsidiaries at all levels, including Managing Directors.

## KEY PERFORMANCE INDICATORS

### BOARD OF DIRECTORS AND CONTROL BODIES OF ENI GROUP<sup>(a)</sup>

		2016	2017 <sup>(b)</sup>	2018
<b>Diversity in the management and control bodies of the Eni Group</b>				
Presence of women on the Board of Directors	%	27	32	33
Presence of women on the Board of Statutory Auditors <sup>(c)</sup>		37	37	39

(a) For consistency with the representation in the 2017 financial statement, the Eni Group is understood to mean Eni SpA and its subsidiaries consolidated with the line-by-line method.

(b) Refers to the Board in office up until 13 April 2017 and, since 13 April 2017, to the current Board.

(c) Outside of Italy, only the companies with a control body similar to the Italian Board of Statutory Auditors were considered.

The current BoD was appointed by the Shareholders' Meeting held on 13 April 2017. To appoint the Directors, the Shareholders' Meeting took into account the directions promptly communicated to the market by the BoD previously in office on the best composition in terms of diversity, such as gender, professionalism, managerial experience and internationality. The result is a well-balanced and diversified BoD. A third of members of the BoD and of the Boards of Statutory Auditors, including the Chairs, are women. The internal regulations on the "Corporate Governance of Eni companies", subject to the requirements of the law, provides that in selecting the members of the management and control boards of Eni's Italian and foreign subsidiaries, the need for diversity (including gender diversity) is, where possible, taken into account. In line with these regulations, Eni's commitment to reinforcing the presence of women on the management and control boards of Eni's companies is ongoing.

### REMUNERATION

	2014-2017 Policy Mandate		2017-2020 Policy Mandate	
	Target (%)	Maximum (%)	Target (%)	Maximum (%)
% of CEO remuneration linked to long-term objectives	46	51	53	65
% of CEO remuneration linked to sustainability objectives	25	33	25	38

The Chief Executive Officer's (CEO) overall pay mix in the 2017-2020 term is more focused on variable components, which are also linked to **sustainability targets**, with a strong prevalence of the long-term component. The table shows the percentage of the remuneration linked to long-term objectives and the percentage of annual variable remuneration linked to sustainability objectives, if the target or maximum level company objectives are achieved compared to an overall target level performance.

## COMMUNICATING COMMITMENT: ENI'S CEO SPEAKS OUT ON HUMAN RIGHTS

Eni wants to ensure that everybody who works in or for Eni is aware of the importance the Company places on human rights: this is why Eni's CEO has been speaking out on the topic.

*"Our commitment to safeguarding human rights, which places people at the centre and recognises the diversity of the other as a resource, must be the foundation of our daily activity"*

Claudio Descalzi, CEO of Eni

- In October 2016, the CEO published a message on his **blog** remarking the start of the training workshop for the Company's senior management entitled "Raising awareness on Business and Human Rights in Eni Activities". The leaders of international associations and organizations were invited to speak on the opportunities and challenges in the implementation of the Business and Human Rights framework. The event's goal was to **raise awareness about Business and Human Rights** issues and it involved a panel of **experts from key associations** for the Business and Human Rights community such as the Danish Institute for Human Rights, Amnesty International, the Institute for Human Rights and Business, the University of Notre Dame (Indiana, US) and IPIECA. Eni's **Board of Directors** and Board of Statutory Auditors attended the event, as well as management representatives (200 people in person and 200 via video link from abroad).
- The CEO's commitment on human rights was highlighted in December 2018, ahead of the approval of **Eni's Statement on Respect for Human Rights**, when he published a post on his **blog** about the paramount importance of human rights for Eni. This message mirrors the Eni CEO's commitment to actively promoting a company culture based on placing the human element in achieving the objectives at the centre of the business activities. Within this context, the CEO's blog on the company intranet was launched in 2015, triggering an open and direct dialogue with all Eni's people, which recorded over 240,000 hits in 2017.
- In 2019, Eni was the first oil and gas company to comply with the **CEO Water Mandate**, a UN Global Compact initiative that mobilizes business leaders on water, sanitation, and the Sustainable Development Goals (for details see p. 73).
- In 2019, the CEO signed the **"CEO Guide to Human Rights"** published in 2019 by **World Business Council for Sustainable Development**, which reports Eni's CEO Statement about the importance of respecting human rights and improving Eni's business and human rights standards. The CEO of Eni also contributed with a video to the campaign for launching this Guide.

## COMMUNICATING COMMITMENT TO BUSINESS PARTNERS

Business partners are made aware of Eni's expectations in relation to respecting human rights during the early stages of business relationships. Besides the specific provisions on human rights included in the Code of Ethics and Management System Guideline on Sustainability, Eni implements training initiatives depending on the contractual relationship and the leverage it has on the partners. In particular, Joint Venture partners, Suppliers and Public and private military forces are identified as a priority for engagement on these issues.

As for training, initiatives on the Code of Ethics dedicated to Joint Venture partners are delivered in controlled companies as well as in Eni's subsidiaries.

Furthermore, Eni employees and management, which are responsible for procurement activities and suppliers are also invited to participate in ad hoc courses and awareness raising initiatives.



## EMBEDDING HUMAN RIGHTS: TRAINING ACTIVITIES

Eni considers training and awareness-raising activities dedicated to its **employees** and **Business Partners** to be a **key element** of its commitment to respecting human rights. Eni wants to ensure that **every employee is aware** of the importance that the Company places on human rights.

**IN 2018, + 36% HOURS OF TRAINING PROVIDED ON HUMAN RIGHTS (VS 2017)**

## OUR INITIATIVES AND TOOLS TO RAISE AWARENESS ON HUMAN RIGHTS

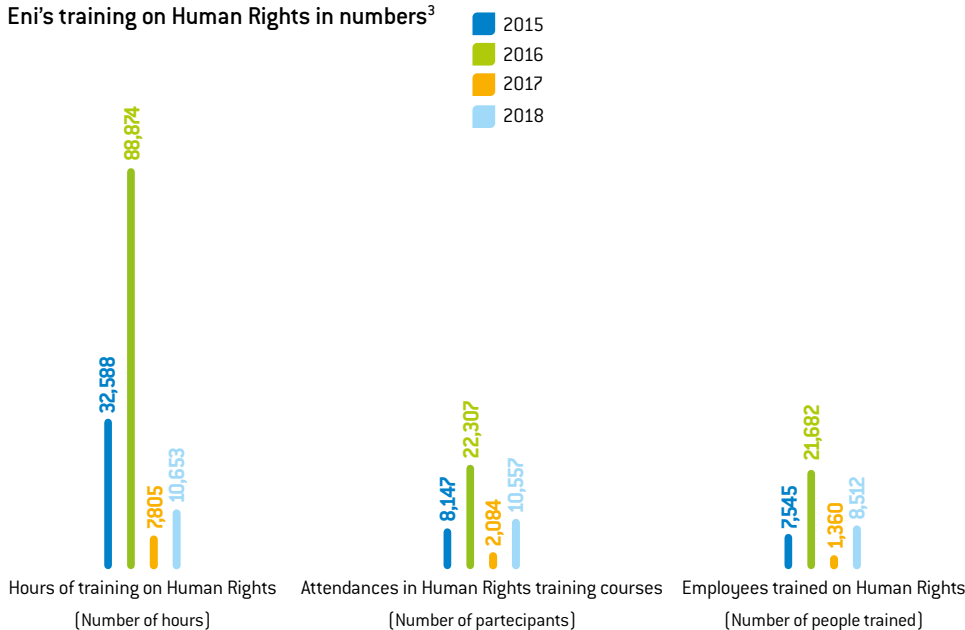
Over the last few years, Eni has developed a wide range of training courses on Business and Human Rights which differ in terms of format and content in order to offer colleagues the training options that best suit their needs.

**IN 2018, TRAINING ON HUMAN RIGHTS DELIVERED TO 96% OF SECURITY PERSONNEL**

Eni's training on Business and Human Rights is organized in a diversified strategy along four lines:

1. **General courses on Business and Human Rights** for all Eni people
2. **Specific courses on topics and areas** particularly exposed to risks of negative impacts
3. **Training initiatives on issues closely linked with human rights** (e.g.: Code of Ethics, HSE, etc.)
4. **Practical training on Voluntary Principles on Human Rights and Security**

Eni's training on Human Rights in numbers<sup>3</sup>



**91%**  
**EMPLOYEES TRAINED ON HUMAN RIGHTS\***

In 2018, the Human Rights program continued, after the massive campaign held between 2016 and 2017, with specific in-depth thematic follow-ups (e.g., Security in the Workplace and Relations with Community) aimed at different targets depending on the content of the modules. According to a three-year plan for 2018-2020, in 2019, colleagues from additional departments not included in the previous target were involved in these in-depth thematic follow-ups.

(\*) This percentage is calculated as the ratio between the number of registered employees who have completed a training course on the total number of registered employees

(3) The 2016 data is higher due to the e-learning program developed for all Eni employees and managers during the year while 2017 and 2018 were dedicated to follow-ups on specific topics.

## 1. GENERAL COURSES ON BUSINESS AND HUMAN RIGHTS

### TRAINING PROGRAM

### ACTIVITIES

#### BUSINESS AND HUMAN RIGHTS WORKSHOPS AND TRAINING SESSIONS

Human Rights training sessions opened the **Human Rights Assessments** and relevant follow-ups held in **Angola (2018 and 2017)**, in **Mozambique (2018 and 2014)** and in **Myanmar in 2016**.

In 2017, during the first meeting of the Eni internal Human Rights and Business Working Group, a **training session on Business and Human Rights** was run by the Danish Institute for Human Rights.

In 2016, a **workshop dedicated to Top Managers** was also held in San Donato Milanese. The event was chaired by Eni's CEO, who highlighted the importance of Human Rights and **introduced the new e-learning program** on the topic, which involves all Eni staff.

In 2014, a human rights **training session** moderated by the Danish Institute for Human Rights was held in San Donato Milanese. The session **involved around 50 managers and professionals** from high-risk support functions.

In 2011, the first Eni Human Rights Working Group **hosted several training sessions relating to either Business and Human Rights** or more specific subjects for the sub-groups which had been appointed to deal with specific areas for improvement (labour standards, land management, impact assessment and grievance mechanisms).

Between 2008 and 2011, several **Human Rights Compliance Assessments** (HRCAs) were carried out, all of them preceded by **training sessions** held by the Danish Institute for Human Rights.

#### BUSINESS AND HUMAN RIGHTS E-LEARNING PROGRAM

Eni began working on a Human Rights **e-learning program in 2016** with the aim of:

- creating a common and shared language concerning human rights within the Company by promoting corporate culture on the issue;
- improving the understanding of business's possible impact on human rights;
- promoting Eni's commitment to respect such rights.

All staff and managers who could be involved in impacts on human rights due to their role and the geographic areas where they operate were mapped, and later invited to take part in the program, which was designed and developed in cooperation with the Danish Institute for Human Rights. More than 24,000 people at Eni, from staff to middle and top managers, completed Human Rights remote training between November 2016 and December 2017.

Furthermore, the internal Eni Human Rights Working Group designed a learning strategy aimed at reaching all Eni people on a continuous basis, in order to offset unintentional effects deriving from internal and external mobility as well as turnover.

## 2. SPECIFIC COURSES ON TOPICS AND AREAS PARTICULARLY EXPOSED TO RISKS OF NEGATIVE IMPACTS

### TRAINING PROGRAM

### ACTIVITIES

#### TRAINING INITIATIVES ON SALIENT HUMAN RIGHTS ISSUES

Human Rights training modules have been planned since 2017 on specific topics as described below, and are offered to new hires and Eni employees joining high-risk functional areas from other departments.

Topic	Participants (in HQs and subsidiaries)	Status
Respect for Human Rights in the management of Security Operations	All employees and managers of the Security function	Launched in 2017
Respect for the Rights of Host Communities	All employees and managers of the Sustainability function, including Community Liaison Officers*	Delivery started in 2018
Respect for Human Rights in the Workplace	All employees and managers of the Human Resources function and all Eni employees responsible for supervising workers	Delivery started in 2018
Respect for Human Rights in the Supply Chain	All employees and managers of the Procurement function	Delivery started in 2019

[\*] Chosen among the members of communities to manage the needs of the community.

**TRAINING PROGRAM****ACTIVITIES****TRAINING ON THE GLOBAL FRAMEWORK AGREEMENT**

The **training course focused on** the contents and implementation of the **Global Framework Agreement** on International Industrial Relations and Corporate Social Responsibility was developed and delivered in 2018, involving all Eni employees worldwide. This measure was also set out in the GFA itself.

In order to ensure that all Eni workers, and in particular those with specific responsibilities for ensuring respect for workers' rights, are aware of the commitments included in the Global Framework Agreement, the agreement itself provided for the development of a training course about the contents and implementation of the agreement.

The training program consists of a one-hour e-learning module on the GFA's main topics, it is available to all Eni employees, translated in seven languages and accessible on Eni's online training platform, EniCampus.

Furthermore, in 2019 the aforementioned course has been included into institutional training paths dedicated to managers and newly hired experts.

**WEBINAR ON HUMAN RIGHTS IN INTERNATIONAL NEGOTIATIONS**

In November 2018, Managers from both Sustainability and International Negotiations Departments held a webinar to disseminate knowledge on the new **human rights clauses proposed during negotiations of Petroleum Contracts and Joint Venture Agreements**, including the international standards mentioned.

The event was also meant to shed light on potential risks deriving from contract negotiations as well as from relationships with Business Partners. All Eni upstream negotiators, commercial managers and managing directors have actively participated in the webinar. In addition, a technical guide has been provided to all the upstream negotiators soon after the webinar so that they become more acquainted with human rights principles and guidelines.

**TRAINING ON VOLUNTARY PRINCIPLES ON HUMAN RIGHTS AND SECURITY**

Eni has developed a Training Program on Security & Human Rights dedicated to Security Managers and Public and Private Security Forces both in Italy and abroad. In particular, training sessions have been held in Nigeria and Pakistan (2019), Tunisia (2018), Nigeria (2017), Venezuela and Ecuador (2016), Kenya (2015), Mozambique (2014), Indonesia and Algeria (2013), the Republic of Congo and Angola (2012), Pakistan and Iraq (2011), Egypt and Nigeria (2010) and in Eni's offices in Rome and San Donato Milanese (2009).

The most recent training courses in Nigeria on Security & Human Rights focused on the Nigerian security forces (for details see p. 80).

Eni has also developed material for subsidiary-led training initiatives for local Security managers willing to undertake autonomous training courses, which resulted in particularly relevant cases of emerging risks and/or with training needs due to job rotation.

Eni's training program on Security and Human Rights has been recognized as a best practice in "Responsible businesses advancing peace", the joint publication between the United Nations Global Compact and Principles for Responsible Investment (PRI).

**SUPPLIERS TRAINING ON HUMAN RIGHTS**

Eni has developed material for training initiatives for suppliers during the meeting with the trade association with the aim of explaining the Eni's approach in *Respect for human rights as priority in our way of doing business*.

**3. TRAINING INITIATIVES ON ISSUES CLOSELY LINKED WITH HUMAN RIGHTS****TRAINING PROGRAM****ACTIVITIES****"NOI FOR THE TEAM"**

In 2017, a **company-wide training program** called "**Noi for the team**" was launched. The initiative is based on peer-to-peer storytelling: managers and professionals from different departments meet to introduce their work and find possible synergies as a way to enhance opportunities for cooperation in their future work. Managers from the Sustainability function are part of this program and disseminate information on strategic topics including potential human rights risks, issues, possible preventive and mitigating actions in order to raise awareness on these topics. Between July and December 2017, 230 managers and professionals attended the educational program and 130 were part of the teaching team. The program continued in 2018, reaching 530 attendees and 150 internal teachers overall.

## TRAINING PROGRAM

## ACTIVITIES

### ENI ACADEMY

In 2017, the training project **Eni Academy**, dedicated to young graduates, was launched. The program consists of a 10-day induction divided into three modules and is aimed at reaching multiple goals including:

- facilitating general knowledge on the Company's business, vision, mission and culture;
- encouraging networking as an opportunity to develop new skills and build strategic relationships.

**Human Rights are integrated** into this program.

In 2017, Eni launched the first module of 3 new courses. In total, the courses have had 90 participants with the involvement of 40 internal trainers. In 2018, Eni Academy courses continued reaching 350 attendees (newly hired) and 137 internal teachers.

### INTRODUCTORY TRAINING PROGRAM FOR THE SUSTAINABILITY FUNCTION

**Newcomers in the Sustainability function**, at HQ and subsidiary level, and in other functions involving human rights risks also take part in an introductory training program which focuses on ensuring that they receive the most important information **on Sustainability activities**, responsibilities and the tools and processes in place. Human Rights are part of the introductory training program. This consolidates a network of people able to deal with human rights issues in every Country where Eni is present, as focal points for human rights due diligence and training initiatives.

### SUSTAINABILITY AND BUSINESS INTEGRATION WEBINAR

This training includes reference to the grievance mechanism, stakeholder engagement and human rights implications of these topics. The "Sustainability and Business Integration" course in Italian, English and French was made available in open mode to all Eni employees, for a total of approximately 7,100 enrolments in Italy and abroad.

### TRAINING ON ENI'S APPROACH TO HEALTH, SAFETY AND THE ENVIRONMENT

Beyond a full range of training courses on HSE issues, Eni periodically organizes events aimed at spreading HSE culture and its own commitment to continuously improving HSE performance, guaranteeing the protection of the environment and the prevention and protection from HSE risks:

- **Safety & Environment Day**: it is dedicated to illustrating Eni's results and objectives in safety and environmental protection. The first edition was held in 2011 specifically for safety and starting from 2017 for both safety and the environment. Prizes are awarded to Eni's industrial sites from the business lines which have achieved excellent results in Safety and the Environment, as well as to colleagues who come up with the most innovative ideas and projects.
- The 2018 event was attended by our Chairman, CEO and Board of Directors, as well as about 200 managers from different company functions. **A Safety Day dedicated to suppliers** is also organized and involves approximately 150 suppliers operating in the various commodity classes which are considered as the most critical for Eni in terms of safety.

### TRAINING ON THE CODE OF ETHICS

Training on the Code of Ethics is a further opportunity to raise awareness on human rights principles and Eni's commitments to respecting Human Rights; the training is mandatory for all Eni workers.

Training on the Code of Ethics has always been a priority at Eni. The difference between 2008, the year when the Code was issued, and today does not merely relate to content, which has been slightly modified, or the importance attached to it, but lies in the details of the training program.

In 2008, Eni drafted a training plan, the Board Induction scheme, targeting both new directors and the new members of the Board of Statutory Auditors. The Company's senior management managed the project and included the participation of external speakers. Special sessions were also dedicated to the members of the various Committees of the Board of Directors. In the following years and in addition to the Induction program, all directors have participated in regular training initiatives and ongoing training programs.

**TRAINING PROGRAM****ACTIVITIES****TRAINING ON THE CODE OF ETHICS**

A webinar on the Code of Ethics held in 2009 was attended by more than 3,000 participants ranging from senior managers to key officers from both Eni and its subsidiaries. The webinar - which has English subtitles - is currently available to all of Eni's employees on the Company's intranet. Training initiatives have been growing every year and are far more widespread in the organization today, both in terms of frequency and in the number of Eni people involved.

**Roles and responsibilities for training initiatives**

Eni's Watch Structure identifies specific ad hoc training initiatives on the Code of Ethics for executives, managers, office workers and manual labourers, together with the relevant legal unit for compliance-related matters and Eni's corporate human resources unit. These training initiatives are mandatory and there are systems in place aimed at ensuring both the traceability of the training activity and document storage.

**Planning training courses: who, when and how**

Indeed, training for Eni staff and management on respect for the Code of Ethics starts at the very beginning of the working relationship: as soon as workers are hired, they are provided with the Code of Ethics and participating in a training course including a session on the Code within the following 60 days. Awareness raising on the Code of Ethics is key, since respect for the Code of Ethics is a contractual requirement and failure to comply with it may give rise to disciplinary actions, including dismissal.

The content of these courses is tailored to the level of risk exposure associated with each worker's role and responsibility within the organization. The same training opportunities are offered to the members of the Board of Directors of Eni's subsidiaries, together with the senior management of Eni's subsidiaries. Newly appointed members to Eni's Board of Directors participate in Leadership Meetings focused on the Code of Ethics. The meetings also take place at every time the Board is renewed. Lastly, training opportunities dedicated to Business Partners are also planned, starting with initiatives dedicated to Joint Venture partners.

Moreover, face-to-face workshops are offered in order to reach Eni's staff in remote areas or anywhere e-learning is not viable due to logistic constraints.

**KEY PERFORMANCE INDICATORS**

TRAINING ON HUMAN RIGHTS		2016	2017	2018
Hours of training on human rights	(number)	88,874	7,805	10,653
In class		354	52	164
Remote		88,520	7,753	10,489
Participants of human rights training courses		22,307	2,084	10,557
Employees trained on human rights <sup>(a)</sup>		21,682	1,360	8,512
Employees trained on human rights <sup>(b)</sup>	(%)	-	74	91

(a) Data for 2016 and 2017 differs from that reported at Eni for 2018 following a refinement of the calculation methodology. Particularly, this data refers to the number of employees who completed the training course, counted only once. The data reported at Eni for 2017, instead, referred to the total number of participants in courses on human rights.

(b) This percentage is calculated as the ratio of the number of registered employees who have completed a training course on the total number of registered employees.

Eni launched a massive Human Rights campaign between 2016 and 2017, and in 2018 and 2019 the Human Rights program continued with thematic follow-ups.

## INTERNATIONAL RELATIONS FOR HUMAN RIGHTS

*At the heart of Eni's actions are the lives of human beings. Today's business model – which follows the path set by the company's operating way since its origins – stands on a cooperation model that looks at the value of the people in Eni and – more generally – of those in the host Countries. This is how long-term relationships were born with cooperation, as well as faith based, national and international organizations, to meet the different challenges encountered: from access to energy to education, from hunger to food security, from economic diversification to the protection of the environment and ecosystems, and the respect of human rights. Partnerships meant to improve the dignity of the person – such as those signed with FAO, UNDP and UNIDO mentioned in the report – but also meant to reach multiple goals ranging from undertaking joint actions to improving its understanding of cutting-edge topics, from contributing to the debate on Business and Human Rights to exchanging lessons learned and best practices*



In 2012, Eni took part in the consultations held by the European Commission in relation to the drafting of the Guidance for the Oil and Gas sector on the implementation of the Guiding Principles, as well as for the Employment and Recruitment Agencies' Guidance.



In 2018, Eni in Nigeria has signed a Collaboration Agreement with the Food and Agriculture Organization of the United Nations (FAO) to identify sustainable initiatives for the communities affected by the humanitarian crisis in North-East Nigeria. The first initiative envisaged by the agreement aims to foster access to water by drilling water boreholes powered by a photovoltaic system. The beneficiaries are the internally displaced persons and the local communities in North-East Nigeria and in Abuja who suffer from prolonged water scarcity.



Since 2012, Eni is an active contributor to the activities of the Institute for Human Rights and Business (IHRB). Eni collaborates with the Institute for Human Rights and Business (IHRB), an independent organization that works as a global centre of excellence and expertise on the issue of relations between business and Human Rights. The IHRB engages directly with business leaders, representatives of governments and other stakeholders to evaluate the effectiveness of policies, operational practices and the initiatives of multiple relevant stakeholders on this important issue.

The Institute also provides analyses of the performance of governments, companies and other stakeholders in the field of Human Rights.



Besides being a member of the Human Rights Working Group of IPIECA, Eni participates in Working Groups focused on various topics with direct links to human rights issues, including the Working Groups on Social Responsibility, Supply Chains, Climate Change, Health, Water, Oil Spills and Biodiversity & Ecosystem Services.



Thanks to **collaborations** with the **International Labour Organization (ILO)**, and the International Training Centre of the International Labour Organization (ITC/ILC), Eni has developed a number of initiatives on the subject of international labour standards and **equal opportunities** (e.g. online seminars). Moreover, it has carried out studies on international regulatory frameworks, including the ratification status of ILO Fundamental Conventions in all the Countries in which Eni actually operates.

In 2015, Eni joined the Global Business Network for Social Protection Floors, promoted by the ILO, to share practices that multinationals have adopted in the area of social security. Furthermore, in 2018, a booklet drafted in co-operation with the International Training Centre of the ILO was published aimed at mapping the state of ratification of ILO Fundamental Conventions and other selected ILO Conventions of interest to HR across the Countries where Eni operates.

*“The DIHR is Denmark’s National Human Rights Institution. As part of its legal mandate, DIHR can engage directly with private actors. The purpose of this engagement is to address the positive and negative Human Rights impacts of business operations around the world. DIHR strives to publicly disseminate knowledge based on experiences gained in corporate engagement projects in order to advance Human Rights in the wider corporate sector. Being an impartial, independent National Human Rights Institution DIHR does not offer public endorsements of specific corporate actors”.*

Eni and the Danish Institute for Human Rights formed a partnership during 2008-2019. The partnership encompassed a wide range of activities, from the support on how to structure Eni’s Human Rights Due Diligence process to projects focused on specific operating sites, including Human Rights compliance and impact assessments

In 2019, Eni and the United Nations Industrial Development Organization (UNIDO) signed a Joint Declaration, setting up a new, pioneering public-private cooperation model aimed at helping reach the UN Sustainable Development Goals (SDGs) through a strategic cooperation focused on areas of common interest such as youth employment, agriculture, value chains and renewable energy and energy efficiency, particularly in Africa.

In 2001, Eni was the first Italian company to join the Global Compact, and its Communication on Progress has qualified as Advanced Level since 2009.

In addition, Eni participates in the international working groups of the Global Compact on issues relating to labour, human rights and anti-corruption. Eni is also part of the LEAD initiative within Global Compact which is a global movement of sustainable companies that take shared responsibility to shape a sustainable future. Global Compact supports companies in aligning their strategies and operations with ten universal principles on human rights, labour, environment and anti-corruption; and in taking strategic actions to achieve broader UN goals, such as the UN Sustainable Development Goals. Eni has demonstrated its commitment to the UN Global Compact this year by participating in Action Platforms on “Reporting on the SDGs” and “Financial Innovation for the SDGs”. In September 2019 was confirmed again as Global Compact Lead company.

Eni was among the founding members of the World Business Council for Sustainable Development. Among other activities, Eni participates in the work of the Social Impact and Climate & Energy clusters and in the activities and events focused on Business and Human Rights.



In 2009, Eni participated in the consultations preceding the approval of the UN Guiding Principles. Representatives from Eni have attended the UN Annual Forum on Business and Human Rights since the first edition held in 2012. In 2018, Eni played an active part in the session “Community Engagement for Human Rights Impact Assessments in challenging contexts: a round table discussion”. The aim of Eni’s involvement was to describe the approach followed in carrying out the Human Rights Impact Assessment process in Myanmar on the RSF5 on-shore block between 2016 and 2018, in collaboration with the Danish Institute for Human Rights (DIHR). In particular, Eni described the characteristics of the project and the lessons learned in the process.

In 2018, Eni has signed a Memorandum of Understanding (MoU) with the United Nations Development Programme (UNDP) for the purpose of cooperating to improve accessibility to sustainable energy in Africa and to contribute to achieving the United Nations Sustainable Development Goals (SDGs). The objective of the agreement is to maximise benefits for sustainable development linked to energy projects that are related to issues such as renewable energy, energy efficiency, clean cooking and sustainable management of forests.

## HUMAN RIGHTS DUE DILIGENCE

### HOW ENI OPERATES

Eni assesses and monitors its risks, identifying customized strategies and solutions, in an ongoing effort to be more effective in preventing and mitigating impacts. In addition to building a consistent set of internal norms guiding Eni employees and Business Partners to ensure their practices comply with international Human Rights standards, Eni has also been working on the design, implementation and reporting of its Human Rights Due Diligence process to ensure its alignment with the UN Guiding Principles on Business and Human Rights.

This section presents information on:

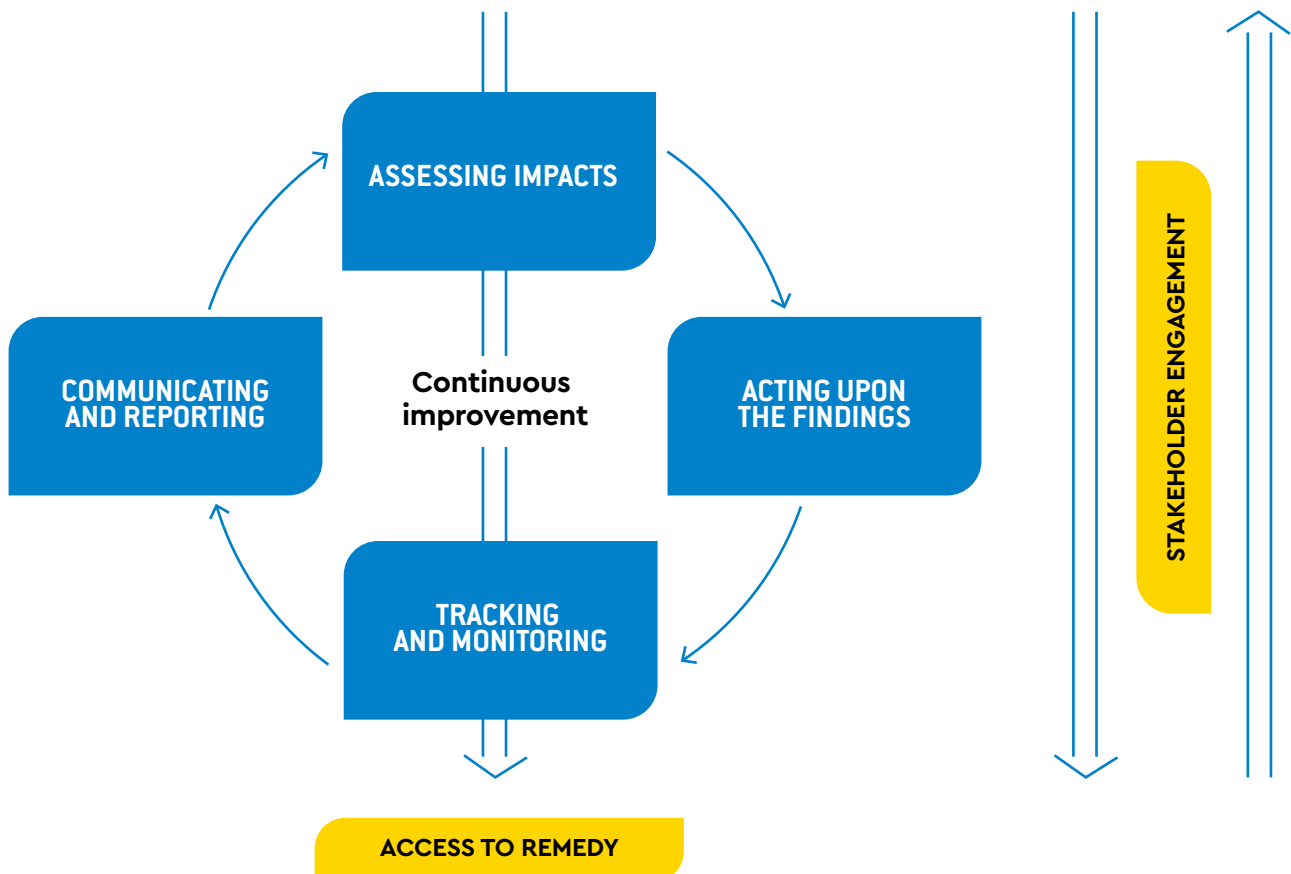
- The **identification of salient human rights issues**, resulted from the analysis of the internal Human Rights Working Group (page 33);
- **Assessing and monitoring the human rights impacts of Eni's activities**, through cross-functional impact assessment processes that identify, prevent, mitigate and account for the full spectrum of human rights risks and impacts (page 34);
- The due diligence process applied to the functional areas which are most exposed to human rights risks, and namely **Workplace** (page 41), **Relations with Suppliers and other Business Partners** (page 57), **Host Community relations** (page 67), **Security** (page 77).

In particular, an overview can be found of:

- Eni's commitments and processes in place in relation to each function's human rights impact;
- A description of the processes and tools in place to identify, prevent, mitigate and account for Human Rights risks and impacts associated with each function.

Concerning HSE, health and asset integrity processes, which are also relevant while talking of human rights, they are fully tackled in accordance with their respective management system guidelines and procedures.

### ADOPTION OF A COMMITMENT ON BUSINESS AND HUMAN RIGHTS





## THE IDENTIFICATION OF SALIENT HUMAN RIGHTS ISSUES

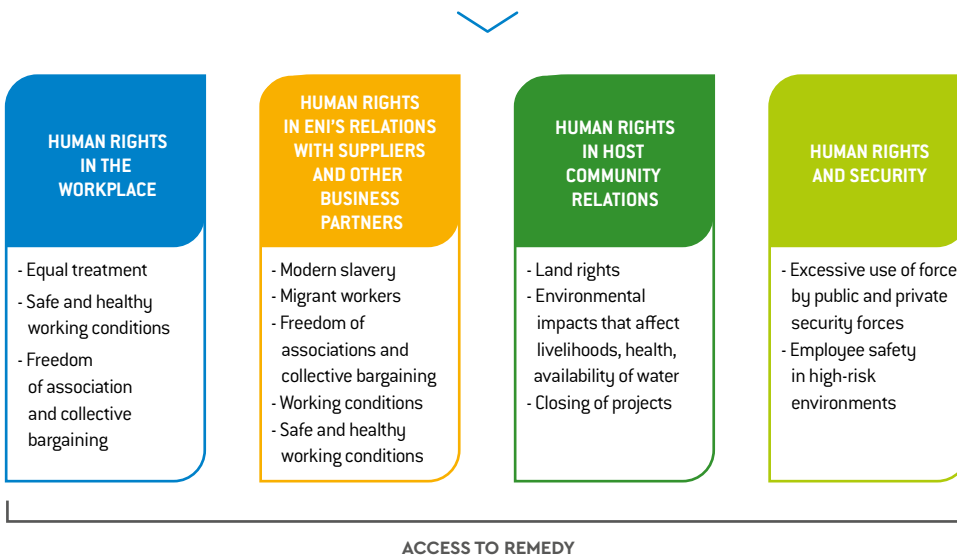
### THE PROCESS OF IDENTIFICATION

In **2017**, the newly established Eni Human Rights and Business Working Group started its activities by hosting a **Workshop aimed at launching the identification of the Company's salient human rights issues**, with the support of the Danish Institute for Human Rights. The Workshop took place at Eni's Headquarters in San Donato Milanese and involved 26 Managers from 22 Functional Areas.

Most of the participants had already been involved in human rights activities, but some of them were relatively new due to turnover and because of the need to widen the scope of human rights activities to integrate recent developments in the field of Business and Human Rights. Taking these differences in terms of expertise and backgrounds into consideration, a Business and Human Rights training session opened the Workshop on salient issues.

The Workshop gave the opportunity to participants, divided in three groups, to be involved in a discussion facilitated by the Danish Institute for Human Rights, aimed at sharing their experiences and views regarding the main human rights issues for the Company, adopting the lens of risk to people. This activity led to the identification of a list made of 13 salient issues, split in 4 main areas, deemed to be the topics where lie the most severe, potential, negative human rights risks.

#### WORKSHOP WITH ENI'S HRBWG SUPPORTED BY THE DANISH INSTITUTE OF HUMAN RIGHTS



In **2018**, the final list of salient issues identified by the workshop participants to was shared with external stakeholders and preminent experts in the field of business and human rights, in order to gather feedbacks and suggestions. These meetings were held with the **Institute for Human Rights and Business, IndustriAll, the Italian Interministerial Committee on Human Rights (CIDU), AVSI and Unicef Italia. Besides confirming the initial list of 13 salient issues, this engagement** allowed Eni to receive input to strengthen its approach and to get important information on the upcoming issues on Business Human Rights.

Below some of the most relevant input that came up during this engagement:

- Issues related to the working conditions of **temporary, subcontracted workers, especially those hired locally**, who are involved in several phases of the O&G industry (preparation phase, construction, etc.), without enjoying - in some circumstances - the same benefits guaranteed to workers hired by the Company directly;
- Need to **keep vulnerable groups' rights** at the center of Eni's approach, granting full access to consultations and opportunity to have their voice be heard. Moreover, particular attention should be paid to **minors'** - especially children - views;

#### THE FINAL LIST OF SALIENT HR ISSUES WAS SHARED WITH EXTERNAL STAKEHOLDERS IN 2018

- Considering the “**how**” and “**when**” as **crucial features** when implementing actions to ensure Human Rights respect and working to **social development projects**;
- **The paramount importance of CEO** activism on BHR discussion, which is expected to take a preminent role in institutional talks.

Input and feedback received during these meetings have been integrated in the development and planning of policies and tools, informing both Eni’s policy commitment and its due diligence process, strengthening the Company’s approach to human rights in these areas.

An example of how this feedback and input were received can be found in the Eni’s Statement on Respect for Human Rights, whose concept of vulnerable groups was extended to include women and children - in addition to indigenous peoples – in order to mirror the results of such informative and fruitful discussions held with these external stakeholders and preminent experts.

### ENABLERS AND BARRIERS

A further key outcome of the Workshop was the identification of key **enablers** and **barriers** to addressing human rights impacts.

**Enablers:** the participants mentioned Eni’s strong management systems in several areas (i.e.: the health and safety management systems and the Operational-level grievance mechanisms) and the ongoing activities to work with Business Partners on specific issues and challenges.

**Barriers:** the participants mentioned the challenge of increasing, and using, their leverage in different business relationships, and more specifically in relationships with governments, subcontractors and beyond first-tier suppliers.

## ASSESSING AND MONITORING THE HUMAN RIGHTS IMPACTS OF ENI’S ACTIVITIES

### ENI’S IMPACT ASSESSMENTS FOCUSED ON THE ENTIRE SPECTRUM OF HUMAN RIGHTS

The UN Guiding Principles (UNGPs) require companies to identify, prevent, mitigate and account for how they address their impacts on human rights. There is a general consensus within the Business and Human Rights community on the minimum human rights-based requirements to be met both in the process and in the content of Impact Assessments focusing on human rights. As these criteria highlight, there will always be a need to tailor and adjust the scope and approach to **reflect the operating context and realities** in order to assess all human rights impacts. This has also been Eni’s experience and approach, which is why Eni has been developing and implementing **different processes** over time and considers this effort ongoing.

The assessments described in this section have two main characteristics:

- they are **cross-functional**, meaning that since they take the full spectrum of human rights into consideration, they require participation and commitment from all Eni’s departments;
- they address potential and actual impacts from **Business Partners’** activities, other than direct impacts caused by Eni.

Some of the assessments described in the attached documents are specific **stand-alone** human rights assessments of a specific context, including the Human Rights Impact Assessments, the Human Rights Compliance Assessments and the company-wide assessment conducted in 2017, as well as the Workshop which led to the identification of **Eni’s salient Human Rights issues**.

Other assessments are company processes aimed at achieving a wider set of company goals, in which human rights related content is integrated. This is the case of the ISO26000-based assessments, the Integrated Risk Management process and the Environmental, Social and Health Impact Assessment.

For impact assessments specific to a particular salient issue and/or company function, see the pages dedicated to the salient human rights issues with respect to workers’ rights, suppliers, host communities, and security.

## STAND-ALONE HUMAN RIGHTS IMPACT ASSESSMENTS: HUMAN RIGHTS IMPACT ASSESSMENTS (HRIAs) AND HUMAN RIGHTS COMPLIANCE ASSESSMENTS (HRCA)

Stand-alone impact assessments are very common to certain company functions such as the Health, Safety and Environment Departments and their development has been mandatory in a number of Countries for decades. Compared to these processes, HRIAs are relatively new, since the UN Guiding Principles on Business and Human Rights were internationally endorsed recently and the debate on the contents and processes for assessing adverse human rights impacts is still ongoing. Eni chose to be part of this road-testing by launching its HRCA program in 2008 and carrying out its first HRIA in 2014. Eni has been applying these tools based on the following criteria:

- The HRCA is the preferred option for mature projects carried out by subsidiaries that are well established and staffed in the Countries, while a HRIA is a more useful approach for the preliminary phases (i.e.: seismic activities, start of land management operations, etc.);
- The HRIAs are based on opinions, perceptions and concerns emerging from interviews and focus group discussions with Project-affected Peoples and other relevant stakeholders such as NGOs, National Human Rights Institutions and international organizations, while HRCAs are more focused on internal company policies and practices.

The two processes, HRIA and HRCA, also share important features, as they consider the full spectrum of Human Rights, including Civil and Political Rights which at first glance may not appear to be relevant to company impacts, such as the Right to Freedom of Expression or to Privacy. Eni has been carrying out both processes based on considerations regarding the human rights risks potentially related to its specific business activities and Business Partners relationships as well as the location of the business and risks specific to the area.

In 2018, within the activities of the HRBWG, a model to assess E&P projects in terms of their potential human rights impacts was delivered. The purpose of this model is to identify the riskiest projects requiring a deeper understanding and assessment of their impacts on rightsholders. To this aim, each project in the pipeline within the exploration and development process is assessed based on its specific features, such as location, acreage, type of activities, etc.

By applying this new prioritization model the Company will be able to select the projects needing the adoption of specific human rights measures, such as the HRIA and the HRCA.

In the future this model will be extended to projects already in the operational and decommissioning phases, as well as to projects carried out in other business areas besides E&P.

### a) HRIAs on Eni's operations

Eni's Statement on Respect for Human Rights, approved by Eni's Board in December 2018, puts impacts at the core of its approach: Eni takes human rights issues into account from the very first feasibility study phases of new projects and relevant operational changes. Eni carries out assessments on its potential and actual environmental, social, health and human rights impacts with the aim of preventing and mitigating adverse impacts. Consistent with this approach and aware of the importance of considering human rights at the outset of planning activities, Eni carried out three Human Rights Impact Assessments in its most challenging new projects from a human rights point of view in Mozambique in 2014, Myanmar in 2016, and in Mexico in 2019. In addition, in Angola and Mozambique, in 2018, Eni commissioned extensive human rights assessment, that did however come with some limitations in terms of rightsholders engagement. This led to classification of these assessment as Human Rights Assessments, according to the methodology developed by the Danish Institute for Human Rights which carried out the assessments. Moreover, in some cases, including Mozambique and Myanmar, follow-up activities after the HRIAs were also conducted. The purpose of these follow-up assessments was to verify the effectiveness of the actions that were implemented, starting from the recommendations raised in the HRIA Report, and to identify lessons learned to be scaled up in other projects.

See the case study at the end of this paragraph on the follow-up assessment that was conducted in Myanmar in 2018.

All these HRIAs relied on the methodology and expertise of the Danish institute for Human Rights. This



methodology entails a preliminary analysis of scoping, based on desktop searches and remote interviews, and a field visit, where rightsholders (communities, workers, both direct employees and sub-contractors) are consulted during dedicated meetings. When needed, focus groups are also held to allow the participation of vulnerable groups, such as children, women, etc. During the field visits, local NGOs, international organizations, Business Partners and suppliers are engaged through meetings and interviews. The results of the HRIA were finalized in a Report with recommendations authored by the Danish Institute for Human Rights, followed by a dedicated action plan by Eni to allow an effective and monitored implementation of each action. If needed, recommendations and actions could be applicable to Business Partners, such as JV partners and suppliers, with the goal of accompanying them in a virtuous path of improvement and mitigating the potential human rights risks highlighted during the HRIA.

#### b) HRCAs at Eni's headquarters and subsidiaries

Eni launched a cycle of HRCAs in 2008 to identify potential areas for improvement in terms of the integration of rules and processes into both the internal legal framework and in the overall governance.

Following an initial assessment at Eni's Headquarters in Milan and Rome, the practices of seven subsidiaries (in Nigeria, Kazakhstan, Algeria, Egypt, Angola, Republic of Congo and Pakistan) were evaluated in terms of their compliance with Human Rights Treaties and international standards.

A follow-up to the first HRCA at HQ level was carried out in 2011, while in 2017 the Company's headquarters and Eni's subsidiary in Angola hosted a second HRCA due to various relevant developments affecting the Company's activities.

The HRCAs carried out at the Company's operating sites yielded important results not only in terms of integrating human rights into the core business operations, but also in terms of mainstreaming human rights by disseminating necessary information.

The assessment processes led to the identification of the following priority issues:

AREAS	ISSUES AND ACTIONS
<b>SECURITY</b>	Training of Security forces and adoption of rules and tools aimed at preventing human rights violations
<b>PROCUREMENT</b>	Development of a set of checks and assessments on suppliers
<b>HUMAN RESOURCES</b>	Promotion of more inclusive procedures and processes focused on diversity management Assessment of Labour standards
<b>COMMUNITY RELATIONS</b>	Communication and involvement of local communities Verify opportunity to integrate a human rights-based approach into the management of Land Management Operations
<b>ETHICS AND COMPLIANCE</b>	Assessment of the Whistleblowing procedure and channel and compliance with international requirements related to access to remedy

Other important achievements of the HRCA program were the identification of issues and raising the awareness of Eni's managers.

In parallel with the drafting of the Improvement Action Plans at the local level, the Sustainability function has been reporting areas for improvement to the coordinating departments located in the headquarters. Such a continuous flow of information triggered discussions, analyses and corrective action plans at various levels (subsidiary, division and Corporate). In doing so, Eni's Human Rights agenda has been constantly updated and human rights issues have been dealt with at the appropriate decision-making levels. This has also meant reporting problems to senior management levels when necessary and initiating cooperation and dialogue with international organizations and NGOs on certain particular issues. Following the completion of eight HRCAs, a first internal Working Group on Human Rights was established in 2011.

In 2017, Eni conducted a new company-wide gap analysis at its Headquarters in Rome and Milan with the Danish Institute for Human Rights. As in 2011, the process was launched immediately after the appointment of the new internal Human Rights and Business Working Group and was conceived as the enabler for:

- Tracking progress over the last six years;
- Planning the future Eni Human Rights Action Plan.

The overall human rights strategy of Eni was built on this updated company-wide gap analysis, which was also fundamental for the development of Eni's Human Rights Due Diligence, as required by the UN Guiding Principles.

The assessment also allowed the **identification of Eni's salient Human Rights** issues by considering a more granular set of information, having considered that the process is based on a set of approximately 12 interviews with 20 functional areas. Indeed, the overall process lasted 4 days and involved around 50 people. The result of this assessment is reported on page 33.



IN MYANMAR, ENI CARRIED OUT A HUMAN RIGHTS IMPACT ASSESSMENT (HRIA) WITH THE SUPPORT OF THE DANISH INSTITUTE FOR HUMAN RIGHTS (DIHR)

## CASE STUDY: MYANMAR

## EXAMPLE OF IMPACT ASSESSMENT: EXPLORATION ACTIVITIES IN MYANMAR

## CONTEXT

Myanmar - Onshore block RSF-5, Magway region. In this remote area, characterised by extreme climatic conditions, land use is the only way of subsistence for the local population and life revolves around the seasons, crops, water supplies and the small economic activities developed. Eni acquired four oil licences and became a player in the energy sector in this area, where in 2016-2017 Eni completed exploration activities involving 3D onshore seismic surveying in an area of over 520 km<sup>2</sup> that involves 16,800 properties.

## OBJECTIVE

Eni carried out a **Human Rights impact assessment (HRIA)** with the **support of the Danish Institute for Human Rights (DIHR)**. This analysis was completed in July 2016 and published in support of the commitment to transparency and collaboration with all the stakeholders.

## POTENTIAL CRITICALITIES HIGHLIGHTED BY THE DIHR

1. The process **for access to and temporary use of land**, considering the **16,800 properties there**;
2. Need to **guarantee the adequacy of working conditions** to the local workforce involved in the project through **Burmese subcontractors** (93% of the local workforce with an average presence of 550/600 workers on site)

## MANAGEMENT MEASURES ADOPTED BY ENI

- Definition and implementation of a **procedure to manage the relationship with the local communities** involved in the project, from the preliminary identification of the people until payment of compensation;
- **Organization of several public consultations** with the involvement of **authorities, trade organizations and local communities** to guarantee the proper management of the temporary land acquisition process and to share the formula adopted for payments and salaries, since there are no pertinent local regulations;
- Structuring of a **local grievance mechanism**, without delegating the management of it to the contractor, but establishing a strong presence in terms of supervision with a team of **60 professionals on site**;
- **Signature of binding agreements with the seismic contractor** and relative local **subcontractors**, aimed at guaranteeing alignment of general working conditions to the provisions of the Burmese labour law, to Eni standards and to the main international standards;
- Development of a checklist for on-shore seismic acquisition aimed at accompanying the contractor in management of sub-contractor and in the relations with communities and other stakeholders.

## FOLLOW-UP

At the beginning of 2018, the DIHR returned to visit the area and

assess the impact of operations in the area by **interviewing workers**, the **villages** involved, **NGOs** and **CBOs** and **local authorities**, carrying out **18 interviews** with **150 people** in Yangon and Magway. According to the DIHR, the **general consensus** among stakeholders was very **positive** for the approach adopted to build a relationship of mutual trust. Also a large government delegation led by the **Minister of Energy and Electricity** and by the **Chief Minister of Magway** visited the Eni Base Camp and defined the project as an **unprecedented model** for the **application of international HSE and sustainability standards**.

## MAIN CHALLENGES IDENTIFIED BY DIHR, which emerged during the interview with Tulika Bansal, Senior Adviser Human Rights and Business - DIHR

1. Peoples' perceptions of oil and gas projects in Myanmar and in particular in Magway. Due to negative past experiences, community members in Magway were worried about new companies coming in;
2. In preparation for the seismic activities, it proved difficult to obtain consent from all community members to access their land for the seismic survey. Lack of understanding and technical knowledge led to some villagers initially consenting to accessing their land, but later changing their minds fearing that their land and livelihoods would be affected.

## LESSONS LEARNED, which emerged during the interview with Tulika Bansal, Senior Adviser Human Rights and Business - DIHR

1. Providing communities and Civil Society Organizations with proper information beforehand, engaging and consulting with them before and during the assessment and establishing a well-functioning grievance mechanism, proved successful methods to help taking away this worry;
2. Properly explaining the process, including technical aspects and what potential damage could look like is necessary for landowners and users to understand what the impacts could be. One of the positive aspects of this exercise was the successful implementation of the checklist that DIHR developed. By doing this, Eni was able to integrate the checklists into its internal policies, procedures and practices, including when identifying a contractor, before the project started and thereby minimizing negative impacts.

This case study, its inputs and results were discussed during a session of the 2018 UN Annual Forum on Business and Human Rights "Community engagement for HRIAs in challenging contexts: a round table discussion" held in Geneva and were mentioned in the 2018 Annual report "Promoting and protecting human rights" published by the Danish Institute for Human Rights in April 2019.

## OTHER CROSS-FUNCTIONAL HUMAN RIGHTS ASSESSMENTS

In Eni’s experience, integrating human rights into other cross-functional assessments has proved extremely helpful not only in terms of cost-savings, but also considering other important advantages. Indeed, the more human rights are integrated:

- the more they are discussed in different occasions and venues;
- the more they reach the Company’s top levels;
- the more synergies are generated in terms of collective action from different functions.

### 1. ASSESSMENTS BASED ON ISO 26000

The ISO 26000 Guidelines define the principles and priority issues to be followed in order to act in a socially responsible way; the Guidelines recognize human rights as one of the key issues. From 2015 to 2018, 15 independent assessments were carried out in the following subsidiaries and/or districts: Eni Pakistan, Eni East Africa (Mozambique), Eni Congo, Agip Karachaganak (Kazakhstan), EniMed (Italy), Eni Angola, NAOC-AENR-NAE (Nigeria), IEOC (Egypt), Eni Ghana, Eni Indonesia, AOE (Ecuador), DICS (Italy), DIME (Italy), Eni Venezuela and Eni Myanmar.

The main findings from the ISO 26000 assessment on aspects concerning human rights are:



#### STRENGTHS

#### AREAS FOR IMPROVEMENT

Specific agreements in place for social dialogue	Strengthening integration of human rights into impact assessment methodologies and processes
Application of an integrated health, safety and environment management system	Improving governance of human rights at local levels
Attention to the needs of local communities and their involvement	Applying human rights lenses to the monitoring of social initiatives

These assessments were also very helpful in determining priorities for further and more detailed action: for example, the need for a second HRCA was spotted thanks to the ISO carried out in IEOC in 2016.

### 2. INTEGRATING HUMAN RIGHTS INTO ENI’S INTEGRATED RISK MANAGEMENT (IRM) PROCESS

Eni has been gradually integrating human rights into the IRM process since 2012. Eni achieved this goal by considering human rights in terms of both:

- risk events, provided that events related to possible human rights violations are considered in the Eni risk catalogue, which is periodically updated following the results of the Risk Assessment process or maybe integrated upon specific requests/events;
- impact clusters related to human rights violations, which are included in the risk evaluation metrics in terms of social, environmental, health and safety, security, image and reputation impacts. In recent years, Eni has worked at ensuring that all human rights (i.e.: right to life, health, healthy working conditions, free, prior and informed consultation) are integrated within the impact clusters so that each risk event is also evaluated in terms of its human rights impact.

In addition to supporting the Risk function in the integration of human rights into IRM’s methodology and tools, the Sustainability Department plays another important role as Impact Matter Specialist. This particular role allows any function with experience and competence in a particular issue to con-

tribute to the assessment process. In order to support corporate decision-making, the findings of the periodic risk assessment and monitoring activities and relative treatment plans are presented to the Control and Risk Committee and to the Board of Directors on a quarterly basis.

The Board of Directors plays a central role in risk governance because it is responsible for defining the nature and level of risk in line with the Company's strategic objectives – including all risks that could affect the medium-to-long-term sustainability of the business. Since human rights are fully integrated into the IRM, human rights risks are also reported to Eni SpA's control bodies, where relevant. Finally, after consulting with the Control and Risk Committee, the Board of Directors draws up the guidelines for the management of risks so that they can be properly identified, measured, managed and monitored. In addition, when entering new Countries, Eni performs a specific analysis aimed at assessing the risks associated with the initiative. The risk analysis covers several aspects and gathers information on different topics, including stakeholders and the human rights scenario in the Country.

### 3. THE INTEGRATION OF HUMAN RIGHTS INTO ESHIAS

In parallel with the evolution of the debate on the assessment of human rights and their integration into corporate processes, Eni has been reviewing the methodology of Environmental, Social and Health Impact Assessments in order to improve these processes' ability to address human rights issues. (For details see p. 71)





## HUMAN RIGHTS IN THE WORKPLACE

### ENI'S APPROACH TO HUMAN RIGHTS IN THE WORKPLACE

*People are essential and fundamental to all of Eni's activities. Eni can only achieve its business goals thanks to its people's dedication, and Eni is profoundly aware of how important people are in creating value over time. Other than being "the right thing to do", respecting the rights of the people working at Eni and for Eni is fundamental to build mutually satisfactory and lasting relationships. Prioritization of the areas for improvement was carried out on risk-based criteria, through labour assessment processes and gap analysis on both ratification and enforcement of ILO standards across operating Countries. These processes led to the adoption of rules and actions ranging from further integrating workers' rights into Eni's internal legal framework to launching specific measures, including training programs and a multifaceted strategy for combatting discrimination. Increasing attention is paid to monitoring activities through the identification of effective KPIs and by tracking specific salient issues such as fair compensation and discrimination.*

### HUMAN RIGHTS IN THE WORKPLACE

- Equal treatment
- Safe and healthy working conditions
- Freedom of association and collective bargaining

### ENI'S COMMITMENTS: DRIVERS AND PILLARS

Eni is committed to respecting and promoting internationally recognized workers' rights in all the Countries where it operates.

As a first step to meeting Eni's responsibilities in this field, the process involved:

- the analysis of **international conventions and standards** that could be most relevant to Eni's business. Besides the eight fundamental ILO Conventions, Eni identified two further treaties addressing human rights in the workplace which needed to be considered in relation to its business activities:
  - **the ILO Convention 135** explicitly banning any **discrimination** of workers' representatives in connection with their activity;
  - **the ILO Convention 183** concerning the Revision of the **Maternity Protection** Convention.As a result of this policy-gap analysis, the commitment to respect for human rights in **Eni's Management System Guideline on Sustainability** goes beyond the International Bill of Human Rights and the ILO Declaration on **Fundamental Principles and Rights at Work**, which together constitute the minimum requirements of businesses according to the UN Guiding Principles.
- The development of a comprehensive framework of **internal policies** and rules to affirm the commitment to respecting internationally recognised workers' rights that could be most relevant to Eni's business.
- The **commitment of Business Partners and suppliers** to also comply with them.
- The collaboration with **unions** and the engagement with **international organizations** including the ILO.

Thanks to its effort in dealing with human rights in the workplace, in the **CHRB report** published in August 2019, **Eni was selected as a case study** since it scored almost full marks across the three indicators in the measurement of the Company's Human Rights Practices: **living wage, respecting freedom of association and collective bargaining, and health and safety.**

## SPECIFIC POLICIES TO RESPECT HUMAN RIGHTS IN THE WORKPLACE

### a. Eni's Statement on Respect for Human Rights

Eni's Statement on Respect for Human Rights mirrors the detailed and comprehensive commitments included in the Global Framework Agreement (GFA) [for details see pp. 44; 46; 60].

The publication of a new Statement on Human Rights was also a valuable opportunity to confirm Eni's zero-tolerance approach to any harassment and mobbing and the Company's commitment to offering fair pay as well as to providing a safe and healthy working environment, also by ensuring access to preventive and curative health services, including emergencies and working conditions in line with international standards.

### b. The international collective agreements

Eni has signed three international collective agreements:

- the Eni European Works Council, renewed in July 2018
- the European Observatory for Health, Safety and Environment, renewed in December 2016
- the Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility [for details see pp. 44; 46; 60]

According to the GFA agreement, Eni is committed to recognising its workers' rights to:

- collective bargaining;
- join labour organizations of their own choice, without distinction, interference or prior authorization;
- protect their own employment interest;
- enjoy fundamental trade union rights in compliance with local law, universally accepted labour rights and the core labour standards found in the fundamental conventions of the ILO.

Eni is committed to treating unions fairly, refraining from all anti-union activities and remaining strictly neutral in relation to an employee's preference to join, stay or cease his relationship with a union organization.

The GFA also ensures that in situations which diverge from or violate what has been agreed, the Parties shall promptly notify each other. Once the facts have been determined, the signatories can work together to find an affective and constructive solution that is in the interests of all the parties, through dialogue and within a reasonable amount of time. A dedicated, one-hour e-learning training has been developed on GFA's main topics, in order to allow every Eni employee to become aware of the agreement and its contents. The course is available in seven languages on Eni's online training platform, EniCampus and it's focused on the GFA's main principles, such as fundamental rights, relations with suppliers/subcontractors/business partners, occupational Health and Safety, Sustainable Development and Environmental Protection.

### c. Eni's Modern Slavery Act Statement

[For details see p. 15]

### d. Eni's Our People Policy

[For details see p. 17]

### e. Eni's Sustainability Policy

[For details see p. 17]

### f. Code of Ethics

The Code of Ethics clearly expresses the Company's commitment to respect for internationally recognized human rights in the Workplace [for details see p. 16].

Eni's Code of Ethics includes a firm **ban on discrimination** based on any possible grounds and in any stage of the working relationship, calling upon each responsible department to provide equal opportunities to all Eni workers, including potential future employees.

Furthermore, Eni undertakes to offer **equal opportunities** to all its employees in full compliance with applicable legal and contractual provisions, making sure that each of them receives a fair statutory and wage treatment based exclusively on merit and expertise, without discrimination of any kind.

Consistently with this commitment, the Code calls on relevant departments to:

- adopt criteria based on merit and ability (and strictly in any case) in all decisions concerning human resources;
- select, hire, train, compensate and manage human resources without discrimination of any kind;
- create a working environment where personal characteristics or beliefs do not give rise to discrimination and which ensures the wellbeing of all Eni's People.

In 2019, a project aimed at updating the Code of Ethics of Eni was started, the outcome of the work of this inter functional working group led by the Compliance Department is expected by 2020.



#### FOCUS ON

### RESPECT FOR HUMAN RIGHTS FROM ENI'S STAFF AND BUSINESS PARTNERS, INCLUDING CONTRACTORS

Eni's Statement on Respect for Human Rights includes a commitment to ensure that third-party companies when working for or together with Eni agree to apply the guarantees provided for in the Statement to their workers, including suitable contractual clauses against possible violations.

Furthermore, the **Global Framework Agreement** on International Industrial Relations and Corporate Social Responsibility reiterates Eni's commitment "to finding suppliers and independent contrac-

tors that have suitable professional qualifications and a commitment to sharing its corporate values". To ensure that suppliers meet these requirements, they undergo a risk-based assessment process.

Moreover, the **Sustainability Policy** calls for Eni's active role in terms of promotion of human rights when dealing with Business Partners.

### PROTECTION OF WORKERS' REPRESENTATIVES AND OTHER HUMAN RIGHTS DEFENDERS

Eni protects workers' representatives and whistleblowers from discrimination and retaliation as provided for in the GFA, together with a commitment to grant reasonable access to the workplace to unions and workers representatives, as stated in the ILO Convention 135 and in the Eni's Statement on Respect for Human Rights.

Furthermore, as stated in the Statement, Eni prohibits, and undertakes to prevent, retaliation against workers and other stakeholders for raising human rights-related concerns, and neither tolerates nor contributes to threats, intimidation, retaliation or attacks (both physical and legal) against human rights defenders and affected stakeholders in relation to its operations.

The **Rules on whistleblowing reports** received, including anonymously, by Eni SpA, also envisage possible measures for any potential retaliation perceived. In addition, the Code of Ethics includes commitments to non-retaliation, together with other important safeguards such as guarantees on full confidentiality and non-interference with judicial and nonjudicial mechanisms. For details on the protection of whistleblowers see p. 88.

Eni's CEO also highlighted Eni's expectations in relation to respecting workers' rights during its participation in the **awareness-raising workshop** for the Company's senior management held in October 2016 entitled "Raising awareness on Business and Human Rights in Eni Activities".

## WORKING TOGETHER WITH RIGHTS HOLDERS AND STRATEGIC STAKEHOLDERS FOR WORKERS' RIGHTS

The daily and proactive dialogue, in place with different stakeholders, is essential in order to establish a solid and transparent relationship of trust. Eni is involved in numerous engagement activities with the main rightholders and strategic stakeholders in order to fully understand and assess the potential severe negative impacts on workers' rights.

# 11,450

ENI EMPLOYEES BELONGED TO A UNION IN 2018

# 80.9%

EMPLOYEES COVERED BY COLLECTIVE BARGAINING IN 2018

### → Industrial Relations at Eni

Workers and their representatives are Eni's main stakeholders on subjects concerning workers' rights.

### → Eni's dialogue with unions: a collaborative and ongoing process

Eni's relational model is based on national and international agreements that establish the process for consultation with Trade Unions and when and how information should be disseminated.

In Italy the information and consultation process usually starts within the Industrial Relations Committee, attended by a delegation of Eni and the most representative Unions of the Energy and Chemical sectors. The Eni strategic plan is presented with a specific focus on Eni employment during this meeting.

The same information is provided during the Eni European Works Council, an annual plenary meeting. This meeting is usually attended by representatives from the IndustriAll European Trade Union, Italian General and National Unions (FILCTEM, CGIL, FEMCA, CISL, UILTEC and UIL) and the European Works Council.

Furthermore, when relevant organizational changes or difficult situations which may have an impact on workers arise (such as turn-around processes, mergers, divestments of business areas), the Eni Industrial Relations Unit leads a consultation process with unions.

The Global Framework Agreement (GFA) which was renewed in June 2019, also includes a provision for an Annual Meeting to promote a system based on information, consultation and dialogue, increase knowledge regarding Corporate Social Responsibility issues and allow the involvement of local representatives. See section "*Monitoring respect for workers' rights with workers' representative*" for further information on this.

### → Collaboration with international organizations

Eni has developed a number of initiatives on the subject of international labour standards and equal opportunities, with the collaboration of the International Labour Organization (ILO), including online seminars and studies on international legal and regulatory frameworks (for further information on the co-operation launched in 2018, see the next section "*Specific assessments on respect for labour standards*").

Eni joined the Global Business Network for Social Protection Floors promoted by the ILO in 2015 to share practices multinationals have adopted in relation to social security.

Eni also supports the Closing the Gender Gap Initiative led by the World Economic Forum, aimed at creating global and national collaboration platforms to address current gender gaps and reshape gender parity for the future.

Furthermore, Eni is part of the European Round Table of Industrialists (ERT) which groups together around 50 Chief Executives and Chairmen of major European multinational companies, covering a wide range of industrial and technological sectors. Within this context, Eni participates in a panel of companies set out to share best practices and monitor diversity and inclusion trends.

## ASSESSING RESPECT FOR LABOUR STANDARDS AND MONITORING SALIENT ISSUES

### Specific assessments on respect for labour standards

Starting from the first **Human Rights Compliance Assessments** (HRCA) carried out in 2008, Eni has undertaken assessment processes aimed at:

- identifying possible major issues concerning respect for internationally recognized workers' rights in risk Countries;
- estimating efforts to adopt higher internal standards regarding specific categories of workers.

In particular, Eni completed an applied study on minimum labour standards in 2013 in five strategic Countries (Pakistan, Nigeria, Republic of Congo, Iraq and Hungary).

Furthermore, Eni carried out a **targeted analysis on the local laws** relating to maternity and paternity rights, including current business practices in the operating Countries, aimed at assessing the prospects for defining a management approach valid for all Eni operations and in line with international standards. Following this analysis, Eni implemented specific actions focused on maternity protection and respect for the rights of workers with parental responsibilities. See section "*Eni's strategy against discrimination – Gender*".

In addition, in 2013, Eni launched a **study** aimed at defining a model for **managing industrial relations** at the global level which allowed for respecting common standards while at the same time ensuring compliance with national norms. The project built upon the conclusions of a previous study conducted in collaboration with SDA Bocconi in 2010, which was aimed at mapping Eni's industrial relations system.

Furthermore, in 2018, a booklet drafted in co-operation with the International Training Centre of the ILO was published aimed at mapping the state of ratification of ILO Fundamental Conventions and other selected ILO Conventions of interest to HR across the Countries where Eni operates.



## Monitoring respect for labour standards

### a. Monitoring respect for workers' rights with workers' representatives

The Global Framework Agreement (GFA) provides for an Annual Meeting between Eni and workers' representatives to share information on Sustainability issues, including human rights. This is a key opportunity for the joint monitoring of Eni's capacity respect for workers' rights. As for the meeting's participants, the GFA calls for a delegation of 10 worker's representatives to participate, including:

- 5 members of the Select Committee of the European Works Council
- 5 workers representatives from different Countries and business units of Eni.

Various matters are discussed at the annual meeting, including for instance Eni's economic performance and financial situation, Eni's actions and plans concerning health, safety and environmental issues (including main HSE indexes related to employees and contractors), Eni's implementation of CSR actions and projects, whistleblowing (especially with regard to human rights), positive actions in favour of non-discrimination, etc.

In 2019 the third annual meeting, held in Athens, culminated in the signing of the renewal of the GFA. The main theme of the meeting was the pursuit of a view to develop joint responses to the major issues of the near future: Sustainability, Decarbonisation and Workers' Safety, in the context of energy and digital transformation.

With this renewed agreement Eni, the General Secretaries of Filctem CGIL, Femca CISL, Uiltec UIL and IndustriAll Global Union, confirmed their joint commitment to promote sustainable development and raise awareness among direct and indirect employees about the key principles of human and employment rights over the next four years.

Participants also discussed adopting models for monitoring the implementation of the Agreement during the meeting which also provided an opportunity to exchange views and take an in-depth look at the different social realities in the companies and unions among the different Countries represented. The occasion was likewise used to bilaterally underline the importance of complying with the principles of the Fundamental Conventions of the ILO (International Labour Organisation) and the OECD Guidelines across the entire operational chain and to use these tools to implement socially responsible, ethical and morally correct behaviour when doing business.



IN 2019 THE THIRD ANNUAL MEETING, HELD IN ATHENS, CULMINATED IN THE SIGNING OF THE RENEWAL OF THE GFA

**b. Eni's Key Performance Indicators**

Eni has developed a tracking and reporting system focused on respect for labour rights in order to be able to detect any risks of violations and assess the implementation of Eni policies, also in accordance with the UN Guiding Principles on Business and Human Rights.

To this end, Eni has identified the following specific KPIs that are monitored on an annual basis:

- Ratio between Eni's minimum wage policy and the market minimum wage;
- Equal opportunities (Women employees in service, Women hired, Women in managerial positions - senior and middle managers), Replacement rate by gender, Pay gap (senior and middle managers, white and blue collar workers);
- KPIs on Health;
- KPIs on Safety;
- Industrial relations;
- Employment disputes.

For details see section "Key Performance Indicators" at the end of the chapter.

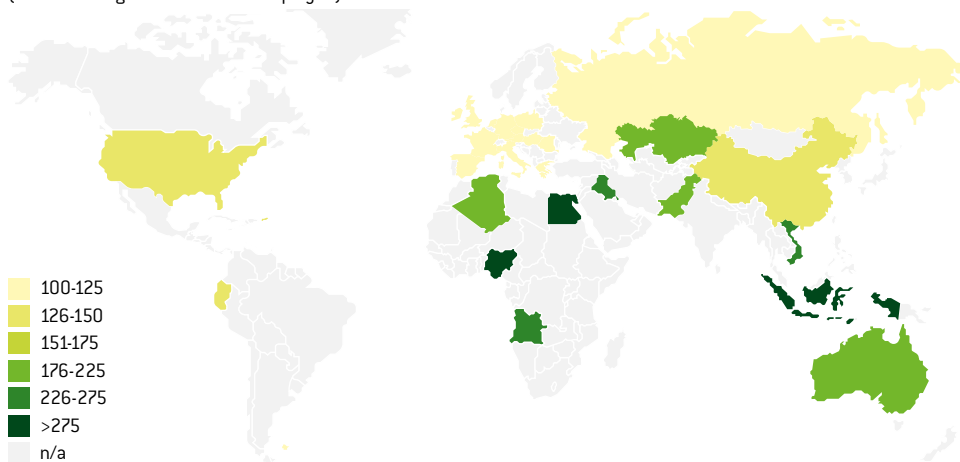
**c. Focus on fair compensation**

Living wages are a key part of the Decent Work framework, therefore Eni is committed to ensuring that compensation and benefits reach adequate remuneration levels in line with market average practices for similar roles, which are significantly higher than the minimum subsistence wage. Eni annually monitors certain indicators concerning minimum wages for this purpose.

The monitoring is carried out using as a reference the annual salary information from each Country's market and segregated by role and level. The data is provided by renowned international consulting companies (Korn Ferry, Willis Towers Watson, Mercer). In particular, Eni compares its minimum wage policy with the market practices of the 1st decile in each Country (below this level there is another 10% of wages in the Country, statistically measured by suppliers on a large number of companies). This comparison is carried out for over 80% of Eni's employees with reference to the workforce composed of middle managers, senior staff, white and blue collars. The analysis was carried out in 28 of the most representative Countries for which market data is available; of these, 18 are those in which blue collar are present. The results show that the minimum levels of Eni's policy are significantly above the market minimum wage.

**Ratio between Eni minimum wage policy and market minimum wage (1<sup>st</sup> decile)**

(Middle manager - Senior Staff - Employee)



**d. Tracking discrimination**

Discrimination is a salient issue for Eni, therefore the Company has invested in targeted monitoring processes concerning wages and benefits. In particular, Eni monitors the Gender Pay Gap annually using consolidated methodology that neutralizes, in the comparison of men's and women's remuneration, any effects arising from differences in category and seniority. The analysis is conducted globally and covers more than 90% of employees (more than 30,000 employees in 52 Countries in 2018) and the results are described in both "Eni for" and in "Eni for Performance".

**98%**  
RETRIBUTION  
WOMEN VS MEN

## Tailored strategies and actions for workers' rights

Eni has taken specific actions following the assessment processes and based on the gap analysis concerning the adoption of ILO standards that was carried out in 2013; these actions range from integrating its internal legal framework to launching appropriate measures on both a broad spectrum of workers' rights and on particular vulnerable groups of workers.

### 1. Training programs

Eni has been adapting its training portfolio to the evolution of its own Human Rights agenda, selecting the priority issues whose contents and solutions needed to be primarily applied in a widespread manner. Every learning aspect, including tools, managers selected as spokespersons and case studies has been carefully designed with the goal of maximizing the effectiveness of communication.

→ **Training module on Human Rights in the Workplace:** after the massive e-learning program (for details see p. 26) on companies' responsibilities to respect Human Rights, in 2017 Eni developed **targeted courses** on specific issues and functional areas.

The Human Rights in the Workplace module encompasses all workers' rights relevant to Eni's activities, and goes beyond the fundamental ILO conventions. Indeed, the module covers decent work elements such as fair and clear employment terms and conditions, working hours, maternity protection, migrant workers' rights and bullying and harassment. These workers' rights issues are explored taking into consideration different dimensions, including indicators of abuses and international standards as well as Eni's commitment in terms of both policies and actions to prevent and mitigate impacts.

The case studies included into the course address freedom of association and collective bargaining, discrimination, mobbing and bullying. Furthermore, the course is dedicated not only to Human Resources professionals but also to all Eni people responsible for supervising workers. In 2018, Eni started rolling out the Human Rights in the Workplace module to the target population; about 1,720 colleagues were enrolled in the training course with an 88% attendance rate.

→ **Training module on the Global Framework Agreement** (for details see p. 27): in 2018 and in 2019 around 300 colleagues enrolled in several open courses.

→ **Non-discrimination e-learning courses:** In collaboration with the International Training Centre of the International Labour Organization (ITC-ILO), Eni launched two e-learning courses on the subject of non-discrimination:

- a company-wide course dedicated to all Eni staff and management available in Italian, English and Russian;
- an advanced-level training course for Human Resources managers, executives and professionals, where participation was mandatory and tracked. Almost 13,000 employees attended the specific module (3,189 employees in 2014, 8,494 in 2015, 887 in 2016 and 385 in 2017).

In relation to Eni's strong commitment to upholding international labour standards, in January 2019, a **practical manual** was drawn up in collaboration with the International Training Centre of the ILO, as result of the analysis aimed at mapping the state of ratification of ILO Fundamental Conventions and other selected ILO Conventions of interest to HR across the Countries where Eni operates. The practical guide includes:

- a description of the main roles and activities performed by the ILO;
- a summary of the ILO Fundamental Conventions in the Countries where Eni is present and other selected technical conventions;
- an overview of Eni's internal rules and documents on respect for workers' rights;
- Country ratification maps illustrating the state of ratification of the Fundamental ILO Conventions and other selected ILO Conventions in all the Countries where Eni currently operates.



## 2. Eni's strategy against discrimination

Thanks to the assessments on respect for human rights carried out over the years, Eni has been able to analyse the main challenges in this area and the actions that could substantially make a difference in terms of opportunities for potentially impacted people. Following the identification of the main diversity dimensions deserving specific attention, Eni's strategy was based on the adoption of tailor-made initiatives, taking into account specific causes as well as enablers.

### a. Gender

Aware of the importance of a strong commitment from the top, in 2018, Eni's CEO responded to a call to action and joined the Inclusion and Diversity Pledge signed by the CEOs of the companies belonging to the European Round Table. The pledge marked the launch of the **#EmbraceDifference campaign**.

Regarding Governance initiatives, it is worth mentioning that women members made up one third of all members of the **Board of Directors** and **Board of Statutory Auditors of Eni SpA**, both appointed in April 2017. Furthermore, Eni is focused on identifying possible rules, practices and mechanisms aimed at addressing risks of gender discrimination in all human resources development processes, including issues associated with recruitment processes and obstacles to career advancement.

In addition, Eni has been promoting recruitment initiatives aimed at attracting female students (from high schools) to **STEM studies and to professional and technical activities** of interest to the O&G sector, through:

- Promotion and participation in recruitment events such as **"Think about tomorrow"**, which took place at universities and/dedicated labour fairs;
- Support to the following projects:
  - **Sistema Scuola Impresa** promoted by Elis, a project aimed at both orienteering high school students and combating gender stereotypes.
  - **"Inspiring Girls"**, which aims to make young students aware of their talents and counter gender stereotypes.

In order to enhance the gender-oriented approach to these initiatives, Eni representatives taking part to the relevant events have been selected among women leaders;

- Monitoring and tracking Eni's performance through the participation to the activities promoted by the **"Manifesto per l'occupazione femminile"** signed by Eni and other large Italian companies in order to enhance female talent in the main stages of personal and professional life.

Moreover, to address indirect discrimination, and in particular the obstacles faced by women with family responsibilities, Eni adopted a set of strategic actions addressing the roots of this particular challenge:

- Aware that maternity protection is a fundamental value for Eni, since it safeguards both the health and safety of the mother and child and is key for ensuring the equality of all women in the workforce, Eni adopted a specific global procedure starting in 2015 to guarantee compliance with the **ILO Standard for maternity protection** (ILO Convention 183/2000). The implementation of the procedure is the result of a **targeted analysis on the local laws** relating to maternity and paternity rights led by Eni in its operating Countries. Therefore, all mothers that work in Countries where Eni operates and where the treatment guaranteed by local law is less than that envisaged by the ILO standard are granted - as a standard minimum - 14 weeks of leave with at least 2/3 of their regular salary.

In addition to the above, in September 2017, Eni adopted a global internal procedure in order to introduce a standard minimum for paternity leave as well (10 working days/100% pay). Thanks to this, the policy on standard minimums for maternity leave has improved, and mothers are now given 10 working days at 100% of their salary, which are included in the 14 weeks already granted at 2/3 of their regular salary.

# 23.6%

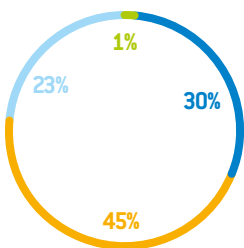
WOMEN EMPLOYEES  
IN SERVICE

# 25.3%

WOMEN IN  
MANAGERIAL POSITIONS

- Eni continued the **Smart Working project** in 2018 (launched in 2017); this project allows new parents to work from home two days a week. It is an integral part of Eni's antidiscrimination strategy since:
  - It was dedicated to both men and women with family responsibilities, promoting a shift to a more equal distribution of childcare responsibilities;
  - Allowing people to work from home, it encourages results-oriented working patterns against presence-based models which are usually associated with a long-hours culture that is typically detrimental to gender inclusion.
- Furthermore, Eni launched **MAAM – MATERNITY AS A MASTER**, an awareness-raising project on the value of motherhood in terms of skills development. Participation in the course is voluntary and it is available online. Attendants can join the course before the start of the compulsory abstinence period from work and may end after their return to work, until the third year of the child's age. Introduced in the second half of 2016, it has had approximately 70 workers participate from both Italy and abroad. Starting from 2018, the project was extended to fathers and renamed "**MAAM, your kid as a Master**", with a view to enhancing and supporting Eni peoples with parental care responsibilities and promoting the eradication of gender stereotypes.

Employees by age group (%)



■ 18-24 years    ■ 40-54 years  
■ 25-39 years    ■ over 55

# 87%

LOCAL EMPLOYEES IN COUNTRIES WITH A HISTORICAL PRESENCE

# 16%

LOCAL SENIOR MANAGERS & MIDDLE MANAGERS ABROAD

### b. Age

In relation to intergenerational diversity, Eni has launched several projects aimed at enhancing, promoting and further developing the use of knowledge and competence gained in the course of a career through:

- teaching activities
- structured exchange (one to one) as tools of know-how transfer and intergenerational dissemination.

Eni also launched the **Eni Faculty project** aimed at promoting and further developing the use of internal teaching as a tool of know-how transfer and intergenerational dissemination. In 2018, the project identified more than 1,400 in-house active and potential teachers (about 640 active and 820 future trainers).

### c. Internationality

In order to boost the positive impact of intercultural diversity and pave the way for a multicultural working environment, Eni has traditionally invested in training.

Several on-going training programs are dedicated to young Italian and international resources with a focus on developing both specific knowledge of the Oil & Gas sector and an integrated vision of the Company's present and future role.

The following programs are worth highlighting:

- **MASTER MEDEA** (Master in Management dell'Energia e dell'Ambiente - Master in Management and Economics of Energy and the Environment): founded in 1957, it involves 30 to 50 students per year, of which about half are Italians and others are from Countries of Eni interest: in total about 2,900 students from 110 different Countries.
- **ENI PROGRAM FOR MANAGEMENT DEVELOPMENT**: this training course is aimed at young middle managers, helping them acquire an integrated vision of the Company in order to interpret and manage their present and future role. The sixth edition was completed in 2016, with 32 participants from different Eni departments and subsidiaries.
- Particular attention is also given to the recruitment and development of people living in the Countries where Eni operates. In this regard, collaboration with universities has been strengthened in order to recruit young graduates in the Countries where Eni operates. The **HUMAN CAPITAL PROJECT – Kazakhstan Deployment** (sponsored by the World Economic Forum) - Cooperation agreement between the Colorado School of Mines and the local universities of Kazakhstan (Nazarbayev University and Satbayev University), for instance, is aimed at aligning and consolidating the offer in order to develop professional local resources able to respond more effectively and immediately to the needs of the Oil & Gas sector.

**d. Health&Safety**

**Health**

Eni believes that health protection is essential and it promotes the physical, psychological and social well-being of its people, their families and the communities of the Countries in which it operates. The extreme variability of the business contexts in which Eni operates requires the constant updating of the health risk matrices and makes it particularly challenging to ensure health at every stage of the business cycle.

To rise to this challenge, Eni has developed a specific operational platform that ensures access to services, covering occupational health, industrial hygiene, traveler health, healthcare and medical emergency, as well as the health promotion initiatives for its people and local communities. In this context, Eni pursues the following objectives:

- ensuring adequate disease prevention;
- ensure adequate risk management in the workplace and the development of health monitoring programs;
- ensure access to primary care and services for medical emergencies in every operating context.

In 2018, Eni carried out the following initiatives:

<b>PROCESS DIGITALIZATION</b>	Start of the digitalization of health processes and services
<b>WORK-RELATED RISKS</b>	Process of identifying, monitoring and controlling work risks, including those not specifically regulated, such as travel medicine, in cooperation with the industrial and health surveillance processes
<b>STANDARDIZATION OF HEALTH FACILITIES</b>	Implementation of the program to standardize Company health facilities by surveying and checking the structural, functional and equipment requirements
<b>HEALTH PROMOTION</b>	Identification and implementation of health promotion initiatives, according to the strategy set out based on study carried out in 2017
<b>RESPONSE TO MEDICAL EMERGENCIES</b>	Verification of the application of the criteria for responding to health emergencies in accordance with Company policies

In 2018, all of the companies continued the implementation of health management systems with the objective of promoting and maintaining the health and well-being of Eni people and ensuring adequate risk management in the workplace. Confirming this, the business areas completed the health monitoring programs with a result in line with what had been planned by the competent physicians.

**0.16**

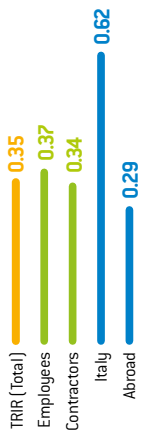
OCCUPATIONAL ILLNESS FREQUENCY RATE (OIFR)<sup>(a)</sup>

**28,807**

EMPLOYEES INCLUDED IN HEALTH MONITORING PROGRAMS

[a] OIFR: [cases of occupational illness/worked hours] x 1,000,000

**Total recordable injuries rate (TRIR)**  
 [(Total recordable injuries/ worked hours)x1,000,000]



## Safety

Eni has always been committed to the continuous dissemination of the safety culture as an essential part of activities, through projects that promote safe behaviour in all work environments and in life in general. The goal is to motivate safety so that every single employee is a safety leader at work, serving as an example, thanks to the management commitment.

In 2018, Eni carried out the following initiatives:

<b>PROCESS DIGITALIZATION</b>	Continuation of the digitalization of safety processes (e-wp, smart operator, etc.)
<b>SAFETY COMPETENCE CENTER SERVICES</b>	Continuous improvement of the services and methodologies for the third parties engagement (ex. Safety pact)
<b>SAFETY STARTS @ HOME</b>	Videos shared between employees and contractors in Italy and abroad by all the Business Lines, for each of the Safety Golden Rules that show a tangible application in the circumstances of everyday life
<b>INSIDE LESSON LEARNED</b>	Dissemination and sharing of the most significant lessons learned through video clips of employees and contractors in Italy and abroad
<b>I LIVE SAFE</b>	Theatrical events or round tables to raise awareness among senior management, contractors and external guests
<b>WORKSHOPS AND NEWSLETTERS ON PROCESS SAFETY</b>	Workshops and training programs were organized on the issue. Quarterly newsletter on process safety, distributed at company level



INTERVIEW

ENG. ALBERTO REGGIANI  
 GENERAL MANAGER ACR SPA

## INTERVIEW WITH ALBERTO REGGIANI (ARC S.P.A.)

Interview with Alberto Reggiani, general manager at ARC S.p.A, contractor company at the Rubicone gas treatment plant (Ravenna) and signatory of the Safety Pact\* signed in July 2018

### How did the Safety Pact signed with Eni help you manage your safety?

*The Safety Pact was a great tool to significantly improve our security performance. It contributes to making our workers aware of the importance of Health&Safety issues. We have partially extended the Safety Pact to our non-Eni construction sites as well.*

### What do you think are the main benefits deriving from the tools and activities made available by Eni through the Security Agreement?

*We saw a real change in terms of improving behaviour and raising awareness that being a leader (at all levels) breaks the chains of bad habits. Every person feels invested with an extra responsibility: going home safely, both the person himself and their colleagues. Another very important thing that the Pact has introduced is to think carefully and to plan every process before each activity.*

\*Safety Pact: Agreement between Eni and its contractors aimed at promoting safety in the workplace both through training and awareness-raising activities and through specific tools made available by Eni.

## KEY PERFORMANCE INDICATORS

### RATIO BETWEEN ENI MINIMUM WAGE POLICY AND MARKET MINIMUM WAGE (MIDDLE MANAGER, SENIOR STAFF AND WHITE COLLARS)

Ratio between Eni minimum wage policy and market minimum wage (1 <sup>st</sup> decile)	Countries
100 - 125	Austria, Belgium, France, Germany, Greece, Ireland, Italy, Netherlands, Poland, United Kingdom, Romania, Russia, Spain, Switzerland, Hungary
126 - 150	China, Ecuador, United States
151 - 175	Algeria, Australia
176 - 225	Pakistan, Kazakhstan
226 - 275	Angola, Iraq, Vietnam
> 275	Egypt, Indonesia, Nigeria
<b>172</b>	<b>Global Average</b>

### BLUE COLLARS

Ratio between Eni minimum wage policy and market minimum wage (1 <sup>st</sup> decile)	Countries
100 - 125	Germany, Italy, Spain, Switzerland
126 - 150	France
151 - 175	Australia, Belgium, Ecuador, Russia, United Kingdom
176 - 225	Austria, Hungary, Vietnam
226 - 275	Pakistan, United States
> 275	Angola, Egypt, Indonesia
<b>182</b>	<b>Global Average</b>

For middle managers, senior staff and white collars, for whom Eni has specific remuneration policies, the comparison is made between the minimum levels set in the policy by Eni and the minimum market levels determined by the providers (1<sup>st</sup> decile of local remuneration practices). Since 2018, Eni has also monitored the minimum wages of the workers' population by comparing, for each Country, the Eni minimum wage level (1<sup>st</sup> decile) with the local market minimum wage equivalent (1<sup>st</sup> decile).

### EQUAL OPPORTUNITIES

	2016	2017	2018
Women employees in service	(%) 23.24	23.54	23.61
Women hired	25.34	24.70	29.11
Women in managerial positions (senior and middle managers)	24.06	24.86	25.28
Senior managers	14.20	14.14	14.88
Middle Managers	25.13	26.03	26.42
Replacement rate by gender	0.47	0.76	1.00
Men	0.48	0.72	0.94
Women	0.43	0.90	1.16
Total retribution (women vs men)	97	97	98
Senior managers (women vs men)	98	96	97
Middle managers and senior staff (women vs men)	97	96	99
White collars (women vs men)	97	98	98
Blue collars (women vs men)	95	97	98

By the end of 2018, 7,307 women worked for Eni (23.61% of total employees), of which 4,997 in Italy and 2,310 abroad. In Italy, of the 691 permanent hires over the course of 2018, 28.9% (total 200) were female employees. In 2018, the replacement rate of women (ratio between hires/termination of permanent contracts) after an increase in 2017, rose again from 0.43 in 2016, to 0.90 in 2017 and then 1.16 in 2018. The percentage of women in managerial positions (senior and middle managers) also increased, from 24.06% in 2016 to 24.86% in 2017 and then 25.28% in 2018.

The results of the 2018 analysis of the gender pay gap at a global level show a substantial alignment (98%) between the pay of female workers and that of male workers; differences with previous years are statistically irrelevant. As in previous years, a consolidated Eni method has been used, which neutralizes, in the pay comparison, any effects deriving from differences in role and seniority.

## EMPLOYMENT

		2016	2017	2018
<b>Employees as of 31<sup>st</sup> December</b>	(number)	<b>32,733</b>	<b>32,195</b>	<b>30,950</b>
Employees aged 18 - 24		289	364	437
Employees aged 25 - 39		10,622	9,761	9,224
Employees aged 40 - 54		15,281	15,022	14,058
Employees aged over 55		6,541	7,048	7,231
Local employees in the upstream sector	(%)			
of which historical presence Countries		86	90	87
of which intermediate presence Countries		81	82	90
of which recent entry Countries		35	30	32
Local senior managers & middle managers abroad		16.06	15.68	16.70
Local employees in subsidiaries	(%)	93.49	93.36	93.22
of which: consolidated		84.66	85.36	82.63
of which: non consolidated		97.79	97.03	97.25

The number of personnel employed rose, particularly for the younger age group (18-24), mainly due to the recruitment of operating personnel for industrial sites in Italy including Viggiano, Livorno, Sannazzaro, Mantua and Taranto. Of the total hires, about 42% were made in the local companies of the upstream business area (total of 361, of which 186 with permanent contracts and 175 with temporary contracts) and 25% in the Refining & Marketing & Chemicals area.

## INDUSTRIAL RELATIONS

		2016	2017	2018
Employees covered by collective bargaining	(number)	27,758	27,325	25,841
Employees covered by collective bargaining	(%)	82.48	81.96	80.89
Italy		100	100	100
Abroad		47.46	44.54	35.33
Consultations, negotiations with trade unions on organizational changes (Italy)	(number)	288	275	192
Number of employees in trade unions		12,862	12,166	11,444
Employees in trade unions	(%)	38.22	36.49	35.82

**LABOUR DISPUTES**

		2016	2017	2018
Labour disputes	(number)	812	1,310	1,211
Prevention/disputes ratio		562/812	626/1,310	503/1,211
Disputes/employees ratio	(%)	2.46	4.05	3.89

The decrease in the number of labour disputes in 2018 was mainly due to the positive settlement of some serial claims, in particular the one in Ecuador concerning the local regulation on profit sharing brought by a large number of claimants. As regards Italy, 42% of the 841 pending disputes concern claims for damages by former employees, or their heirs, for alleged occupational illnesses. These alleged illnesses are related to past exposure to potentially damaging agents, often before the early 1990s, at industrial sites that were not managed by Eni but acquired years later as a result of corporate transactions. At global level, the number of claims directly connected with the performance of work contracts such as claims relating to the type of contract, recognition of pay differences and alleged downgrading or demotion, remain at an extremely low level which, if considered in relation to the number of employees, amounts to 0.12% of the employees in service at the end of December 2018 (0.19% in 2017).

**HEALTH**

		2016	2017	2018
Health Impact Assessments carried out	(number)	8	13	20
Employees included in health monitoring programs		31,643	30,944	28,807
Number of health services provided		484,984	450,398	473,437
of which to employees		349,763	297,480	320,933
of which to contractors		72,350	56,573	68,796
of which to relatives		56,677	79,687	66,327
of which to others		6,194	16,658	17,381
Number of registrations with health promotion initiative		27,424	56,765	148,130 <sup>(a)</sup>
of which to employees		18,245	34,458	57,110
of which to contractors		7,762	11,739	43,525
of which to relatives		1,417	10,568	47,495
OIFR Occupational Illness Frequency Rate (total Eni)		0.15	0.13	0.16 <sup>(b)</sup>
Allegations of professional illness		133	120	81
of which to employees		14	12	10
of which to previous employed		119	108	71

(a) The increase in the figure for the number of registrations for health promotion initiatives compared to previous years depends on the improvement of the monitoring activities of the execution of the initiatives themselves.

(b) The 2018 OIFR is calculated considering only the consolidated perimeter, unlike that of previous years. The OIFR calculated on the total hours worked by ENI is equal to 0.11

The number of health services provided by Eni in 2018 was 473,437, of which 320,933 for employees, 66,327 for family members, 68,796 for contractors and 17,381 for others (e.g., visitors and external patients). The number of participants in health promotion initiatives in 2018 was 148,130, of which 57,110 were employees, 43,525 were contractors and 47,495 were family members. The significant increase compared to the previous year is due to an improvement in reporting. As for occupational illnesses, reports fell during 2018 from 120 to 81, with an overall reduction of 33%, due to the reduction of illnesses reported, both from former employees (from 108 to 71 claims) and current employees (from 12 to 10 claims). Of the 81 occupational disease claims submitted in 2018, 12 were submitted by heirs (11 relating to former employees and 1 to an employee).

## SAFETY

		2016	2017	2018
Total Recordable Injury Rate (TRIR)	(total recordable injuries/worked hours) x 1,000,000	0.35	0.33	0.35
employees		0.36	0.30	0.37
contractors		0.35	0.34	0.34
Italy		0.51	0.64	0.62
abroad		0.31	0.26	0.29
High-consequence work-related injury rate (excluding fatalities)	(high-consequence work-related injuries/worked hours) x 1,000,000	0.01	0.00	0.01
employees		0.01	0.01	0.00
contractors		0.01	0.00	0.01
Injury frequency rate (LTIF)	(injuries with days of absence/ worked hours) x 1,000,000	0.23	0.21	0.23
employees		0.30	0.27	0.28
contractors		0.19	0.19	0.21
Italy		0.51	0.60	0.60
abroad		0.15	0.12	0.14
Injury severity index	(days of absence/worked hours) x 1,000	0.010	0.011	0.010
employees		0.017	0.019	0.016
contractors		0.007	0.008	0.007
Fatality index	(fatal injuries/worked hours) x 100,000,000	0.72	0.33	1.21
employees		-	-	-
contractors		1.09	0.47	1.67
Number of fatalities as a result of workrelated injury	(number)	2	1	4
employees		0	0	0
contractors		2	1	4
Near misses		1,643	1,550	1,431
Worked hours	(million hours)	276.9	306.3	330.6
employees		93.7	93.1	91.6
contractors		183.2	213.3	239.0
Training hours on safety	(hours)	249,467	323,765	289,661
of which to senior managers		2,144	9,567	4,945
of which to managers		30,532	67,293	57,061
of which to white collar		148,150	174,016	157,724
of which to blue collar		68,640	72,889	69,931

In 2018, the total recordable injury rate (TRIR) of the workforce increased by 6% compared to 2017. The worsening was determined by the employees' rate (due to an increase in accidents), while the contractors' rate remained stable. Four fatal accidents occurred to upstream contractors: 1 in Nigeria as a result of crushing by a manoeuvring vehicle, 1 in Algeria as a result of burns, and 2 in Egypt for falls from a height. The high-consequence work-related injury rate was affected by two events: one in Alaska (upstream contractor who suffered a serious injury to his right leg) and the other in Egypt (contractor who fell from a height). In Italy, the number of total recordable accidents in 2018 increased (40 events vs 38 in 2017), but the total recordable injury rate (TRIR) improved by 3%; however, the number of accidents abroad increased (76 events vs 63 in 2017) and the total recordable injury rate worsened by 12%.

The training hours are in line with those recorded in the previous years except for 2017, which has been characterized by a peak of training hours due to specific activities (mandatory training refresh, Safety Golden rules training in sites and subsidiaries, launch of the Zohr project and provision of training for mandatory offshore training as, for example, OPITO-BOSIET).



## HUMAN RIGHTS IN ENI'S RELATIONS WITH SUPPLIERS AND OTHER BUSINESS PARTNERS

### ENI'S APPROACH TO HUMAN RIGHTS IN ITS RELATIONS WITH SUPPLIERS AND OTHER BUSINESS PARTNERS

*Eni takes into account the potential impact on human rights deriving from activities carried out by suppliers and other Business Partners in the management of its business relations and plans specific measures in this regard. Eni expects its business partners to respect the principles and content of Eni's Statement on Respect for Human Rights and makes all reasonable efforts to include contractual obligations to respect human rights into its agreements with them when working for or together with Eni.*

#### HUMAN RIGHTS IN ENI'S RELATIONS WITH SUPPLIERS AND OTHER BUSINESS PARTNERS

- Modern slavery
- Migrant workers
- Freedom of associations and collective bargaining
- Working conditions
- Safe and healthy working conditions

### ENI'S COMMITMENT TO DEAL WITH RISKS ASSOCIATED WITH BUSINESS PARTNERS

Aware of the important role **suppliers** play in the fulfilment of its commitments, Eni has progressively introduced documents and tools into the regulatory system aimed at ensuring respect and promotion of human rights.

The potential impact on human rights deriving from **Business Partners' conduct** is central to the Business and Human Rights debate, given the challenges it presents. Eni has gradually included commitments and measures aimed at dealing with this particular category of human rights risks. Indeed, requirements to assess counterparty risks and engage with them on these issues have been integrated into a number of policies and procedures, including documents governing critical phases, such as the approval of investments and other strategic transactions. The Company has also adopted practices and tools to minimize any potential and actual impacts associated with Business Partners.

Eni's commitments to preventing and mitigating potential and actual human rights impacts deriving from the decisions and behaviours of Business partners, including suppliers, is included in **Eni's Statement**. Consistent with the **UN Guiding Principles on Business and Human Rights**, the Statement sets out different approaches reflecting Eni's leverage of the different categories of Business partners.

Furthermore, following the adoption of national laws introducing obligations in terms of transparency in the supply chain, Eni has also adopted ad hoc statements, for example relating to the **U.S. Conflict Minerals** requirements and the **UK Modern Slavery Act**.

Eni's commitment for the health and safety goes beyond protection of its people, and considers also contractors, partners and communities. An example of that is the **Safety pact**, part of the continuous improvement of the services and methodologies for the engagement of third parties.

## SPECIFIC POLICIES TO DEAL WITH RISKS FROM BUSINESS PARTNERS AND SUPPLIERS

### 1. Eni policy commitments to address and manage risks connected to Business Partners

#### Eni's Statement on Respect for Human Rights

Eni's Statement on Respect for Human Rights sets out the Company's expectations in terms of **compliance with international standards** with regard to the activities assigned to or carried out with Business Partners as well as to the activities they may carry out in Eni's interests.

In particular, Eni undertakes to:

- identify and prevent potential impacts on human rights **deriving from activities carried out by Business Partners** in the management of its business relations;
- **engage its Business Partners** in the prevention and mitigation of any adverse human rights impacts that their operations, products or services might cause, or contribute to or are directly linked to.

Eni's Statement on Respect for Human Rights states that the Company commits, as far as possible, to ensure that the principles included in the Statement are integrated into the internal legal framework of the **Joint Ventures** in which it participates. Where Eni's leverage is relatively limited, Eni will make all reasonable efforts in order to guarantee that the Joint Ventures' policies and practices are fully aligned with the principles included in the Statement.

Eni also commits to making all reasonable efforts to include **contractual obligations** to respect human rights in its agreements with its **Business Partners** when working for or together with Eni

The Statement also includes provisions on relationships with **state authorities** and **government entities**, a specific category of business partners with peculiar characteristics in terms of both formal engagement and substantial leverage. In its relationships with these specific stakeholders, Eni is committed to actively cooperating with them in the implementation of their human rights agenda. The Statement expresses Eni's view on the critical contribution it can give to enhancing access to human rights, also in terms of collective awareness on the importance of these principles.

As per its relations with state authorities and government entities, the Statement includes a provision on the opportunity to express concern over potential or actual human rights issues in a Country of operation. To this aim and where necessary, the Company shall identify the most effective approaches. Finally, the Statement includes a commitment to deliver awareness-raising initiatives dedicated to contractors and other Business Partners.



## 2. Eni's commitment to managing risks associated with suppliers

### a) Eni's Statement on Respect for Human Rights

Eni's Statement on Respect for Human Rights includes extensive and detailed commitments on **supply chain management**, encompassing risk-based screening on suppliers and other processes aimed at preventing adverse Human Rights impacts deriving from their conduct.

Besides contractual requirements to respect human rights, the Statement stresses the importance of awareness-raising activities and provides for measures to deal with potential critical issues, starting from the implementation and monitoring of corrective actions. The need for last resort options such as limits to participation in tenders as well as early termination of contracts should to be assessed against human rights-based criteria.

Furthermore, Eni demands that, in case of subcontracted activities, the latter be carried out in line with the Statement.

### b) Supplier Code of Conduct

Building solid relationships along the value chain is fundamental to pursuing the commitments undertaken by Eni; indeed, without the support of all actors of the value chain, we could never guarantee respect of the values that constitute the foundation of our Company. Eni strives to forge relationships with suppliers, contractors and subcontractors of proven professionalism, capable of operating according to the highest quality standards and is willing to share its own corporate values, also in terms of sustainable development.

According to the principles of the Code of Ethics, Eni has drawn up a forthcoming Code of Conduct which describes minimum requirements and expectations against which all its suppliers, contractors and subcontractors are required to measure themselves, also with a view to continuously improving the activities and services. The Supplier Code of Conduct will help us to intensify dialogue and share the values that are fundamental and essential to us with our value chain so as to involve and welcome those who carry out activities with us and for us in our sense of responsibility.

The Code of Conduct, in line with the ILO's Declaration on Fundamental Principles and Rights at Work, requires suppliers, contractors and subcontractors prevent their activities from causing or contributing to violations of human rights. They shall:

- prohibit forced labour, compulsory labour and all forms of modern slavery and human trafficking;
- prevent, in compliance with local law, any form of work for children under the age of 15 and ensure that workers between the ages of 15 and 18 are not engaged in hazardous work;
- prevent any kind of discrimination (based on race, religion, national descent, social origin, colour, gender, political opinion and sexual orientation or any other condition that may give rise to discrimination), guaranteeing equal opportunities for all and ensuring a non-discriminatory work environment that is free from any kind of harassment;
- ensure freedom of association and collective bargaining, including the right for workers to freely choose their representatives and to represent other workers, remaining neutral to the employees' preference to join and remain in a trade union organization, and to prepare an adequate access to the workplace also to employee representatives, refraining from any discrimination against the latter;
- set clear and fair working conditions defined in a contract drawn up in the language (s) envisaged by the local legislation, which provides for fair remuneration, sustainable working hours as well as parental leave and holidays, in a safe and healthy work environment, in accordance with applicable agreements;
- respect the cultural, economic and social rights of local communities, indigenous peoples and other vulnerable groups, taking into account the operational context and the activities carried out.

The Code of Conduct will require suppliers, contractors and subcontractors to comply with certain operational standards also in other areas, such as: compliance with laws, integrity, transparency and conflicts of interest, the fight against corruption, health and safety, environmental protection, export control, data protection and intellectual property, and fair competition.

Eni will make available to workers, the communities with which it interacts and its suppliers (including their

employees) tools for a prompt response to reports of potential impairment of their rights (Grievance Mechanism) as well as channels for receiving and processing reports relating to violations, improper conduct or complaints, even in confidential or anonymous form, explicitly prohibiting retaliation against the appellant. Consistently with this objective and taking into account the operating context and the activities performed, Eni expects suppliers, contractors and subcontractors to make available to workers and the communities with which they interact in the interest of Eni, their own accessible remedial mechanisms, also anonymously.

### c) Global Framework Agreement

The GFA, which was renewed and meaningfully updated in June 2019, includes specific provisions regarding the international standards to be explicitly referred to in contract clauses, as well as requirements in terms of both qualification processes and subcontractors. More in detail, according to the GFA:

*Eni is committed to finding suppliers and independent contractors that have suitable professional qualifications and a commitment to sharing its corporate values, and particularly, respecting fundamental human and labour rights.*

*As outlined in the Supplier Code of Conduct that will be adopted by Eni, actual and potential suppliers are required, at different stages of the relationship with Eni, to commit to abiding by the principles and international standards on human and labour rights, particularly including the ILO Declaration on Fundamental Principles and Rights at Work and the Eni Code of Ethic.*

*Supplier evaluation concludes with the definition of the qualification status indicating the result of the assessment and the identification of principal weakness and areas for improvement. Eni requests its suppliers to ensure that, when activities are performed through subcontractors, these last meet the same requirements.*

*In regard to the activities commissioned to suppliers, Eni confirms that existing contractual relationships contain appropriate clauses against any violations. In this regard, Eni confirms that any supplier that has relations with Eni must commit itself to and strictly comply with the principles contained in the documents as defined above.*

*Any repeated breach of the provisions of the Supplier Code of Conduct, particularly in the context of this agreement [the Global Framework Agreement, Ed.], may result in the termination of the contractual relationship with the supplier concerned. (For details see p. 59)*

### d) Code of Ethics

Potential impacts deriving from suppliers' misconduct are also addressed in the Code of Ethics adopted in 2007, including a number of requirements and measures to be adopted in order to minimize the risks of violating the principles included in the Code. Such provisions stress the importance of transparency and the avoidance of any risks of corruption and conflicts of interest.

In relationships regarding **tenders, procurement** and, generally, the **supply of goods and/or services** and **external collaborations** (including consultants, agents, etc.), Eni's people shall:

- *follow internal procedures concerning selection and relations with suppliers and external collaborators and abstain from excluding any supplier meeting requirements from bidding for Eni's orders; adopt appropriate and objective selection methods, based on established, transparent criteria;*
- *acknowledge the Code in contracts, as well as the obligation to comply with the principles contained therein;*
- *maintain a frank and open dialogue with suppliers and external collaborators in line with good commercial practice; promptly inform superiors, and the Guarantor, about any possible violations of the Code;*
- *inform the relevant Eni Corporate structure about any serious problems that may arise with a particular supplier or external collaborator, in order to evaluate possible consequences for Eni.*

### e) Compliance with national policies

In recent years, national governments have addressed some specific Business and Human Rights issues associated with the management of supply chains and posed new obligations on companies. When Eni's activities fell under the scope of these regulations, the Company acted in compliance with them.

#### Eni's position on Conflict minerals

(For detail see p. 15)

#### Eni's Modern Slavery Act Statement

(For detail see p. 15)

# 100%

NEW SUPPLIERS  
ASSESSED IN  
ACCORDANCE  
TO SOCIAL  
RESPONSIBILITY  
ASPECTS

## ASSESSING AND MONITORING SUPPLIERS' RISKS

Eni adopts criteria for the qualification and selection of suppliers which assesses their ability to meet corporate standards on ethics, health, safety, environmental protection and human rights. Eni implements this commitment by promoting these values in its relationships with suppliers and engaging them in the risk prevention process. Indeed, Eni performs processes aimed at minimizing human rights risks deriving from the conduct of its counterparties and monitors compliance with these commitments over time. Should critical issues emerge, Eni requires the implementation of corrective actions. Where contractors' performance in terms of respect for human rights falls below minimum standards, Eni limits or prevents their participation in tenders.

### Selection and management of suppliers

Eni requires suppliers make a formal commitment to upholding principles such as the protection and promotion of human rights, high safety standards at work, environmental protection, the fight against corruption, compliance with laws and regulations, ethical integrity and fairness in relations.

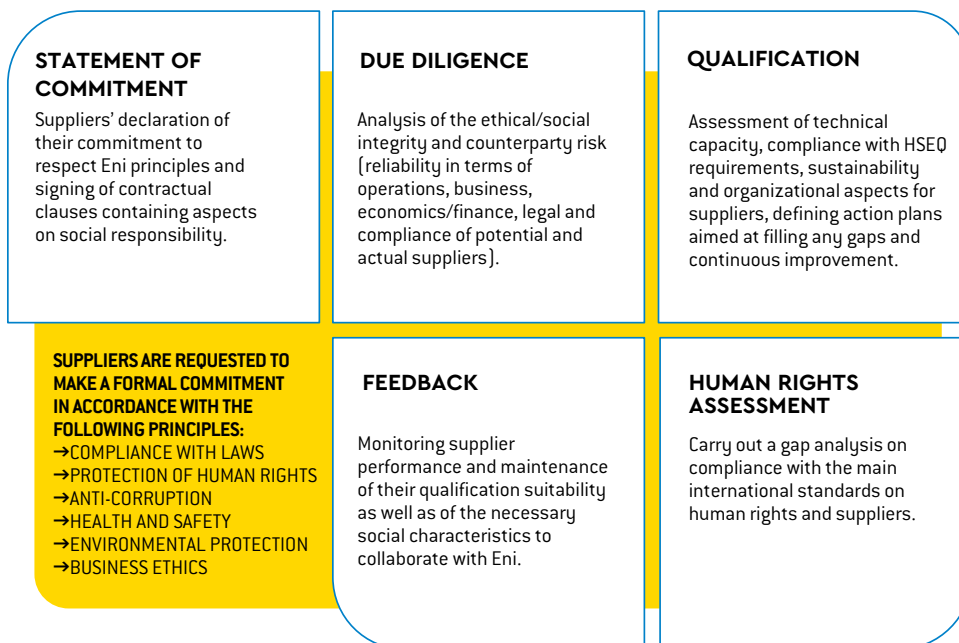
Eni carries out selection and management processes aimed at:

- analysing the reliability of the operational and compliance levels of potential and actual suppliers;
- in addition to assessing technical capacity, assessing sustainability aspects and compliance with suppliers' HSEQ requirements, defining the appropriate action plans geared towards developing and continuously improving suppliers' performance and aimed at remedying any shortcomings identified;
- monitoring the performance and integrity of suppliers and their compliance with the sustainability and social requirements for collaborating with Eni;
- performing a gap analysis against the main international Human Rights standards by assessing them based on the evaluation parameters inspired by the Social Accountability Standard (SA8000).

Within Eni's supplier register, each supplier is classified according to its performance and the analysis carried out by Eni, if any issues arise the supplier may be put under a monitoring process, which may include specific clearance, or suspended until it resolves the criticalities identified. This classification is also relevant for Eni decisions about whether to renew the relationship.

This management model guarantees Eni's constant monitoring over its suppliers, up to the suspension of relationships if suppliers do not meet the minimum standards set by Eni.

### Supplier selection and management process



### Focus on Human Rights assessment on suppliers

Eni has strengthened its determination to contribute to social progress over the years, encouraging the development of its suppliers' skills relating to sustainability issues, promoting and requiring respect for the main ILO standards.

In particular, the assessment activities relating to human rights and workers' rights include a recently implemented model to identify the most at-risk areas to focus efforts on; moreover, in order to develop in-house expertise on the subject and directly interact with suppliers on these issues, selected resources of the procurement department have participated in training initiatives, for example the SA8000 Auditor course.

The application of the risk-based model makes it possible to define a yearly assessment plan for suppliers identified as "critical" on the basis of factors such as Country risk and sector risk (high-risk Countries in terms of violation of human rights as well as critical sectors in terms of workers' rights abuses).

These assessments are especially aimed at understanding suppliers' strengths and weaknesses and increasing awareness on issues regarding workers' rights, such as the minimum age of workers, the prohibition of forced labour, the prohibition of discrimination, safety and working conditions, freedom of association and rights to collective bargaining, working hours, remuneration, etc.

This is done through: actions aimed at effectively involving suppliers in site visits, the verification of social policies, procedures and applied labour contracts, random checks on sensitive documents (attendance register, payslips, accident register, etc.), individual and group interviews on a representative sample of workers, sharing of findings and definition of an action plan for addressing the identified gaps.

In 2018, Eni assessed and monitored more than 5,000 suppliers on issues having potential implications relating to respect for human rights (Health, Safety, Environment protection, workers' rights, anti-corruption, etc.).

### Engaging with peers to improve Eni's management of Human rights risks deriving from suppliers

Considering the remarkable progress which can be attained through cooperation with peers, Eni is actively participating in IPIECA's project on human rights in the supply chain, which is aimed at building awareness and improving industry performance relating to the rights of site-based contractors' workforces.

As a result of this collaboration, during 2019, the working groups of IPIECA have developed a series of practical guidance and tools on managing labour rights, which aim to reduce the risks and address potential human rights impacts and issues, particularly in the industry's supply chain.

These resources, drafted taking into account the work done with IPIECA's members, are meant to help practitioners more effectively in identify, prevent and mitigate labour rights risks and impacts within projects, operations and supply chains, while informing stakeholders of the industry's collective commitment and efforts to respect labour rights. Finally, the work done should also help to anticipate emerging trends and challenges. The work done so far should lead to the development of training activities for suppliers and contracts, as well as to the development of a human rights due diligence platform available to the IPIECA's members.

# 20

SUPPLIERS SUBJECT  
TO HUMAN RIGHTS  
ASSESSMENTS IN 2018

OVER

# 5,000

SUPPLIERS TO BE AUDITED  
AND ASSESSED ON  
SUSTAINABILITY ISSUES  
IN 2018



#### CASE STUDY: SUPPLIER IN AFRICA

## HUMAN RIGHTS ASSESSMENT IN THE SUPPLY CHAIN

### CONTEXT

Over time, Eni has boosted its commitment to encourage its suppliers to develop skills on sustainability issues and to promote the main ILO standards. A model has been implemented to identify the areas most at risk, for which contractual leverage is used, and focus its efforts.

In 2017, a **Human Rights assessment** was carried out on a **supplier in Africa** identified by taking into account: Country risk and sector risk, based on workers' rights risk exposure. Both the assessment and the areas covered were based on the SA8000 Standard.

### PROCESS

The assessment was carried out with the aim of understanding the supplier's strengths and weaknesses on issues of social responsibility, particularly on workers' rights, and increasing awareness of these issues through:

- Supplier engagement
- On site visit
- Check of social policies, procedures, employment contracts applied; Sample checks of sensitive documents
- Individual and/or group interviews on a representative group of workers
- Sharing the results and defining of the action plan required in order to fill any gaps found.

In particular, the assessment included verification of compliance with international standards on the following main issues:

- Child Labour;
- Forced Labour;
- Health and Safety;
- Freedom of Association & Right to Collective Bargaining;
- Discrimination;
- Disciplinary Practices;
- Working Hours;

- Remuneration;
- Management Systems.

### CRITICALITIES FOUND AND ACTIONS REQUIRED

The following Human Rights abuses were identified:

- **Lack of transparency** in employment contracts with regard to remuneration conditions;
- Impossibility for women who fall pregnant during the trial period to take advantage of **maternity leave**;
- No clear indication of the number of **annual holidays** due.

The results of the assessment have been used to define a monitoring plan on a group of employees to check that information on salary calculation and the related payment is traced precisely and accurately and define an improvement plan to fill the gaps found in the employment contracts applied, particularly concerning employees' maternity leave and annual holidays.

A follow-up was carried out in order to make sure that the standard working agreement had been amended by aligning contract clauses with international standards and improving transparency on working conditions, including remuneration.

The assessors ascertained that the recommendations had been adopted and implemented by the supplier within the agreed time.

### LESSONS LEARNED

Involving the parties concerned more effectively in the process, demonstrating adequate cultural sensitivity in conducting interviews with workers and presenting results as an opportunity for development and continuous improvement.

### CHALLENGES

Putting interviewed workers at ease, preventing them feeling intimidated and ensuring that there are no repercussions when delicate information is revealed, therefore ensuring that the interviews correctly reflect the actual working situation.

## ASSESSING AND MONITORING BUSINESS PARTNERS' RISKS

### Ensuring respect for the Code of Ethics in the agreements with Business Partners

Eni's general approach with Joint Venture partners is to ensure that the principles included in its Code of Ethics are integrated into the internal legal framework of the Joint Venture through the adoption of Eni's Code of Ethics. Where Eni's leverage is relatively limited (for instance with non-operated JVs), Eni has formal rules in place which ensure that it makes all reasonable efforts at the highest governance levels in order to guarantee that the JV's Code is fully aligned with Eni's and keeps a record of the attempts to do so.

In addition to these contractual measures, **training initiatives** dedicated to Business Partners are implemented in order to ensure the ongoing dissemination of the principles included into the Code of Ethics.

Furthermore, **clauses on respect** for the Code of Ethics are also included in agreements with Joint Venture Partners, including National Oil Companies where they act as Joint Venture Partners.

### Embedding human rights in the negotiations of Joint Venture agreements and Petroleum Contracts

As part of its commitment to integrate Human Rights into its operating model starting from the preliminary phases, following the approval of a set of guidelines, the so-called **Sustainability Golden Rules**, to support negotiators in the management of sustainability issues during the negotiation of International Petroleum Contracts, Eni has introduced a new clause on human rights.

This clause, to be negotiated and applied to **Joint Venture agreements and Petroleum Contracts** with state authorities and government entities, requires partners to perform its respective obligations in compliance with the main Human Rights International Standards and in accordance with the UN Guiding Principles on Business and Human Rights. In case any difference occurs, Eni engages with its partners to identify potential areas for discussion and to agree the final text. To this aim, negotiators have been trained on the content of this clause and on the main human rights standards. An ad hoc webinar was held in November 2018 in which all the negotiators, commercial managers and managing directors actively participated. In addition, a technical guide was provided soon after the webinar to help the participants become more acquainted with human rights principles and guidelines.

Moreover, concerning human rights, the Sustainability Golden Rules above mentioned require negotiators to:

- negotiate the inclusion of a bilateral commitment to respect and promote human rights, particularly in relation to human resources, procurement, HSE, security, local communities and access to remedy, and to leverage on such inclusion to obtain a reciprocal obligation on the part of the host Country,
- negotiate in the Petroleum Contract the commitment to promote the organization of workshops, training and awareness campaigns on the matter of human rights with the participation of local personnel, suppliers and local communities.

### Due diligence checks preceding mergers and acquisitions

Moreover, human rights have been integrated into the **Due diligence checks preceding** mergers and acquisitions and other Investment transactions and negotiations of agreements with Joint Venture partners.

If red flags related to the past human rights performance of the business partners arise, the Company will adopt the appropriate measure to improve the partner's human rights standards by exerting its power of influence.

Finally, with more general reference to **Eni's Business Partners**, specific clauses on human rights were introduced in 2018 to be included in agreements entered into with Countries and other companies, aimed at representing and binding the parties to act in line with the main international standards and to exercise a suitable form of leverage on them. Each business partner is also subject to a prior audit aimed at identifying the presence of any critical issues relating to respect for human rights and providing for the appropriate measures for their management.



## ENGAGEMENT AND TRAINING ON SUPPLIERS' RISKS

Eni has made intense efforts with engagement and training initiatives oriented to both its procurement professionals and its suppliers over the years.

The **resources of the procurement department** have been progressively engaged in initiatives aimed at boosting their capacity to address human rights issues and raise awareness on the responsibilities of their work in terms of prevention and mitigation of human rights impacts:

- **Vendor Management Day** (held in June 2017): an initiative dedicated to procurement managers which promoted Eni's commitment to sustainability and in particular to human rights in the supply chain;
- a **Business & Human Rights training course** attended in 2016 (for details see p. 26);
- **training as SA8000 Auditors** in order to develop in-house expertise on human rights assessments (44 total resources from the procurement departments of headquarter and foreign affiliates have been trained since 2008, including three resources in 2018).

As part of the Business and Human Rights training program, Eni has developed a **second e-learning program**, aimed at raising awareness on the **issues typically faced** by the people operating in the procurement department.

Indeed, in 2018, a module dedicated to human rights risks in the supply chain was finalized, in order to be delivered to Eni's Procurement professionals in 2019 and to contract holders in 2020.

The module includes two case studies: 1) the first one addresses the topics of working conditions, working hours and vulnerable workers; 2) the second one is focused on modern slavery practices such as wage deductions and passport retentions. Both case studies terminate with a description of Eni's expectations in terms of both remedy for abused workers and approach with the supplier.

The training also addresses key topics and dilemmas such as:

- unintentional effects deriving from common business practices such as exerting pressure on delivery deadlines, potentially leading to workers' rights abuses on working hours;
- challenges deriving from local content requirements in Petroleum Contracts which, under certain conditions, might lead to severe problems in finding suppliers whose standards are in line with international conventions.

As **for its suppliers**, Eni has undertaken a range of initiatives aimed at communicating its commitment to respecting human rights and raising awareness on this issue and its implications

Eni's requirements on respect for human rights are also highlighted during:

- a **Safety Day dedicated to contractors** involving around 160 suppliers operating in the various commodity classes Eni considers most critical in terms of safety. During this annual initiative rewards are assigned to suppliers who stand out for their commitment and have achieved the best safety performance;
- **meetings with local suppliers** organized in collaboration with trade associations or local authorities.

Moreover, the adoption of the Eni Supplier Code of Conduct will represent an additional opportunity for information and training for suppliers about Eni's expectations of them and about the actions that may be taken jointly to cooperate in ensuring the respect for human rights along the entire value chain.

## ENGAGEMENT AND TRAINING ON BUSINESS PARTNERS RISKS

For detail on this topic please see at page 25.

## KEY PERFORMANCE INDICATORS

KPIs concerning the Health and Safety of contractors are presented in the chapter on human rights in the workplace, see p. 56.

## SUPPLIER ASSESSMENT

		2016	2017	2018
Suppliers subject to assessment regarding social responsibility aspects	(number)	5,171	5,055	5,184
of which suppliers with criticalities/areas for improvement		1,336	1,248	1,008
of which suppliers with whom Eni has terminated relations		131	65	95
New suppliers assessed regarding social responsibility aspects	(%)	100	100	100

During 2018, more than 5,000 suppliers were subject to checks and assessment with reference to sustainability aspects (i.e. health, safety, environment, human rights, anti-corruption and compliance). For 19% of these suppliers, potential critical issues and/or possible areas for improvement were identified; 91% of cases were not serious enough to compromise the possibility of working with them, while for the remaining 9% of suppliers checked, the criticalities revealed led to the temporary suspension of relations with Eni.

In 2018, critical issues and/or areas for improvement<sup>4</sup> were in fact identified on 1,008 suppliers; for 95 of these the assessment at the qualification stage was negative (i.e., non qualified) or Eni issued an instruction suspending or revoking the qualification; the 2018 figure for supplier suspensions, which shows a drop compared to previous years, reflects the smaller number of investigations for unlawful conduct involving Eni suppliers in the year.

In addition, since 2008, Eni SpA and its subsidiaries have carried out 192 Human Rights Assessments (of which 62 follow-ups) on suppliers at 15 sites.



4) Suppliers subject to assessment on which critical issues have been identified (resulting in a request for implementation of improvement plans) on HSE or human rights issues during the qualification process or Human Rights assessment (relating, for example, to health and safety regulations, violation of the code of ethics, corruption, environmental crimes) or on which Eni has issued a preventive measure (monitoring, state of attention with clearance, suspension or revocation of qualification).

## HUMAN RIGHTS IN HOST COMMUNITY RELATIONS

### ENI'S APPROACH TO HUMAN RIGHTS IN HOST COMMUNITY RELATIONS

*Eni respects the rights of individuals and the local communities in which it operates, with particular reference to biodiversity, the rights to ownership and use of land and natural resources, the right to adequate food and water, adequate housing and the right to the enjoyment of the highest attainable standard of physical and mental health.*

#### HUMAN RIGHTS IN HOST COMMUNITY RELATIONS

- Land rights
- Environmental impacts that affect livelihoods, health, availability of water
- Closing of projects

### ENI'S COMMITMENTS TO RESPECTING THE HUMAN RIGHTS OF LOCAL COMMUNITIES

Eni's commitment to respecting the **human rights of local communities** is, together with environmental protection and the socially responsible **development of communities** where Eni operates, one of the principles that contributes to the creation of value, both for Eni and for communities, as recognized in Eni's Statement on Respect for Human Rights.

The commitment to respecting the human rights of local communities is structured around the recognition of:

- the fundamental principle of free, prior, informed consultation;
- the consolidated practice of conducting environmental, socioeconomic, health and cultural impact assessments, including those related to indigenous people, in order to identify, prevent, and when applicable mitigate the possibly adverse potential and/or actual impacts on human rights the Company caused, contributed to or is associated with, such as those related to:
  - rights to adequate food and drinking water, the highest attainable standard of physical and mental health, adequate housing, education and the special rights of indigenous and tribal peoples;
  - rights related to land and property. This in light of the crucial commitment of Eni to avoid the involuntary resettlement and restriction on land use of local communities and persons and to provide appropriate compensations in case of unavoidable land acquisitions and resettlements. In such a case, joint agreements with the affected people should be reached regardless.

For information on Eni's policies and processes on environmental and health issues which are also relevant for communities, visit the Global Health section and Environment pages on Eni's website that include details on policies and actions to promote the health of Eni's people, communities and partners and Eni's commitment to a Healthy Environment. Specifically on Health issues, in the [health section](#) of Eni's website information is available on the Company's initiatives aimed at preventing Health impacts involving potentially and actually affected stakeholders including, other than Eni's people, contractors and local individuals and communities.

### SPECIFIC POLICIES ON RESPECT FOR HOST COMMUNITIES' RIGHTS

Eni's Statement on Respect for Human Rights explicitly states Eni's commitment to respect for the rights to ownership and use of land and natural resources, the right to water and the right to the enjoyment of the highest attainable standard of physical and mental health. Special attention is given to the rights of vulnerable groups, including a focus on children.

Regarding land acquisitions and indigenous peoples, also identified as Eni's salient issues, the Company is committed to:

- Taking action to avoid the involuntary resettlement of local communities and persons and, where this cannot be avoided, carrying out free, prior and informed consultations with the affected people in order to reach joint agreements, fair compensation and improvements of the livelihoods of those affected by resettlement, in line with the IFC Performance Standards;
- Respecting the distinctive rights of indigenous peoples, with particular reference to their cultures, lifestyles, institutions, bonds with their homeland and development models in line with international standards.

In terms of key processes, the Statement includes a commitment to carry out environmental, social, health and human rights impact assessments as well as to promote free, prior and informed consultations, with the purpose of considering communities' legitimate expectations in conceiving and conducting business activities, including local development projects.

Before Eni's Statement on Respect for Human Rights was approved, the Company's approach to this topic was publicly stated in the **Company's Sustainability Policy** and in the **Code of Ethics**.

The Sustainability Management System Guidelines mirror Eni's commitment to respect local communities' rights and implement it by integrating human rights into the Company's Sustainability processes. Following these guidelines Eni maps and monitors periodically indigenous people potentially affected by Eni's operations worldwide (for details see p. 18).

## COMMUNITY ENGAGEMENT AND OTHER PROCESSES TO ENSURE RESPECT FOR HOST COMMUNITIES RIGHTS

Eni's subsidiaries/districts are responsible for stakeholder engagement at an operational level and it must be part of the strategic process when designing a new operation/project, before any on-field activity starts.

Eni's internal regulations recognize that **local stakeholders should be engaged through information campaigns and interactive consultation processes** that should be carried out from the conceptual design of a project up to operations, including public consultations.

Consultations are also an opportunity for **sharing and informing communities of Eni's approach to human rights and sustainability**, in general, as referenced in the Code of Ethics, in Eni's Sustainability Policy and in Eni's Statement on Respect for Human Rights.

As for the latter, Eni's procedures recognize the importance of involving vulnerable groups and, adopting special tools and precautions such as:

- Pre-consultation where possible,
- Identification of appropriate representatives,
- Identification of priority issues,
- Attention to cultural appropriateness,
- Sharing responsibilities with government for disclosure and consultation.

Whenever Eni operates in a host territory, the involvement of local residents is promoted through **information sessions and community meetings**. Moreover, the tools for the management of complaints, stakeholder mapping and participation in the management of local development projects are adopted. Eni is also reinforcing a practice of evaluation and reporting back to stakeholders, which includes the publication of main findings and recommendations of human rights assessments, promoting the Company's transparency and accountability on the issue.

For details about Eni's engagement with host communities, see the reports about [Myanmar](#) and [Angola](#). It is worth mentioning that, following three years of work, in 2017 Eni developed the **"Stakeholder Management System" (SMS)**. This tool is designed to support the management of relations with stakeholders in the territories where Eni operates.

The SMS is a web-based platform that allows Eni to:

- map and evaluate stakeholders;
- map requests related to sustainability issues;
- identify the most relevant stakeholder and most requested issues;
- identify/map the appropriate responses to stakeholder pressure;
- store all data to give organized information for local stakeholder management.

The SMS is based on the international standard AA1000 and performs analysis based on the minutes of meetings and other documents related to stakeholders.

The system has a special section dedicated to requests related to human rights protection, which can be sorted by topic, territories or categories of stakeholders.

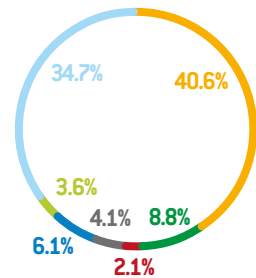
The SMS also allows Eni to monitor all the grievances related to Eni or its contractors which are sent by local communities, individuals or indigenous or vulnerable groups: each grievance as well as each request is registered and monitored from its receipt to its resolution. Starting from January 2019, the SMS is mandatory for mapping stakeholders and tracking and monitoring stakeholder relations. The SMS is already used in upstream operated production and development activities in Algeria, Angola, Australia, Congo, Ghana, Egypt, Italy, Mexico, Myanmar, Nigeria, Mozambique, Pakistan, Tunisia, UK, USA, and in several other Countries for exploration activities (i.e. Ivory Coast, Montenegro, South Africa, Oman, Vietnam).

In 2019, the SMS was also implemented in all Eni Italian downstream plants (power plants, refineries, petrochemical plants) and it will be finalized in the other European industrial plant by the end of 2020 as well.

At the end of 2019, the SMS includes over 3,300 stakeholders. Almost 1,000 communities are mapped in the SMS and the mapping includes the identification of local governments and authorities, villages, indigenous peoples' groups, local NGOs and business partners. In the figure nearby, local communities are represented based on their location in Eni's areas of presence: the majority are located in Italy (593) and in the Sub-Saharan Africa (507), especially in Nigeria (194) and in Mozambique (97).

Relevant consultation activities with local communities have been carried out, over the last four years:

N. of local communities in Eni's areas of presence (%)



- Italy
- Europe
- Western/Central Asia
- North Africa
- Far East & Australia
- America
- Sub-Saharan Africa

<b>2018</b>	Collaboration with the authorities and the local communities for the planning, management and realization of initiatives for the community in Congo: CATREP <sup>a</sup> project; Mozambique: educational and agro-livestock development projects; Ghana: Livelihood Restoration Plan and water access project; Iraq: educational projects. Publication of the local Sustainability Report in Gela and Ravenna.
<b>2017</b>	Consultation activities with the authorities and the local communities for the planning, management and realization of initiatives for the community in Congo, Iraq, Egypt, Nigeria. Public consultation in permitting and operative processes were also carried out in Myanmar, Mozambique, Montenegro, Mexico, Kazakhstan and Ghana. Publication of the local Sustainability Report in Gela.
<b>2016</b>	Consultation activity with local communities concerning resettlement and livelihood restorations in Mozambique, Kazakhstan and Ghana. Public consultation in permitting processes in Myanmar, Mozambique, Ghana, and Egypt. Publication of the local Sustainability Report in Gela.
<b>2015</b>	Consultation activity with local communities concerning livelihood restorations in Kazakhstan and Ghana. Public consultations on business projects in Mozambique, Italy and Myanmar. Workshop for sharing the Local Report "Eni in Basilicata" with local stakeholders.
<b>2014</b>	Public Consultation Forum for activities in Nigeria, Kenya, Mozambique, Norway, Italy and Russia.

a) Centre d'Appui Technique et de Ressources Professionnelles.



IN MARCH 2016, ENI MYANMAR AND THE DIHR, WITHIN THE BROADER SCOPE OF THE HRIA, COLLECTED INFORMATION ABOUT THE SOCIO-ECONOMIC AND ENVIRONMENTAL CONTEXT

#### ENI MYANMAR

In March 2016, Eni Myanmar and the DIHR, within the broader scope of the HRIA, **collected information about the socio-economic and environmental context** and carried out **field activities** including consultations at major villages located in the area envisaged by exploration activities, through which major areas for improvement and appropriate actions to prevent and mitigate the identified risks were defined.

The consultations involved a set of more than one hundred fifty people selected represent the community's social structure, through both focus groups and individual interviews. During these field activities meetings were also held with a number of local organizations, active in the area of the impacts of oil and gas operations, advocacy initiatives for the rights of farmers, as well as wider development program in the region.

#### Eni's approach to respect for indigenous peoples' rights

Eni's policy commitment to promoting forms of free, prior, informed consultation to host communities becomes especially crucial when dealing with relations with indigenous communities.

In this regard, in 2007, Eni signed the **Eni Australia Indigenous People Policy**, and in 2013, the **Eni Norge<sup>5</sup> Indigenous People Policy**. In these policies Eni commits to *"establish an effective and inclusive framework for the free and informed participation of the Indigenous People in the consultation process, cognizant of their social and cultural values, and the provision of information about our activities in local languages and through appropriate communication methods"*.

Open and transparent engagement with the local indigenous community has been one of Eni's focuses since the very start of the Blacktip Project, from its planning to construction and now during its operational phase. In 2018, within the activities of the **HRBWG**, a comprehensive mapping of the indigenous people living in areas where Eni has operations in place was completed, to further improve on this area and allow the adoption of the necessary measures to not infringe human rights of this vulnerable group.

5) In 2018 Eni Norge was merged in Vår Energi.



THIS PROJECT'S FACILITIES COMPRISE AN UNMANNED PRODUCTION PLATFORM, AN OFFSHORE PIPELINE OF APPROXIMATELY 110 KM CONNECTED TO THE ONSHORE YELCHERR GAS PLANT ("YGP")

#### THE BLACKTIP PROJECT IN AUSTRALIA

This project's facilities comprise an unmanned production platform, an offshore pipeline of approximately 110 km **connected to the onshore Yelcherr Gas Plant ("YGP")** located **near the community of Wadeye in the Northern Territory**, within an Aboriginal Land Trust administered by the statutory body Northern Land Council (NLC).

In order to access and utilize the land, a long-term lease was negotiated at the start of the Blacktip Project. Agreements set-

ting out the terms of this lease included an Indigenous Land Use Agreement (ILUA) and were signed in 2006, with the construction of the Yelcherr Gas Plant commencing shortly thereafter; the first gas was produced in 2009. The ILUA and other relevant agreements protect native title rights and indigenous cultural heritage and allow Eni to access and utilize the site where the YGP is located. The agreements were negotiated by the NLC on behalf of the traditional owners.

### ASSESSING AND MONITORING IMPACTS ON HUMAN RIGHTS OF HOST COMMUNITIES

In order to effectively identify and manage the impact of operations on local communities in all Energy and Environmental Industrial Projects, an **Environmental, Social and Health Impact Assessment (ESHIA)** should be performed.

Human rights have been progressively integrated into ESHIA methodology. The identification of the impacts is based on the findings of local stakeholder engagement, including consultations and other types of stakeholder engagement, with communities, including vulnerable groups.

The assessment of identified impacts includes:

- a) potentially significant environmental, social and health impacts related to the project;
- b) direct, indirect and cumulative impacts not only produced by the project, but also by all related and ancillary facilities and by activities undertaken by others.

The assessment is designed and implemented in accordance with the IFC Performance Standards.

The mitigation measures for the impacts assessed are then defined in:

- c) An Environmental, Social and Health Mitigation Plan, which is always required in order to comply with the IFC Performance Standards.

When needed, specific Human Rights Impact Assessments (HRIA) on E&P projects are also carried out according to a risk-based approach. Thanks to the adoption of this tool and other ones, such as ESHIAs and HRCAs, opportunities and risks related to human rights were identified and specific relative mitigation measures were put in place in specific cases, for example in Myanmar, Ghana and Kazakhstan. For details, see p. 35.

#### **Monitoring and Reporting – Human Rights KPIs**

Relevant quantitative and qualitative indicators have been defined from among those used to measure and evaluate sustainability performance in order to track and evaluate the effectiveness of responses to human rights impacts on communities, according to the Operating Professional Instruction “Monitoring, reporting and audit activities”.

These indicators are defined annually in relation to sustainability priorities and other targets and methodologies.

### **PREVENTING AND MANAGING IMPACTS ON LAND RIGHTS, STARTING FROM THE ADOPTION OF INTERNAL STANDARDS**

Land rights issues are often identified in ESHIAs and HRIAs as an area which could have a significant impact on Eni’s operations. Eni is committed to minimizing land acquisition and avoiding involuntary resettlement, always evaluating possible project alternatives.

If unavoidable, Eni is committed to minimizing its socio-economic impact and has implemented a specific **internal procedure** for managing land management activities.

This internal procedure:

- is mandatory for all of Eni’s subsidiaries;
- defines the rules for land management activities in line with international principles and standards, such as those set out in the **IFC Performance Standards** and other equivalent documents and frameworks;
- recognizes the right to proportional and appropriate compensation and restoration of livelihood conditions for those affected by the project-related land acquisition, such as restrictions based on the impact on their assets, access to assets, the impact of the Company’s activities on income sources and living conditions;
- includes the principle of non-discrimination and respect for vulnerable groups;
- provides for informed and participatory consultations with the communities involved, and access to grievance and remediation mechanisms.

The implementation of the Land Management Operations is monitored and feedback is sought from those affected by the project in order to ensure efficiency and/or provide remedy.

For an example of the implementation of Land Management Operations see also p. 90, case study: Kazakhstan.

For an example on how evaluation and compensation worked in an actual case, see the next box.



## EXTRACT

**"EVALUATION AND COMPENSATION FOR A CASE OF TEMPORARY LAND ACQUISITION FOR A SEISMIC SURVEY (MYANMAR, MAGWAY, 2017)**

The Land Management Plan of the 3D seismic survey process referring to the temporary acquisition (from 30 to 60 days and with no land clearance) of 500 km<sup>2</sup> of RSF-5 Block in Magway, Myanmar, in 2016 regarded approximately 16,800 land owners and users. The plan was based on internal and external references, including the IFC Performance Standards.

As recalled in the DIHR Follow-up of Human Rights Assessment in Myanmar, the compensation rates, were calculated by considering all relevant crop prices, based on the lowest and highest prices per month in the region from an entire year and then an average was calculated. An additional 15 percent was added on top of the average price and this rate was submitted to the township office for approval. Once this was approved, the rates were shared with affected villagers for their approval and signature. No negotiations, no deviations, no price adjustments were applied by Eni Myanmar and the seismic contractor, in order to guarantee a transparent, reliable and rational method of calculation for the crop compensation.

Payments were made in cash directly to the affected land owners and users, through an official payment ceremony with all affected villagers and with the presence of the Eni and contractor permitting team and a township representative.

Community members shared that Eni Myanmar and its seismic contractor had made significant efforts to properly explain the seismic process and the compensation process, including how the compensation rate would be calculated and that these calculations were approved by the Magway Township office.

**All land owners and land users identified were entitled to compensation for accessing their land, whether they had official titles or not.** The permitting team verified that those who did not possess documentation to demonstrate that they owned the land or had used the land for a long time, were actually the legitimate land users and therefore entitled to receive compensation. In such cases, land ownership or land use was verified by talking to witnesses such as the village chief and neighbors, in order to determine whether the person in question was indeed the person using and cultivating the land.

In the past, many companies only recognized land owners with official land deeds and proper land documentation."

Extract from "**Follow up assessment. Evaluation of Eni Myanmar's sustainability activities during the seismic survey in Block RSF-5**", Danish Institute for Human Rights, 2018

**Access to water and sanitary services**

**Access to safe drinking water and basic sanitation** has been recognised as a universal specific human right, a **prerequisite for all the other Human Rights**, as well as a **central element for development**. Eni has taken action to facilitate access to water and improve sanitation conditions, such as building wells, drinking water plants, water distribution networks and sewers, as well as training activities.

To firmly demonstrate the Company's commitment, Eni decided to be the first oil and gas company to comply with the CEO Water Mandate. The **CEO Water Mandate** is a special initiative by the United Nations Secretariat and UN Global Compact, carried out in cooperation with the Pacific Institute. By complying with the mandate, companies show that they can identify and reduce risks to their business linked to water resources, and know how to seize related opportunities and help reach the UN's Sustainable Development Goals. Eni's strategic approach involves analysing the water needs linked to public works, farming and industry, keeping in mind that every drop of water is valuable.

Eni is keenly aware that its industrial activity, both upstream and downstream, is heavily dependent on water quality and availability. Within this context, complying with the mandate, Eni will bring the deserved attention to the commitment already made. It will aim to **strengthen internal sensibility** to the issue of water resources and prompt **further action to safeguard them**.



THIS PROJECT IS THE FIRST INITIATIVE PROMOTED BY THE COLLABORATION BETWEEN FAO AND ENI. UNDER THE PROJECT, FAO WILL SUPPLY THE IDENTIFICATION OF THE AREAS OF INTERVENTION, AS WELL AS TECHNICAL SUPPORT AND KNOW-HOW IN THE ACTIVITIES IMPLEMENTATION, WHILE ENI WILL PERFORM WELLS POWERED BY PHOTOVOLTAIC SYSTEMS

#### CASE STUDY: NIGERIA

## ENI AND FAO TO PROMOTE ACCESS TO WATER IN NIGERIA

### CONTEXT

North-East Nigeria is experiencing a humanitarian emergency caused by the violent Boko Haram movement and the **shrinking of the Chad Lake basin, the main source of water** for local communities. The crisis has triggered significant migration flows in the Country. In this context, the Federal Government of Nigeria has requested **support from energy companies** and Eni has signed a three-year Collaboration Agreement with FAO.

**PROJECT GOALS:** Eni will promote access to clean and safe water through the **construction of wells** powered by photovoltaic systems, for domestic use and for irrigation. **FAO will provide support in identifying the areas of intervention, technical support** and know-how, as well as **training** in the use and maintenance of facilities.

### RESULTS AND BENEFICIARIES

- **First water well in Waru (Abuja) with** a 25,000 litre tank, **equipped with a reverse osmosis treatment plant to guarantee that water is drinkable;**
- **3 water collection points with** 6 taps each, located in strategic points **of the site to ensure easy access;**
- **About** 4,000 people reached, **including** internally displaced persons (**IDPs**) and **local communities;**
- **wells in other 4 locations in Abuja Federal Capital Territory (FCT)** that host IDPs;
- **10 wells North-East Nigeria**, of which 5 in different Local Government Areas in the **Borno State** and 5 in different Local Government Areas in Adamawa State.

**The interview with Suffyan Koroma, FAO representative in Nigeria and to the Economic Community of West African States (ECOWAS), brought out the project's main challenges and the impacts on population.**

### CHALLENGES

*Check points and curfews limit the possibility of IDPs to move around and cultivate land. We are working with the institutions to evaluate how to open up the perimeter of land accessible for farming purpose but, at the same time, without risking security. In terms of sustainability, we decided to build the wells in areas where IDPs cohabit with existing communities in order to share the benefits with the stable population, and we sensitized both guest and host communities on the advantages of this. Also, we combined water and agricultural support as the quickest way to enhance livelihood. We have given rapidly maturing vegetable seeds for plants that will grow quickly using this water, therefore integrating both their diet and their sources of income.*

### IMPACTS ON POPULATION

*The impacts of water being available are numerous: first of all the possibility of having access to water without having to travel for miles to get it. This reduces the risk of people stepping on mines and being attacked when they are going to collect water. Increased access to clean and safe water also drives the development of agriculture and the reduction of diseases transmitted by contaminated water.*

### Community health

Improving **community health**, in synergy with business activities, contributes to the socio-economic development of the Countries in which Eni operates. This objective is pursued through the joint formulation with local institutions and the implementation of initiatives aimed at: **creating greater awareness and empowerment of beneficiary populations** on major **public health** issues; **improving access** to renewed or newly established **public health services** at various levels of the National Health System.

In 2018, in order to assess the potential impact of projects on the **health of the communities involved**, the upstream sector completed 20 **HIAs (Health Impact Assessments)**, of which:

- 7 were integrated ESHIA studies (Environmental and Social Health Impact Assessment): 1 in each of the following Countries: Ghana, Indonesia, Mexico, Tunisia, Vietnam, China and Congo;
- 1 ESH (Environmental Social Health Baseline) in Egypt;
- 2 Pre-ESHIA in Congo, 2 in Italy, 1 in each of the following Countries: Pakistan, Portugal, Australia, Algeria and Nigeria;
- 1 Pre-HIA in Kenya;
- 2 HIAs, of which 1 in Indonesia and 1 in Pakistan.



THE NEW NUCLEAR MEDICINE WARD IN BASRA:  
THE FIRST OF ITS KIND IN THE COUNTRY

### CASE STUDY: IRAQ

## INITIATIVES IN HEALTHCARE AND TRAINING OF STAFF IN IRAQ

### CONTEXT

During 2018, Iraqi authorities asked Eni to support the Health Directorate of the Governorate of Basra (Al Basra - 2.5 million inhabitants) in developing the specialist services of reference of the **Local Health System**, adapting them to international standards and to the growing regional demand.

### PROJECT GOALS

To improve oncological diagnostics through the establishment of a new Nuclear Medicine Ward in Basra: the first of its kind in the Country. The project is planned to **last 2 years**, with Eni investing about **€7.2 million**; to strengthen (in collaboration with the “Giannina Gaslini” Paediatric Hospital, Genoa) the Oncohaematology and Surgery Services of the Basra Children Cancer Hospital, improving both its existing infrastructure and diagnostic and therapeutic capabilities, in addition to increasing bed capacity by 30% through the construction of a new oncohaematology wing.

### RESULTS AND BENEFICIARIES

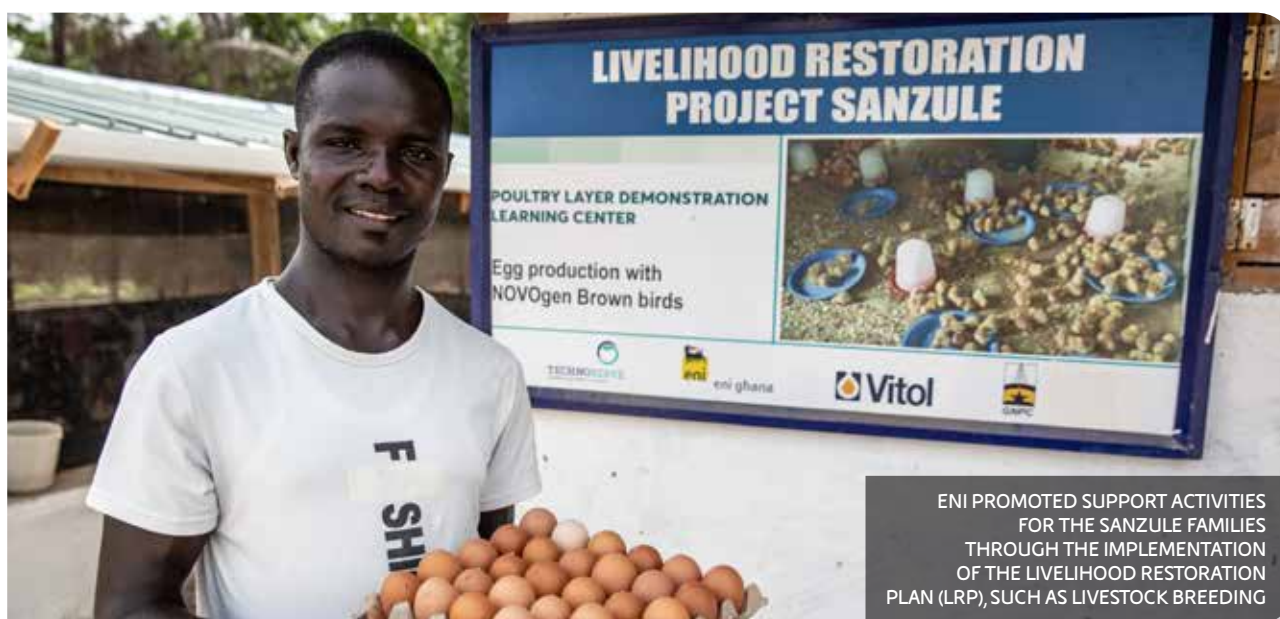
- Procurement activities related to the New Nuclear Medicine Project have been successfully finalized with the award of the contract to an expert company in the field. The first construction phase has kicked off in November 2019.
- The results of the project on the consolidation of the Oncohaematology and Surgery services include: initial project to restore the systems and facilities necessary for the hospital to fully operate; a supply of urgent equipment and materials; a program of technical assistance and on-the-job training for Iraqi doctors and paramedics; a remote service to support diagnostics and the treatment of complex cases by the Gaslini Hospital. In addition, the first construction phase of the new oncohaematology wing is currently underway and is expected to be concluded by the beginning of 2020.
- Potentially, the above activities can benefit not only the population of Basra Governorate but the whole south region.

## KEY PERFORMANCE INDICATORS

### PROMOTION OF LOCAL DEVELOPMENT: COOPERATION MODEL

		2016	2017	2018
Community investment by sector of intervention	(€ million)	64.2	70.7	94.8
Access to off-grid energy		0.6	1.1	1.7
Economic diversification		37.6	36.9	45.8
Education and training		16.8	17.3	23.3
Access to water and sanitation		0.9	0.7	0.8
Health		2.9	7	3.3
Compensation and resettlement		5.4	7.5	19.9
Community investment by geographic area				
Africa		14.8	22.9	46.7
Americas		5.6	4.9	3.8
Asia		33.5	34.3	21.9
Italy		9.2	7.0	20.6
Rest of Europe		1.0	1.4	1.5
Oceania		0.1	0.2	0.3

In 2018, overall spending on Local Development Projects amounted to about €94.8 million (Eni's share), of which approximately 98% related to upstream activities. In Asia, approximately €21.9 million was spent, mainly on economic diversification, in particular for the maintenance of road infrastructure (bridges and roads). In Africa, a total of €46.7 million was spent, of which €43.9 million in Sub-Saharan Africa, mainly in the area of professional training and the construction of school infrastructure (net of amounts relating to resettlement). About €32.4 million was invested in infrastructure development, of which €13.4 million was in Africa and €15.2 in Asia.



ENI PROMOTED SUPPORT ACTIVITIES FOR THE SANZULE FAMILIES THROUGH THE IMPLEMENTATION OF THE LIVELIHOOD RESTORATION PLAN (LRP), SUCH AS LIVESTOCK BREEDING

## HUMAN RIGHTS AND SECURITY

### ENI'S APPROACH TO HUMAN RIGHTS AND SECURITY

*Respecting the right to life, the bodily integrity and the health of both its people and members of local communities is one of Eni's priorities. Security events, in fact, can affect almost the entire spectrum of human rights, including economic, social and cultural rights. They can also have a meaningful negative or positive impact on the freedom of expression and the opportunities to participate in political processes.*

### HUMAN RIGHTS AND SECURITY

- Excessive use of force by public and private security forces
- Employee safety in high-risk environments

### ENI'S COMMITMENTS

Eni manages its security activities in accordance with international principles, including the **UN Basic Principles for the Use of Force and Firearms**<sup>6</sup> by Law Enforcement Officials and the **Voluntary Principles on Security & Human Rights**<sup>7</sup>, taking into account the specific needs of the Countries where it operates. In 2018, these principles were endorsed in Eni's Statement on Respect for Human Rights and, in 2019, Eni applied to join the Voluntary Principles Initiative.

Eni is publicly committed to maintaining the safety and security of its operations within an operating framework that ensures respect for human rights and fundamental freedoms and in compliance with the guidelines set out by the Voluntary Principles on Security & Human Rights. To this end, the Company has progressively embedded such principles into its external and internal framework, as described in the following paragraph.

### SPECIFIC POLICIES TO ENSURE RESPECT FOR HUMAN RIGHTS IN ENI'S SECURITY OPERATIONS

**The Eni's Statement on Respect for Human Rights** upholds both the Voluntary Principles on Security & Human Rights and the United Nations Basic Principles for the Use of Force and Firearms, other than the International Bill on Human Rights, the fundamental ILO Conventions and other international Human Rights Treaties of paramount importance.

Consistent with the international standards on Security and Human Rights, the Statement includes Eni's commitment to:

- Minimize the impact of its security arrangements on local communities;
- Prepare the most effective plans and mechanisms for their protection.

The use of armed guards allowed only for the purpose of protection of personnel and assets subject to security risk. Preventive and defensive measures are designed and implemented to minimize the need for an active response by state and/or private security forces to threats to personnel and assets. The use of force and firearms is restricted to self-defence, to prevent the perpetration of serious life-threatening incidents and always and only in a manner proportionate to the offence.

Security risks are also addressed in the **Sustainability policy** with reference to both public and private security forces, highlighting the importance of good community relations to prevent incidents.

6) For more information, please see: <https://www.ohchr.org/en/professionalinterest/pages/useofforceandfirearms.aspx>

7) For more information, please see: <https://www.voluntaryprinciples.org/>

**The Security Consolidation Act** collects all relevant norms that form the internal legal Security framework and includes operating instructions regarding engagement by Security Forces in terms of the commitment to respect for human rights. This includes training initiatives as well as the adoption of engagement rules that limit the use of force and firearms.

**The Security's Management System Guidelines** identify Security processes where internationally recognized human rights must be taken into consideration, including Risk Assessment, Procurement of Security goods and services, training, monitoring and reporting obligations of potential human rights violations.

Respect for Human Rights is also explicitly stated in **The Integrity of our Operations Policy**, the Company's policy governing Security management. Finally, the Code of Ethics includes specific provisions concerning the response to threats to people and assets, as well as principles concerning possible inappropriate behaviour which could be particularly relevant in the case of misconduct by security forces (for details see p. 16).

### ASSESSING RISKS AND MONITORING PERFORMANCES

Eni has integrated human rights into specific Risk Assessment tools developed and used by the Security function, starting with the Ethical Threat Assessment Process. This assessment covers both broad Human Rights indicators and specific indexes, including:

- Child Labour;
- Corruption;
- Human Trafficking;
- Money Laundering;
- Labour Flexibility.

The threat assessment is carried out for each Country in which Eni operates. A detailed assessment is carried out on a regional basis for the most critical areas, in addition to the assessment of each Country.

A vulnerability assessment process that includes human rights issues is implemented at a single asset level. The extension and depth of this process are determined according to the risk exposure of each asset. Finally, starting from the early phases of the procurement process, contractors wishing to apply to become Eni security providers are **assessed against a set of Human Rights standards**, including a screening of their records of previous incidents.

In addition, within the Human Rights Impact Assessment that Eni carries out on the projects, potential impacts that security activities may have on the human rights of individuals and communities affected by the project, are considered and duly assessed. Potential impacts are managed through specific recommendations before being translated into a proper action plan. An example of the output of such analysis is in the **HRIA Report** issued in relation to the Exploration activities on the on-shore block RSF-5 in Myanmar (p. 38), as well as in Reports issued for the HRA carried out in Angola for the exploration of Cabinda North in 2018 and the HRIA carried out in Mexico for the development phase of Area 1, in 2019. Recommendations stemming from these reports aiming at ensuring that security operation management is aligned with respect for local individuals' human rights include planning and implementation of audits on security contractors' performance through specific checklists.

### Tracking and monitoring Human Rights performance

Furthermore, Eni tracks and reports on its human rights performance in terms of the management of human rights risks possibly deriving from Security operations (for detail see p. 79).

## 90%

SECURITY CONTRACTS  
CONTAINING CLAUSES  
ON HUMAN RIGHTS

## 84

CRITICAL SITES COVERED  
BY ASSESSMENT SURVEYS

## 96%

SECURITY PERSONNEL  
(PROFESSIONAL AREA)  
TRAINED ON HUMAN  
RIGHTS

## STRATEGIES AND ACTIONS TO MINIMIZE RISKS DERIVING FROM SECURITY FORCES

### Eni's overall approach to public and private security forces

Based on the outcomes of the human rights assessments carried out since 2008 (see page 35 for further details), Eni has been continuously working at developing processes and practices aimed at managing human rights risks by addressing the risks' causes.

Eni co-operates with public security forces not only by signing Memoranda of Understanding, but mostly by engaging in open and continuous dialogue. In the design of training initiatives, for instance, public security forces are considered partners instead of participants: this means that public security forces are already involved in the early phases of such initiatives' planning, building on their input and support, and this also includes the participation of top army ranks. Eni uses this approach with public security forces because building consensus with leaders pays in terms of participants' commitment. This is particularly important in the Countries where security can only be managed by public security forces. The latest training initiative in Nigeria is a good example of Eni's approach to relations with Security forces.





THE WORKSHOP WAS ORGANIZED ACCORDING TO THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS (VPSHR)

#### CASE STUDY: NIGERIA

### A WORKSHOP ON SECURITY AND HUMAN RIGHTS FOR THE NIGERIAN SECURITY FORCES

#### OBJECTIVE

To raise awareness among the Nigerian security forces on the protection and promotion of human rights to align the rules of engagement with international standards and best practices.

#### INITIATIVE

From 14 to 18 October 2019, Eni, through its subsidiary NAOC (Nigerian Agip Oil Company) held a five-day workshop on “Security and Human Rights” for Government Security Agencies (GSAs); a previous edition was held in 2017.

This workshop was organized according to the Voluntary Principles on Security and Human Rights (VPSHR) and delivered by a security and human rights expert of “Safestainability”, a consultancy firm specialized in the management of non-financial risks. The course followed “a systematic and integrated approach that incorporates the respect of International Humanitarian Law and Human Rights principles, active stakeholder dialogue and existing best practices into security management” and was aimed at enhancing the understanding on how to implement the best practices from international conventions on Human Rights in security operations.

In attendance were participants from the Nigerian Army, Air force, Navy, and Police, the Nigerian Security and Civil Defence Corps, and

the National Human Rights Commission. The 5-day Workshop gathered over 600 attendees.

The course was the second edition of a previous initiative aimed at spreading the human rights culture among the Nigerian public and private security forces and at training them on respecting Human Rights and avoiding excessive use of force.

The first workshop launched in Abuja with a session dedicated to the highest ranks of the Nigerian Army, in the presence of the Managing Director of NAOC was attended also by the Chief of Army Staff and the Director of the National Human Rights Commission together with the army representatives participating at the courses in Abuja and Port Harcourt over the following three days.

#### PARTICIPANTS

- Over 900 members of the Security Forces (during the two editions);
- The Lieutenant General Tukur Yusuf Buratai, Chief of Army Staff in Nigeria, together with the highest ranking members of the Nigerian security forces;
- The Director of the National Commission for Human Rights with other relevant members of the organization;
- The NAOC/AERN/NAE Managing Director and NAOC General Manager District.

In relation to private Security forces, Eni designed a consistent set of rules, processes and tools to ensure that:

- security force providers are selected by considering human rights criteria, among others;
- contractual terms with security forces include provisions on respect for human rights;
- security operators and supervisors receive proper instructions and training on respect for human rights in practice; and
- security events and issues which are considered to be the highest human rights risks, including management of strikes and demonstrations and transfer of goods and services, are managed in compliance with international standards, including the Voluntary Principles on Security and Human Rights.



### Assessments and contractual agreements with Security forces

Starting from the early phases of the procurement process, contractors wishing to apply to become Eni security providers are assessed against a set of Human Rights standards, including a screening of their records of previous incidents.

Once the security provider has been selected, specific clauses of conduct requiring respect for human rights are included in the contracts, especially in relation to operating instructions and workers' rights. In terms of respect for workers' rights, security companies are required to comply with internationally recognized human rights regarding working conditions, freedom of assembly and association, collective bargaining and forced labour. With regard to child labour, the minimum age is set to 18 years old, regardless of possible Country exceptions.

The Security provider is also required not to hire individuals credibly implicated in Human Rights abuses. In particular, such agreements should allow for the early termination if there is tangible evidence of human rights violations committed by the security personnel employed by the counterparty.

Furthermore, in some of the Countries of operation, Eni has signed with the governments Memoranda of Understanding that include a specific clause on human rights. Namely, parties of the MoU are requested to act accordingly and in compliance with the UN Voluntary Principles on Security and Human Rights, the Code of Conduct for Law Enforcement Officials of the United Nations and the Basic Principles on the Use of Force and Firearms by Law Enforcement Officials of the United Nations.

In this regard, specific MoU have been signed with Congo, Libya, Mexico, Pakistan and Tunisia.

### Rules of engagement

Contractors are contractually required to refrain from intimidating behaviour and from threatening anybody of the use of force and firearms if not strictly necessary and related to the purpose of prevention and defence.

The only exception to this general rule is the need to defend oneself or others from the imminent threat of death or serious injuries, as long as less extreme means are insufficient for the achievement of that objective.

These requirements are further detailed in **Eni's Management System Guideline** and communicated to both Security supervisors and operators by means of user-friendly documents (Pocket Guides) and training initiatives.

### Pocket Guide

All the instructions and provisions included in **contracts** with Security forces are collected and implemented in the Security and Human Rights **Pocket Guide**.

This user-friendly document provides fundamental information on respect for human rights and useful insight and input for Eni Security Managers and Security Officers.

The Pocket Guide is available in the Security database accessible by all Security employees and managers from both Headquarters and subsidiaries. The document has been translated into four languages: English, Italian, Arabic and Indonesian.

### Training

In addition to the **Pocket Guide**, Eni has developed a **Training Program** on Security & Human Rights dedicated to Security Managers and Public and Private Security Forces both in Italy and abroad.

Where possible, Eni has also invited civil society organizations to take an active part in the open training sessions (for instance in Mozambique and Kenya). In particular, training sessions have been held in Pakistan and Nigeria (2019), Tunisia (2018), Nigeria (2017), Venezuela and Ecuador (2016), Kenya (2015), Mozambique (2014), Indonesia and Algeria (2013), the Republic of Congo and Angola (2012), Pakistan and Iraq (2011), Egypt and Nigeria (2010) and at Eni's offices in Rome and San Donato Milanese (2009). Furthermore, materials for subsidiary-led training initiatives have been developed in order to ease the task of local Security managers willing to undertake autonomous training courses. This is particularly relevant in cases of emerging risks and/or with training needs due to job rotation.

Eni's training program on Security and Human Rights has been recognized as a best practice in "Responsible businesses advancing peace", the joint publication between the **United Nations Global Compact and Principles for Responsible Investment (PRI)**.

After the massive e-learning program, in 2017, Eni developed the **Security and Human Rights module**, which encompasses the relevant Human Rights impacts potentially deriving from Security operations and the Company's responsibilities in this regard, together with the commitments, processes and tools in place. The educational program includes case studies on the freedom of expression and the limits to the use of force and weapons according to internationally recognized human rights (for details see p. 25).

#### Managing the transfer of goods and services

The transfer of goods and services to Security forces can also be a sensitive area, as such practices can lead to perceived complicity in human rights abuses. In order to minimize the risks associated with the issue, Eni has adopted a strategy comprising two main steps:

1. mapping the kinds of goods and services made available to security forces and the frequency of transfers;
2. issuing short recommendations in order to raise awareness on the potential impact deriving from such transfers.

The recommendations adopted are aligned with the VPSHR and with recent developments in the international debate, and include a number of requirements in terms of risk assessment and controls, such as:

- Investigations of past incidents
- Risk evaluation of such transfers
- Appraisal of mitigation measures related to identified risks
- Appraisal of license requirements
- Appropriate controls to avoid theft or mismanagement of equipment.

## KEY PERFORMANCE INDICATORS

### SECURITY AND HUMAN RIGHTS

		2016	2017	2018
Security contracts containing clauses on human rights	(%)	91	88	90
Critical sites covered by assessments/surveys	(number)	35	53	84
Sites verified by a check list		295	311	279
Countries with armed guards protecting sites		8	7	7

### TRAINING ON HUMAN RIGHTS - SECURITY PERSONNEL

		2016	2017	2018
Security personnel trained on human rights	(number)	53	308 <sup>(a)</sup>	73
Security personnel (professional area) trained on human rights <sup>(b)</sup>	(%)	83	88	96

(a) The year-on-year variations in the KPI Security resources trained on human rights, some of which are significant, are due to the different characteristics of the training projects and operating contingencies.

(b) This is an aggregate percentage.

## COMMUNICATION AND DISCLOSURE

According to its commitment on human rights due diligence and for the sake of transparency and fruitful engagement with stakeholders and local communities, Eni communicates externally the results of some of the activities that have been carried out in order to prevent and mitigate human rights impacts.

A recent example of such approach to disclose and communicate to stakeholders is the summary report of the **human rights assessment** carried out by the Danish Institute for Human Rights in December 2018 in relation to Eni's exploratory activities in Cabinda Norte Block, Angola. Moreover, the Company authorized the Danish Institute to report back to the stakeholders involved in the assessment about the results of the activities.

Another example of this commitment to disclose is the publication of the full Report of the **Human Rights Impact Assessment** carried out by the Danish Institute for Human Rights in December 2016 in relation to Eni's exploratory activities in block RSF-5 in Myanmar.

Concerning communication on a broader basis, Eni has been a forerunner in the industry in adopting the Integrated Annual Report in 2010. This step was intended to enable Eni's stakeholders, including non-shareholders, to understand inter linkages between financial performance and environmental and social performance, including human rights. The Integrated Annual Report is approved by the Board and presented to the Annual Shareholders' Meeting, which approves Eni's financial statements.

Furthermore, beginning with the 2017 Integrated Annual Report, non-financial performance is detailed in the Consolidated Disclosure of Non-Financial Information, prepared in accordance with applicable legislation and included in the report on operations in the Annual Report. It reports Eni's activities with regard to respect for human rights, reporting on initiatives undertaken and their results.



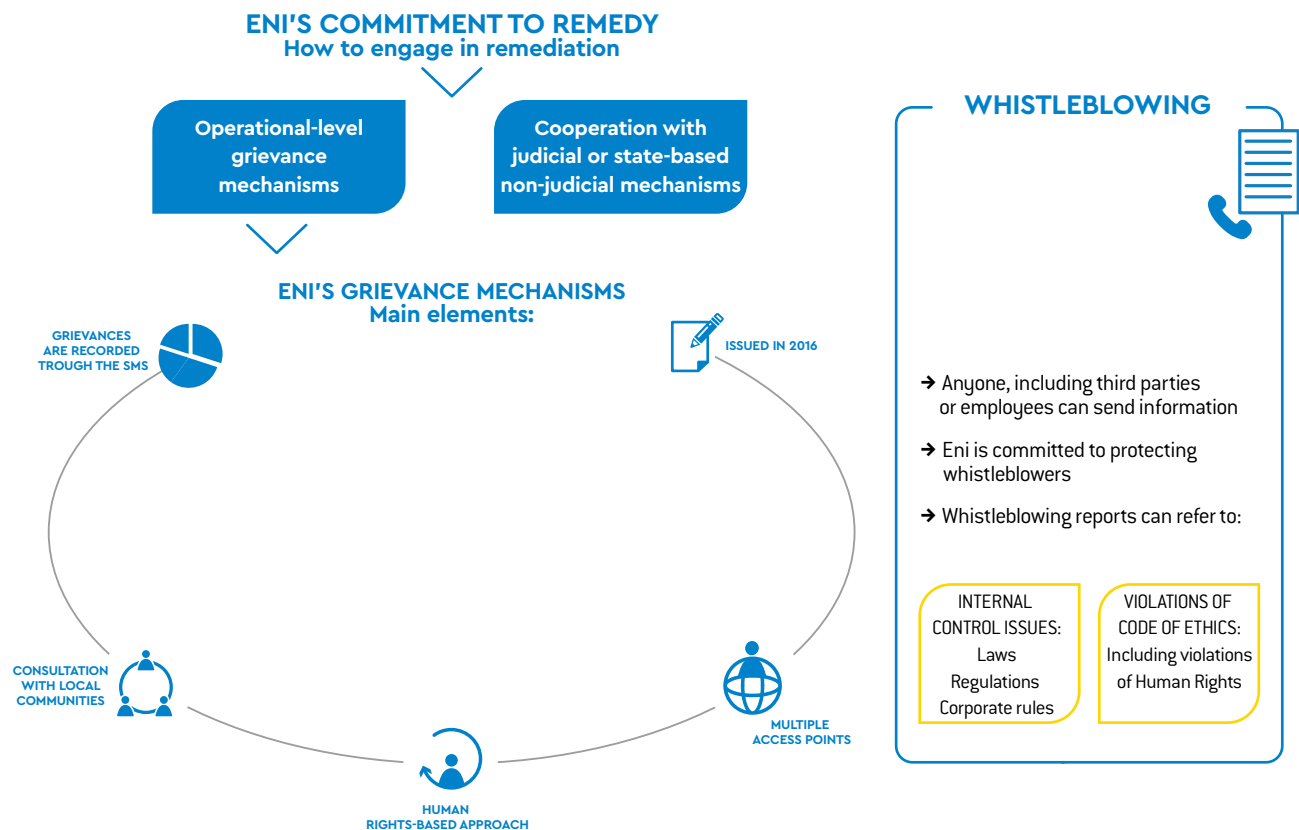
## ACCESS TO REMEDY

### ENI'S COMMITMENT TO REMEDIATION

Eni verifies and provides or cooperates to provide remediation in case of adverse human rights impacts it might have caused or contributed to. Eni guarantees access to grievance mechanisms for individuals and communities. Furthermore, Eni enables anyone to send reports on issues pertaining to the internal control, risk management system or other violations of the Code of Ethics, including possible violations of human rights.

This section presents information on:

- **Eni's commitment to remedy** (page 64);
- **How to engage in remediation** (page 86);
- **Grievance mechanisms**, including the procedure on Grievance Mechanisms and the set of activities to be carried out and the process of grievance mechanism implementation in Eni (page 86);
- **Whistleblowing reporting management system**, including a description of the reporting system and data and figures about investigations and reports received (page 88).



### ENI'S COMMITMENT TO REMEDIATION

As described in the **Statement on Respect for Human Rights** Eni is actively engaged in ensuring proper access to remediation measures. Eni is committed to verifying and providing, or cooperating to provide, **remediation in case of adverse human rights impacts it might have caused or contributed to**, and to making all efforts to promote the achievement of the same goal in cases where the impact is directly linked to its operations, products or services.

**Grievance mechanisms and other reporting channels**, both at operational level and company-wide, are made available to enhance the opportunities for the Company to identify and promptly investigate potential and actual Human Rights impacts and take appropriate action. Furthermore, **Eni does not prevent access in any way to state-based judicial or non-judicial mechanisms** and co-operates in good faith with such mechanisms.



## FOCUS ON

## AN EXAMPLE OF ENI'S COOPERATION WITH NON-JUDICIAL MECHANISMS

*A conciliation procedure, activated by submitting a specific application with the Italian National Contact Point of OECD Guidelines.*

The Aggah community is located in the state of Rivers in Nigeria, in an area that is regularly subject to flooding, due to seasonal rains and flooding of the Niger River.

NAOC, an Eni subsidiary, manages the operations in this area on behalf of the Joint Venture with the state company NNPC and Oando (NNPC 60%, NAOC 20% and Oando 20%). Since the planning phase, and in compliance with local regulations, NAOC ensured that the plant, access routes and pipes were all elevated and equipped with adequate drainage systems to ensure regular water flows, even during the rainy season.

In December 2017, an association called Egbema Voice of Freedom ("EVF") issued a complaint before the Italian National Contact Point (NCP) for the **OECD Guidelines**. "NCPs focus on problem solving - they offer good offices and facilitate access to consensual and non-adversarial procedures (ex. conciliation or mediation). Complaints handled by NCPs (known as specific instances) are not legal cases and NCPs are not judicial bodies.". EVF complained that NAOC was not doing enough to mitigate the impact of its operations on the effects of the floods on the community. During the procedure, Eni provided objective elements also with the support of photo and video documentation – to demonstrate that NAOC operations and infrastructures have no aggravating impact on the natural flooding of the area. The natural flooding affects a much wider area than the one of the community of Aggah, and it is a typical phenomenon of the Niger Delta region.

As is also reiterated in Eni's Statement on Respect for Human Rights, Eni upholds the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the Ten Principles of the Global Compact of United Nations. In particular, Eni is committed to cooperating in good faith with non-judicial bodies as well. Therefore, while always reaffirming its position, Eni has chosen to comply with and participate in good faith in the procedure at the NCP and to actively contribute to its proper implementation. Eni actively participated in all the phases of the procedure, voluntarily complying with the terms of the conciliation procedure which included a joint visit to the NAOC site in Nigeria. Finally, Eni shared and accepted the terms of the agreement proposed by the Conciliator at the end of the procedure, namely the commitment to verify the need for additional culverts, in addition to the existing ones, under the road that connects the wells locations, and to proceed with their construction, which is aligned with the usual community's relationships activities.

With a view to transparency, Eni has agreed to the NCP's proposal to make the content of the agreement available on its **website**.

Eni's commitment and participation in the conciliation procedure therefore contributed to the smooth functioning of the conciliation mechanism and the NCP congratulated the parties for the successful conclusion of the procedure.

The relationship with EVF and the Community will now continue with the usual tools normally adopted by Eni for managing relations with local stakeholders. The Italian NCP will be kept informed about the implementation of the agreement.

Eni prohibits, and undertakes to prevent, **retaliation against workers and other stakeholders for raising human rights-related concerns, and neither tolerates nor contributes to threats**, intimidation, retaliation or attacks **against human rights defenders** and affected stakeholders in relation to its operations. Also, the **Code of Ethics** includes important provisions to ensure the actual protection of whistleblowers.

## HOW TO ENGAGE IN REMEDIATION

Business enterprises' active engagement in remediation should take the form of both operational-level grievance mechanisms for individuals and communities and/or cooperation with judicial or state-based non-judicial mechanisms, as recognized by the UNGP 29 and by the OECD Guidelines for Multinational Enterprises<sup>8</sup>. Operational-level **grievance mechanisms** can serve as a **primary form of remedy**, especially when judicial or non-judicial state-based systems are weak or inaccessible.

This makes sense especially considering that it is estimated that five billion people around the world currently live in conditions where they cannot adequately rely on the protection of the rule of law or lack meaningful access to justice<sup>9</sup>. In any case, an operational-level grievance mechanism can allow companies to quickly and effectively respond to potential critical issues, stopping them from escalating and conflicts from arising.

## GRIEVANCE MECHANISMS

In 2016, Eni issued a procedure on **Grievance Mechanisms**, which provides instruction on both **the design and implementation of such mechanisms** and defines the **set of activities to be carried out** when Eni receives, in writing or verbally, concerns or grievances in relation to its activities.

According to this procedure, to guarantee complainants have adequate access to the grievance mechanism, **multiple access points** should be established, and parties should be given adequate notice of the mechanism's establishment. Some examples of possible access points are: directly to the function responsible for receiving grievances (e.g. through a specially dedicated office of the company), by writing to a dedicated e-mail address, by letter, through the company website, through a dedicated telephone number, through trusted third parties (NGOs, local associations, etc.).

The feedback about the grievance received is notified and discussed with the complainants and the company: the complainant is asked to communicate any observations or alternatives to the solution found and proposed by the company which duly takes note of it in an appropriate form. A response to the complaint is always required according to internal procedure. In cases of grievances lodged anonymously, the local sustainability function can decide whether to publish the answer.

The **human rights-based approach** is integrated into the procedure as demonstrated by two requirements explicitly stated into the document:

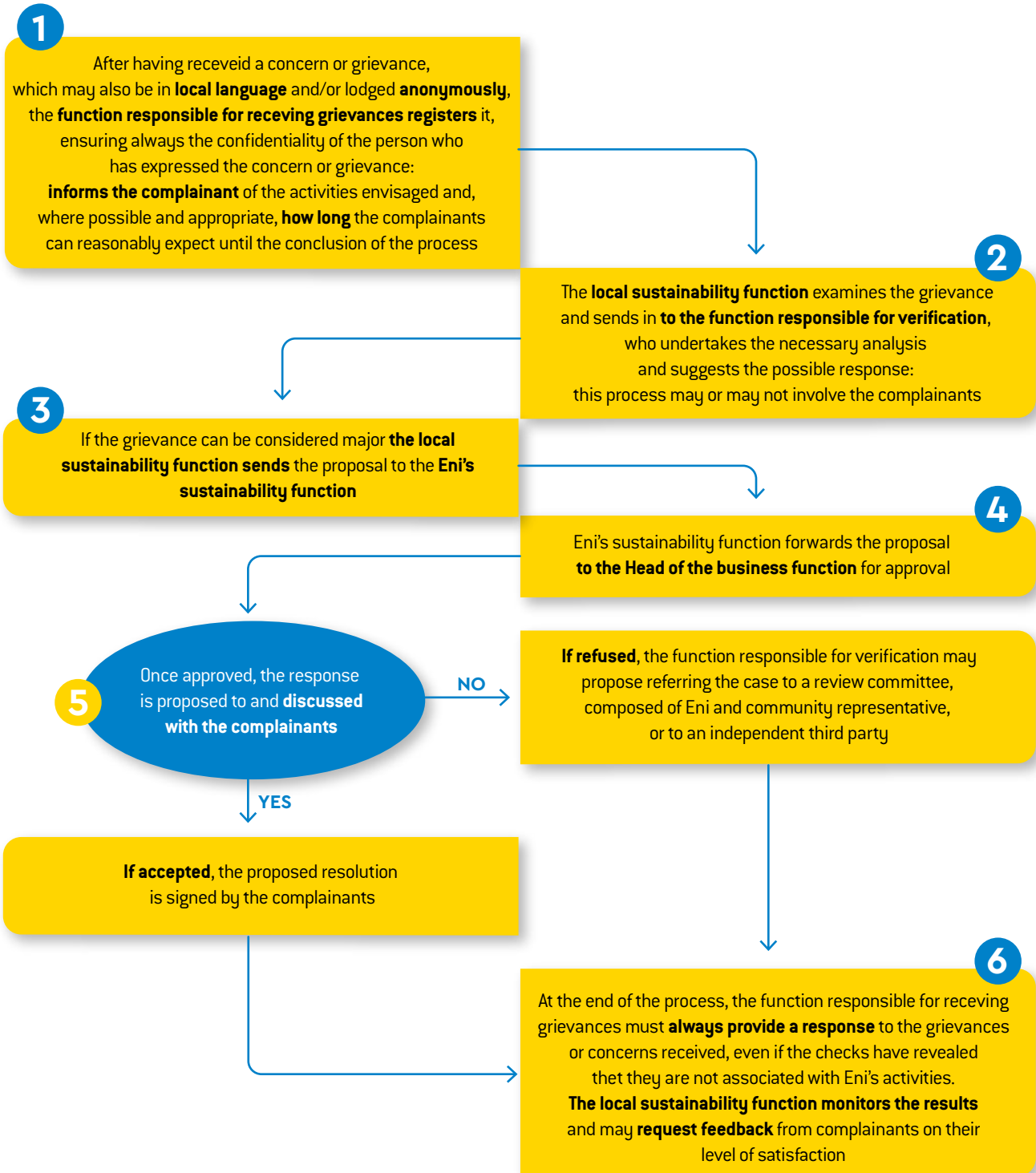
- the mechanism must not hinder access to legal or administrative remedies;
- and the actions and resolutions taken must be consistent with internationally recognized Human Rights.

It should be highlighted that, in order to define the grievance mechanism's structure and implementation, a subsidiary's CEO may set up a **consultation with local communities**, especially if numerous concerns and/or grievances are anticipated. As for the performance evaluation of grievance mechanisms, the procedure entails that the local sustainability function assesses whether and how to make the evaluation results accessible to the local communities.

8) See Chapter IV, Human Rights, comment 46.

9) The Task Force on Justice, Justice for All Report, [www.justice.sdg16.plus](http://www.justice.sdg16.plus)

The **process for managing complaints** is made up of the following key steps:



The **grievance mechanism implementation process began in 2014** in the light of a pilot experience in Ghana, carried out within an IPIECA project; as of 2017 the process was present in all Eni subsidiaries excluding holding companies or those providing financial and/or service activities.

The design and implementation of the operational-level grievance mechanism in Ghana was key to establish a channel of dialogue and build trust with the members of the communities around the operational area, as well as to manage social risks and in terms of capacity building and lessons learned. Indeed, Eni engaged its Business Partners starting from the early phases of the project, sharing with them the commitment to comply with the IFC Performance Standards. Institutions at different levels (central, regional and local as well as different groups of project-affected peoples (workers, fishermen, farmers) were also part of the stakeholder engagement activities, other than traditional authorities. Furthermore, experts from the IFC and the World Bank reviewed the mechanism and acknowledged that it was in line with the international standards.

A **Community grievance mechanism assessment** involving 20 Eni subsidiaries was carried out in **2017** in order to assess the implementation process. The assessment underlined the importance of: simplifying the grievance mechanism recording forms; promoting integrated management of grievances in locations with multiple Eni organizations; further reinforcing Eni's role in non-operated assets and further clarifying the role of contractors and NGOs in the management of grievances.

As for **Eni's expectations of Business partners** in relation to the establishment of **their own grievance mechanisms**, the Sustainability Management System Guideline indicates that the performance of counterparties must also be verified on the basis of human right violation risk factors, ensuring support for counterparties in improving their performance and encouraging the collection of reports from their employees.

In 2018, Eni received 193 complaints from 6 subsidiaries/districts<sup>10</sup>, of which 72%, were resolved and closed. In particular, 97% of complaints in Ghana were closed. These complaints concerned the following issues: assessment of community needs, respect for community rights, systems for monitoring and assessing the effectiveness of investments in communities, compensation for land loss, assessment of social, economic and cultural impacts on communities, local content, respect for minimum wages, and respect for human rights. An operational-level grievance mechanism can allow companies to respond quickly and effectively to potential critical issues, stopping them from escalating and conflicts from arising.

# 193

COMPLAINTS  
RECEIVED

# 72%

RESOLVED  
AND CLOSED

## WHISTLEBLOWING REPORTING MANAGEMENT SYSTEM

Eni uses a **Whistleblowing reporting management system** that enables anyone - whether Eni's people<sup>11</sup>, stakeholders or other third parties - to send reports on issues pertaining to the internal control and risk management system or other violations of the Code of Ethics, **including possible violations of human rights**.

This also applies to all reports on issues, even when such issues are sent confidentially or anonymously, in compliance with the provision of the 2002 Sarbanes-Oxley Act, Italian Law 179/2017, the Company's Organizational, Management and Control Model, in accordance with Italian Legislative Decree 231 of 2001 and internal Anti-Corruption regulations. The function of the whistleblowing system is also regulated by the internal regulatory instrument "**Whistleblowing Reports received, including anonymously, by Eni SpA and its subsidiaries in Italy and abroad**".

Eni guarantees confidentiality and anonymity to whistleblowers and envisages possible measures for any potential **retaliation** perceived. In this regard, the Code of Ethics includes commitments to non-retaliation, together with other important safeguards such as guarantees on full confidentiality and non-interference with judicial and non-judicial mechanisms.

The whistleblowing reports, regardless of who the whistleblower is (i.e. employees or third parties), can refer to:

→ **internal control issues and risk management system**: behaviours by Eni's People in violation of any laws, regulations, provisions of authorities, internal regulations, Model 231 or Compliance Models for foreign subsidiaries that may cause damage or prejudice to Eni, even if only to its public image;

<sup>10</sup> Eni Congo, Eni Ghana, Myanmar, NAOC in Nigeria, ENIMED (Eni Mediterranea) and DIME (distretto meridionale) in Italy.

<sup>11</sup> Eni personnel and any natural or legal persons, who operate on its behalf.



→ **any other violations of the Company's Code of Ethics:** issues relating to business ethics, practice of mobbing, harassment and discrimination.

The results of checks carried out by the Internal Audit function are submitted to cross-functional internal bodies, the Board of Statutory Auditors, the Supervisory Board and the senior management of both Eni SpA and each of the non-listed subsidiaries involved.

#### Facts and figures on whistleblowing reporting

In 2018, investigations were completed on 79 files, **31<sup>12</sup> of which included human rights aspects**, mainly concerning **potential impacts on workers' rights**. Among these, 34 assertions were checked: the events reported were confirmed, at least in part, for only 9 of these, and **actions were taken** to mitigate and/or minimize the impacts including: (i) **actions on the Internal Control and Risk Management System**, relating to the implementation and strengthening of controls in place, and awareness-raising and training activities for employees; (ii) **actions for suppliers** and (iii) **actions against employees**, including disciplinary measures, in accordance with the Compliance Program (Model 231), the collective labour agreement and other applicable national laws. At the end of the year 21 files were still open, 5 of which referred to human rights aspects, particularly potential impacts on workers' rights.

**31**

REPORTS RECEIVED  
IN 2018 CONCERNING  
HUMAN RIGHTS

#### Focus on the protection of whistleblowers

Furthermore, the Code of Ethics includes the following important provisions to ensure, among others, the actual protection of whistleblowers:

- Guarantees on full confidentiality and data processing: the whistleblowing procedure clearly states that reports can be anonymous. In any case, the reports and identity of the whistleblower are managed in such a way as to guarantee and respect full confidentiality. A [Privacy Information Notice Regarding Whistleblowing](#) is available on Eni's website;
- Non-retaliation:
  - at a minimum, the Code clearly specifies that: if after reporting a presumed violation, any of Eni's People feel that they have been subject to retaliation, they may then apply directly to the Guarantor of the Code of Ethics;
  - More importantly, Eni is committed to ensuring that no one may suffer any retaliation whatsoever for having provided information regarding possible violations of the Code or reference procedures.

On this issue, the Rules on Whistleblowing Reports received by Eni, including those received anonymously, clarify that in order to protect the image and reputation of people who were unjustly reported, Eni will guarantee the application of disciplinary sanctions, also for the whistleblower, in the event of an Illicit Report. Such reports, which could potentially lead to actions, are defined as "any whistleblowing report that is revealed as unfounded based on objective elements and for which the concrete circumstances that were ascertained during the investigation phase lead one to believe that it was presented in bad faith or with extreme negligence". Eni will take suitable disciplinary measures also against those who adopt retaliatory or discriminatory measures against the whistleblower.

Moreover, Eni's Statement on Respect for Human Rights approved by the Board in December 2018, explicitly "prohibits and undertakes to prevent retaliation against workers and other stakeholders for raising human rights-related concerns, and neither tolerates nor contributes to threats, intimidation, retaliation or attacks (both physical and legal) against human rights defenders and affected stakeholders in relation to its operations."

#### Engagement of trade-unions in the monitoring of complaints or grievances

The Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility renewed in July 2019 includes reports or grievances relating to human rights issues (if any) among the subjects to be dealt with during the annual meeting. (For details see pp. 44; 46; 60)

12] All relating to companies consolidated on a line-by-line basis.



#### CASE STUDY: KAZAKHSTAN

## GRIEVANCES MANAGEMENT IN KAZAKHSTAN

### CONTEXT

In November 2014, a number of children and a teacher at the Berezovka village school developed unexplained symptoms of illness, e.g. repeated fainting. The village of Berezovka is located on the border of the sanitary protection zone (SPZ), which protects nature and people within a designated distance of the Karachaganak Oil and Gas Condensate Field and facility, operated by Karachaganak Petroleum Operating B.V. (KPO)\*. Some NGOs and media attributed the symptoms suffered from the population to emissions from the KPO facility.

### INVESTIGATION

KPO actively participated in the investigation and worked in close cooperation with local authorities, by assessing all relevant data including information from operations facilities and environmental monitoring stations with the investigating authorities. KPO and its partner companies collaborated with the UK National Contact Point (NCP) during the review process in 2014–2017, and in December 2017, the UK NCP published its “Final statement after examination of complaint”.

### MEASURES TAKEN

Because the villages of Berezovka and Bestau fell within the boundaries of the estimated future (in relation to expansion development projects) SPZ, by 2017, the villagers were resettled to the

town of Aksai and the suburban microregion of Araltal, which are locations with more favourable housing conditions in terms of the sanitary and hygienic standards.

In Araltal the resettlers were moved into 100 detached houses and in Aksai they received flats in several apartment blocks located in the Karachaganak-1 Neighbourhood. In total, 465 households were resettled in 2015-2017.

Moreover, socially vulnerable community members, who moved to Aksai and Araltal are under special surveillance in KPO’s monitoring process. The KPO Community Liaison Specialist visits the elderly residents living alone in order to provide assistance and resolve their issues, including municipal social care and construction defects.

### GRIEVANCE MECHANISMS

KPO has a formal policy in place for handling complaints related to its operational activities. This applies to the former residents of Berezovka and Bestau who had been relocated.

Currently KPO carries out post-resettlement monitoring in both locations, including their livelihood restoration. During this period, additional grievances were received from the residents of the new houses, and KPO is actively handling their requests.

\* The KPO consortium comprises Eni, Shell, Chevron, Lukoil and KazMunayGas

## KEY PERFORMANCE INDICATORS

### WHISTLEBLOWING REPORT<sup>(a)</sup> ON HUMAN RIGHTS VIOLATIONS

	2016	2017	2018
Reports (assertions) <sup>(b)</sup> on human rights violations (closed during the year and analysed by result of investigation and by type), of which (number)	36	29 (32)	31 (34)
Justified assertions	11	3	9
potential socio-economic impacts on local communities <sup>(c)</sup>	0	0	0
potential impacts on health, safety and/or well-being of local communities <sup>(d)</sup>	1	0	0
potential impacts on worker rights <sup>(e)</sup>	9	3	6
potential impacts on workplace health and safety <sup>(f)</sup>	1	0	3
Unfounded assertions, with the adoption of improvement measures	6	9	9
potential socio-economic impacts on local communities <sup>(c)</sup>	0	0	0
potential impacts on health, safety and/or well-being of local communities <sup>(d)</sup>	0	0	0
potential impacts on worker rights <sup>(e)</sup>	6	8	8
potential impacts on workplace health and safety <sup>(f)</sup>	0	1	1
Unfounded/generic assertions	19	20	16
potential socio-economic impacts on local communities <sup>(c)</sup>	0	0	0
potential impacts on health, safety and/or well-being of local communities <sup>(d)</sup>	1	2	2
potential impacts on worker rights <sup>(e)</sup>	14	15	12
potential impacts on workplace health and safety <sup>(f)</sup>	4	3	2

[a] Whistleblowing report: it is a summary document of the investigations carried out on the whistleblowing report(s) (which may contain one or more detailed and verifiable assertions) including the summary of the investigation carried out, the results of such investigation and any identified action plan.

[b] 2016 data refers to the whistleblowing reports (and not to the assertions).

[c] Including issues related to consultation and/or compensation processes and increase in conflicts.

[d] Including spills, atmospheric pollution, accidents, etc.

[e] Including discrimination, violations of labour union rights, forced labour, child labour and unfit working conditions (including harassment and mobbing, salaries less than minimum wage and/or undignified salaries).

[f] Including unhealthy and/or insecure workplace environments.

## DEFINITIONS, ABBREVIATIONS AND ACRONYMS

For the purpose of this document, the following terms shall have the meanings given below:

<b>BHR:</b>	Business and Human Rights
<b>BoD:</b>	Board of Directors
<b>CBO:</b>	Community-based organization
<b>CEO:</b>	Chief Executive Officer
<b>CHRB:</b>	Corporate Human Rights Benchmark
<b>CIDU:</b>	Italian Interministerial Committee for Human Rights
<b>DIHR:</b>	Danish Institute for Human Rights
<b>ESHIA:</b>	Environmental, Social and Health Impact Assessment
<b>ERT:</b>	European Round Table of Industrialists
<b>FAO:</b>	Food and Agriculture Organization
<b>GFA:</b>	Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility
<b>HIA:</b>	Health Impact Assessment
<b>HRBWG:</b>	Working Group on Human Rights and Business
<b>HRCA:</b>	Human Rights Compliance Assessments
<b>HRIA:</b>	Human Rights Impact Assessments
<b>HSE:</b>	Health, Safety & Environment
<b>IFC Performance Standards:</b>	International Finance Corporation Performance Standards
<b>IHRB:</b>	Institute for Human Rights and Business
<b>ILO:</b>	International Labour Organization
<b>IRM:</b>	Integrated Risk Management
<b>MBOs:</b>	Management Objectives
<b>MoU:</b>	Memorandum of Understanding
<b>MSG:</b>	Management System Guidelines
<b>NGO:</b>	Non-governmental organization
<b>OIFR:</b>	Occupational illness frequency rate
<b>PRI:</b>	Principles for Responsible Investment
<b>SDG:</b>	Sustainable Development Goals
<b>SMS:</b>	Stakeholder Management System
<b>STEM:</b>	Science Technology Engineering Math
<b>TRIR:</b>	Total recordable injury rate
<b>UNDP:</b>	United Nations Development Program
<b>UNGP:</b>	United Nations Guiding Principles on Business and Human Rights
<b>WBCDS:</b>	World Business Council for Sustainable Development

# UN GUIDING PRINCIPLES REPORTING FRAMEWORK INDEX

SECTION OF THE UN GUIDING PRINCIPLES REPORTING FRAMEWORK	LOCATION IN THE DOCUMENT
<b>A – Governance of respect for human rights</b>	
<b>A1 – Policy commitment</b>	
A1.1	Eni's approach to human right Eni's statement on respect for human rights Human rights reflected in Eni's internal policies The evolution of Eni's human rights legal frameworks scenario
A1.2	The identification of Eni's salient Human Right issues
A1.3	Communicating commitment: Eni's ceo speaks out on human rights Embedding human rights: training activities
<b>A2 – Embedding respect for human rights</b>	
A2.1	Human rights governance
A2.2	Managing Human Rights starting from the top
A2.3	Embedding human rights: training activities Tailored strategies and actions for workers' rights Engagement and training on suppliers' risks Human rights reflected in Eni's internal policies
A2.4	Human rights reflected in Eni's internal policies Human rights in Eni's relations with suppliers and other business partners
A2.5	Eni's commitment to respect for human rights The process of identification
<b>B – Defining a focus of reporting</b>	
B1 - Statement of salient issues	The identification of Eni's salient Human Right issues
B2 - Determination of salient issues	The process of identification
B3 - Choice of focal geographies	N.A.
B4 – Additional severe impacts	N.A.
<b>C – Management of salient human rights issues</b>	
<b>C1 – Specific policies</b>	
C1.1	Human rights reflected in Eni's internal policies Specific policies to respect Human Rights in the Workplace Specific policies to deal with risks from Business Partners and suppliers Specific Policies on respect for host communities' rights Specific policies to ensure respect for Human Rights in Eni's Security operations
<b>C2 – Stakeholder engagement</b>	
C2.1	Human rights in the workplace Working together with rightsholders and strategic stakeholders for Workers' rights Human rights in Eni's relations with suppliers and other business partners Assessing and monitoring suppliers' risks Human rights in host community relations Community engagement and other processes to ensure respect for host communities rights Human rights and security Strategies and actions to minimize risks deriving from Security forces

SECTION OF THE UN GUIDING PRINCIPLES REPORTING FRAMEWORK	LOCATION IN THE DOCUMENT
C2.2	Working together with rightsholders and strategic stakeholders for Workers' rights Assessing and monitoring suppliers' risks Engagement and training on suppliers' risks Community engagement and other processes to ensure respect for host communities rights Strategies and actions to minimize risks deriving from Security forces
C2.3	Working together with rightsholders and strategic stakeholders for Workers' rights Engagement and training on suppliers' risks Community engagement and other processes to ensure respect for host communities rights Strategies and actions to minimize risks deriving from Security forces
<b>C3 – Assessing impacts</b>	
C3.1	Key performance indicators (HR in the Workplace) Key performance indicators (HR in Eni's relations with suppliers and other business partners) Key performance indicators (HR in Host community relations) Key performance indicators (HR and Security)
C3.2	N.A.
<b>C4 – Integrating findings and taking action</b>	
C4.1	Managing Human Rights starting from the top
C4.2	Eni's statement on respect for human rights Assessing and monitoring the human rights impacts of Eni's activities Assessing and monitoring impacts on human rights of host communities Assessing risks and monitoring performances Assessing and monitoring suppliers' risks
C4.3	Tailored strategies and actions for workers' rights Assessing and monitoring suppliers' risks Preventing and managing impacts on land rights, starting from the adoption of internal standards Strategies and actions to minimize risks deriving from Security forces
<b>C5 – Tracking performance</b>	
C5.1	Tailored strategies and actions for workers' rights Key performance indicators Assessing and monitoring suppliers' risks Key performance indicators Preventing and managing impacts on land rights, starting from the adoption of internal standards Key performance indicators Strategies and actions to minimize risks deriving from Security forces Key performance indicators
<b>C6 – Remediation</b>	
C6.1	Eni's commitment to remediation How to engage in remediation Grievance mechanisms Whistleblowing reporting management system
C6.2	Grievance mechanisms Whistleblowing reporting management system
C6.3	Grievance mechanisms
C6.4	Grievance mechanisms Whistleblowing reporting management system Key performance indicators
C6.5	Whistleblowing reporting management system



Eni SpA

**Registered Office**

Piazzale Enrico Mattei, 1 - Rome - Italy  
Share capital: € 4,005,358,876.00 fully paid-up  
Business Register of Rome,  
Taxpayer's code 00484960588

**Other Branches**

Via Emilia, 1  
San Donato Milanese (MI) - Italy

Piazza Ezio Vanoni, 1  
San Donato Milanese (MI) - Italy

**Page layout and supervision**

K-Change - Rome - Italy

Eni could pay royalties to persons entitled in the case  
of sources for which the authors have not been traced.

