

# FOR

HUMAN RIGHTS

JUNE 2020



# MISSION



We are an energy company.

We concretely support a just energy transition,

with the objective of preserving our planet

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

Our work is based on passion and innovation,

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

on the responsibility, integrity and transparency of our actions.

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



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

## THE SUSTAINABLE DEVELOPMENT GOALS

### Global goals for a sustainable development

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



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## WHY READ ENI FOR HUMAN RIGHTS?

This is an updated version of the Eni's first human rights report - released in December 2019 - aimed at illustrating 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).

Even if only few months have passed, an update was necessary due to: the adoption of a new Code of Ethics, the introduction of a new internal procedure that makes the due diligence process structured for all company levels, and the adoption of the supplier Code of Conduct.

The Introduction of the Report 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.

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"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 our Rightsholders and Stakeholders

The beginning of 2020, characterized by the outbreak of the coronavirus pandemic, has been the most difficult period the world has seen in the last decades. Our first priority in Eni has been to protect our people, from our employees and contractors to the communities of the hosting Countries, while ensuring the smooth running of our operations. We managed to let thousands of employees work from home and we rearranged shifts to reduce personnel in our operating sites. At the same time, we have put in place an array of actions to support Italy and the local communities in their response to the emergency. These initiatives range from supporting the construction of new Emergency Rooms to the donation of tens of thousands of personal protection equipment, leveraging on our experience in epidemics and pandemics health care projects worldwide, for an overall commitment of roughly 35 million euros.

In this context, the commitments we have made to continue our transformation process remain intact, as our determination to fight climate change and our efforts towards a just energy transition. In fact, the global scenario in which the energy industry is moving is constantly evolving, but major challenges it faces stay the same: on one hand there is the need to guarantee access to energy to a growing population. On the other hand, there is the necessity to do so minimizing the related emissions in order to contain the impacts on the environment and on climate change, thus pursuing a just energy transition. As stressed in our new corporate mission statement, which is clearly inspired by the Sustainable Development Goals (SDGs), we firmly believe in a transition towards a low carbon future that is socially fair and takes into account different development levels and Countries, aiming to minimize existing gaps. There is no doubt that the path towards a just energy transition, requires, above all, to put at the core of any of our action and activity the respect for human rights, which is rooted in Eni's identity and corporate culture. Our approach builds on recognizing the fundamental dignity of every human being and on our responsibility to contribute to the well-being of individuals and communities of the 66 Countries where we operate. This distinctive approach has always been the prerequisite at the heart of the relationships we have built with the populations of the Countries that host us.

We strive to grow in an inclusive way: for us, respecting human rights means first of all recognizing the value of each person, ensuring their dignity, safety and health, equal working conditions and promoting diversity. 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. We commit to foster an open dialogue wherever we operate, by building bridges with hosting Countries, especially in the critical areas and supporting them towards a sustainable development.

In these few months since the first publication of Eni for Human Rights, in December 2019, we have taken other important steps in the process of spreading and consolidating the culture of respect for human rights. We have strengthened our internal procedures to shape a structured due diligence process, we published a renewed Code of Ethics and we adopted a Supplier Code of Conduct which outlines the commitments that we expect from our partners as a pact for creating sustainable value together. These are concrete signs of how we are walking the line set in Eni's Statement on Respect for Human Rights, adopted in December 2018, reflecting our most salient human rights issues, in line with the foundations set by the UN Guiding Principles on Business and Human Rights (UNGPs).

Our efforts, just as those of any actor in today's complex scenario, will be much more valuable if we are able to work together – governments, international organizations, civil society and businesses. Companies like the one I am leading must set the example by taking a clear stand in favour of safeguarding the dignity of every single human being, and by demonstrating this commitment through their actions. Each of us must play their part in contributing to combat the plague of racism and companies can't, nor must and in our case certainly don't want to step back, nor let the guard down or look away.

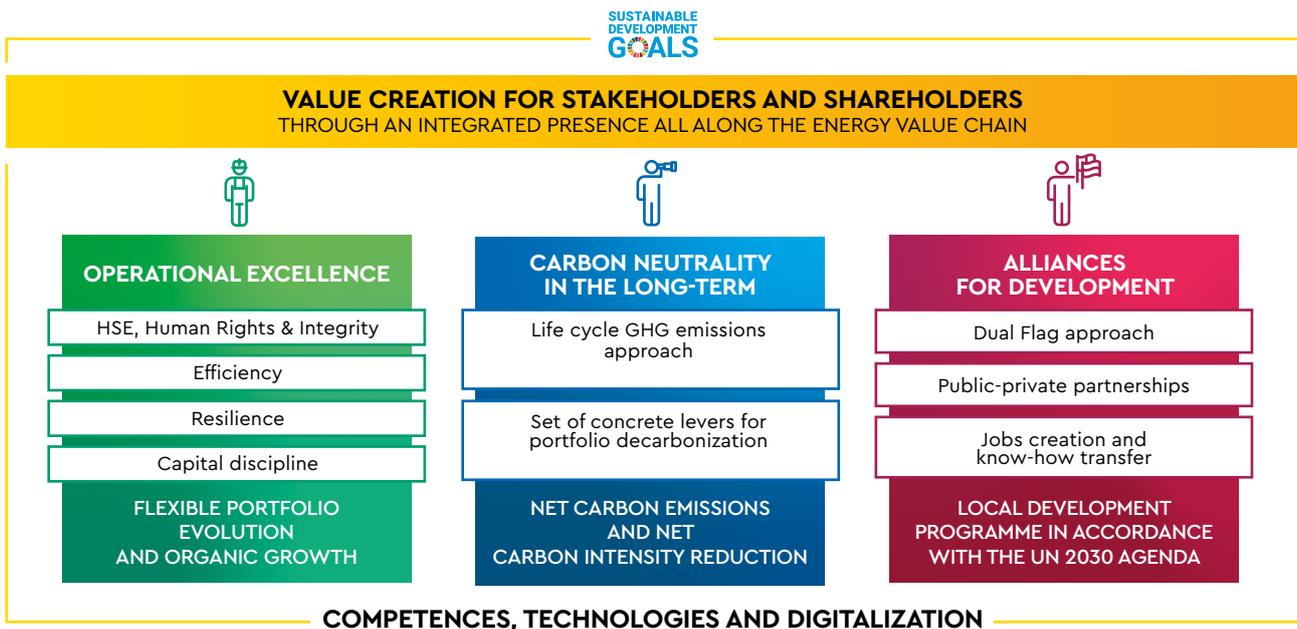
Now more than ever, we need to keep sight on the long-term, with the confidence that by joining our forces and embracing our values, we can tackle the present challenges to be successful in the energy transition and to pursue a more sustainable future, as set out in our latest strategic plan.



Claudio Descalzi  
Chief Executive Officer

# Business model

Eni's business model is focused on **creating value for its stakeholders and shareholders** through a strong **presence along the whole value chain**. Eni, as an integrated energy company, contributes, directly or indirectly, to achieve **Sustainable Development Goals (SDGs)** of the UN 2030 Agenda, supporting a socially fair energy transition responding through concrete, quick and economically sustainable answers to the challenge of combating climate change and giving access to energy resources in an efficient and sustainable way, for all. To manage this effectively, Eni integrates organically its industrial plan with the principles of environmental and social sustainability, enlarging its actions along three directives: **1. operational excellence; 2. carbon neutrality in the long-term; 3. alliances for development.**



1. Firstly, Eni's business is constantly focused on the **operational excellence**. This is translated into: a continuous commitment to the valorization of people and, in **HSE**, to the safeguard of health and safety and environmental protection; the **efficiency and resilience** of operations, thanks to which Eni has accelerated projects' time-to-market, reducing their break-even; a solid **financial discipline**; the maximum attention to the **integrity** and respect for **human rights**. The company will leverage on these drivers to catch the opportunities deriving from the possible evolution of the energy market and technological progress and to **grow organically**;
2. Secondly, Eni's business model envisages a path to decarbonization with the ambition to lead the company to become **carbon neutral in the long-term**. In this context, the company adopts a **life cycle GHG emissions approach** and leverages on a **set of actions including**: maximizing the energy efficiency of its assets; growing low carbon sources in its portfolio (with an increase in gas and biofuel share, as well as the production and marketing of biomethane); growing emission-free sources and developing circular economy initiatives. An important role will also be played by the application of new technologies capturing CO<sub>2</sub> and the development of forestry projects for forest conservation in accordance with the REDD+ scheme. This approach and these drivers will enable Eni to considerably **reduce its carbon footprint**, both in terms of **net emissions** and **carbon intensity**;
3. Thirdly, Eni's value creation will leverage on the alliances for the **promotion of local development** in its Countries of operation. Eni is not only committed to address the valorization of resources of producing Countries, allocating their gas production to the local market and facilitating access to electricity, but also to promote a wide range of community initiatives: from diversification of local economies, to health projects, education, access to water and hygiene projects. This distinctive approach, called **Dual Flag**, is based on collaborations with institutions, cooperation agencies and local stakeholders in order to identify certain necessary actions to meet the needs of communities in line with the National Development Plans and the 2030 UN Agenda. Eni is also committed to **creating employment opportunities and transferring its know-how** and expertise to its local partners involved in operations. These distinctive factors are reflected in the **Local Development Programmes (LDP)** to foster an inclusive growth, creating long-term value. Initiatives identified in Eni's Countries of operations leverage on an integrated approach through **public-private partnerships and alliances** with other internationally recognised players engaged in the territory.

Eni's business model is designed on these three levers leveraging on **internal competencies**, the **deployment of innovative technologies** and the **digitalization process**.

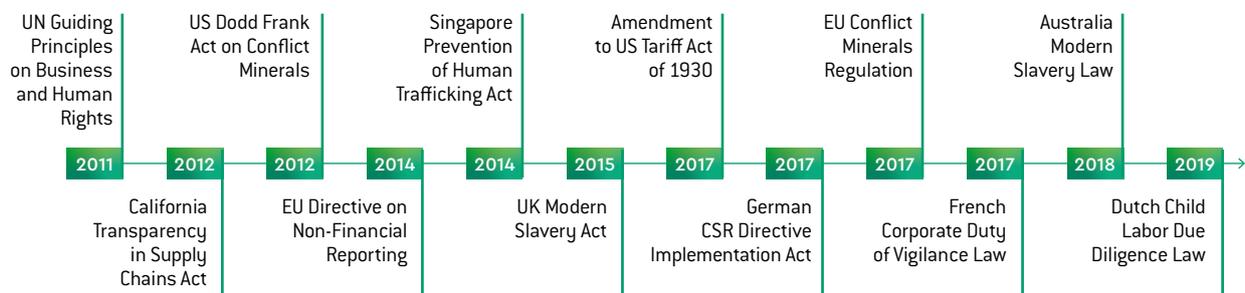
## Scenario

Eni works in 66 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

### New international references in the field of human rights



Since 2011, when the United Nations published its "Guiding Principles on Business and Human Rights", regulations and other initiatives on the issue have proliferated at international level. At international level, particularly at European level, there is also a constant and growing attention towards the introduction of regulatory provisions that provide for reporting obligations and the conduct of due diligence on human rights by businesses.

Source: CEO Guide to Human Rights, WBCSD 2019

### The evolution of the regulatory framework

Since 2011, international references to business and human rights have been multiplied, from a regulatory and non-regulatory perspective. In addition, Europe is experiencing a constant and growing attention towards the introduction of other regulatory provisions providing human rights reporting obligations or due diligence requirements. In 13 EU countries these initiatives are under discussion and at regional level the EU Commissioner for Justice has recently announced that the EU plans to develop a legislative proposal on mandatory human rights and environmental due diligence in 2021.

### Human rights due diligence

According to a recent survey of companies participating in the United Nations Global Compact, over 90% of the companies surveyed report having established human rights policies and practices, but less than 20% say they conduct human rights due diligence or structured impact assessments.

### A growing public attention to companies' respect for human rights

The availability of data, information and practices on businesses' approach to human rights has grown considerably, and they are now available to a wide audience, including consumers who can make responsible choices aware of companies' practices. A pivotal role is played by specialized organizations and think tanks that have collected and spread such information.

### Groups of investors are joining forces to evaluate companies' commitment and actions to respect human rights

More than 85 investors and civil society organizations led a unique collaboration, the [Corporate Human Rights Benchmark](#) (CHRB), dedicated to creating the first open and public benchmark of corporate human rights performance. CHRB every year compares the approach and performances of over 200 companies worldwide and draws up a public and free ranking.

The [Workforce Disclosure Initiative](#) (WDI) – carried out by ShareAction, a no profit organization in the UK – over the past few years has worked with institutional investors to improve corporate workforce transparency about both companies' workers and those employed in their value chains.

[1] It was founded to bring further expertise to the European Parliament on topics related to responsible business and to increase discussion between various stakeholder groups and EU institutions.

### 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.



[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 impacts 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?
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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 (evolved into the GRI Standards), 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.

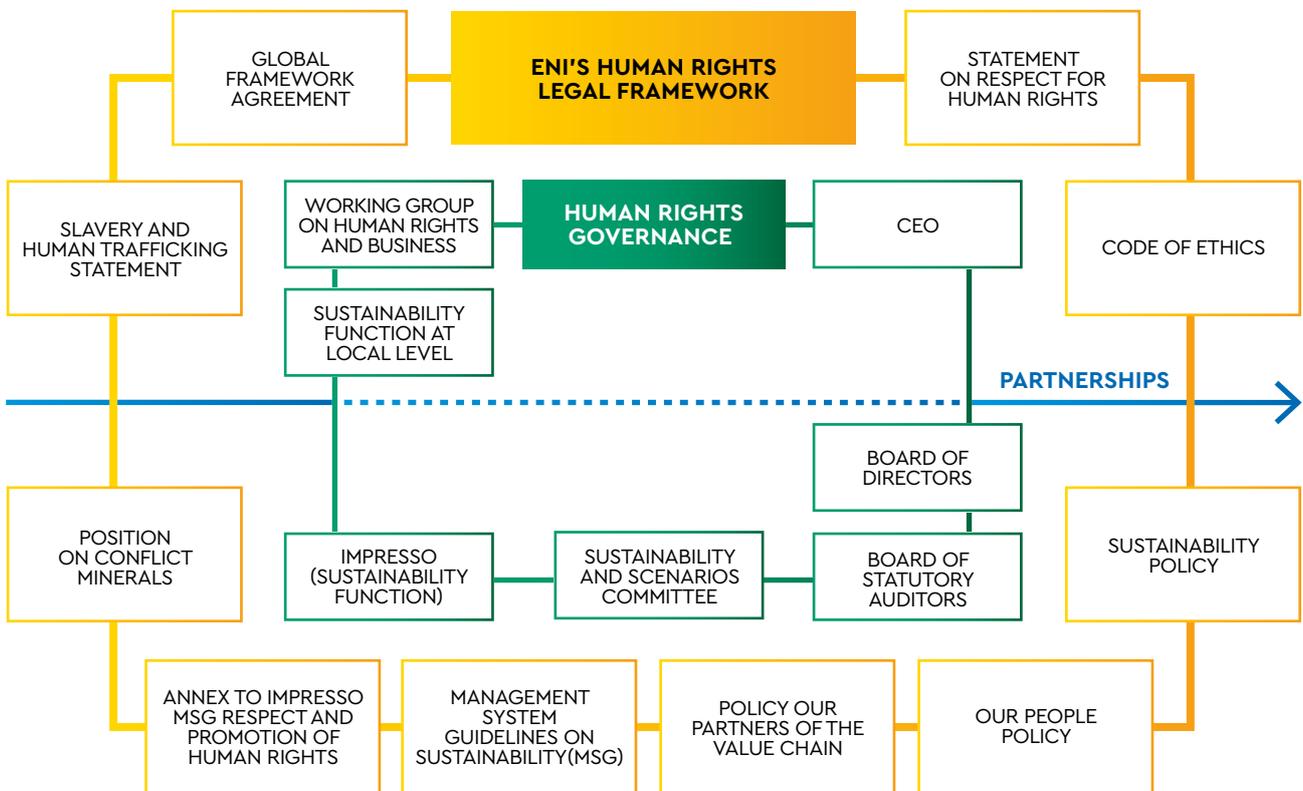
# Eni's commitment to respect for human rights

## 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.

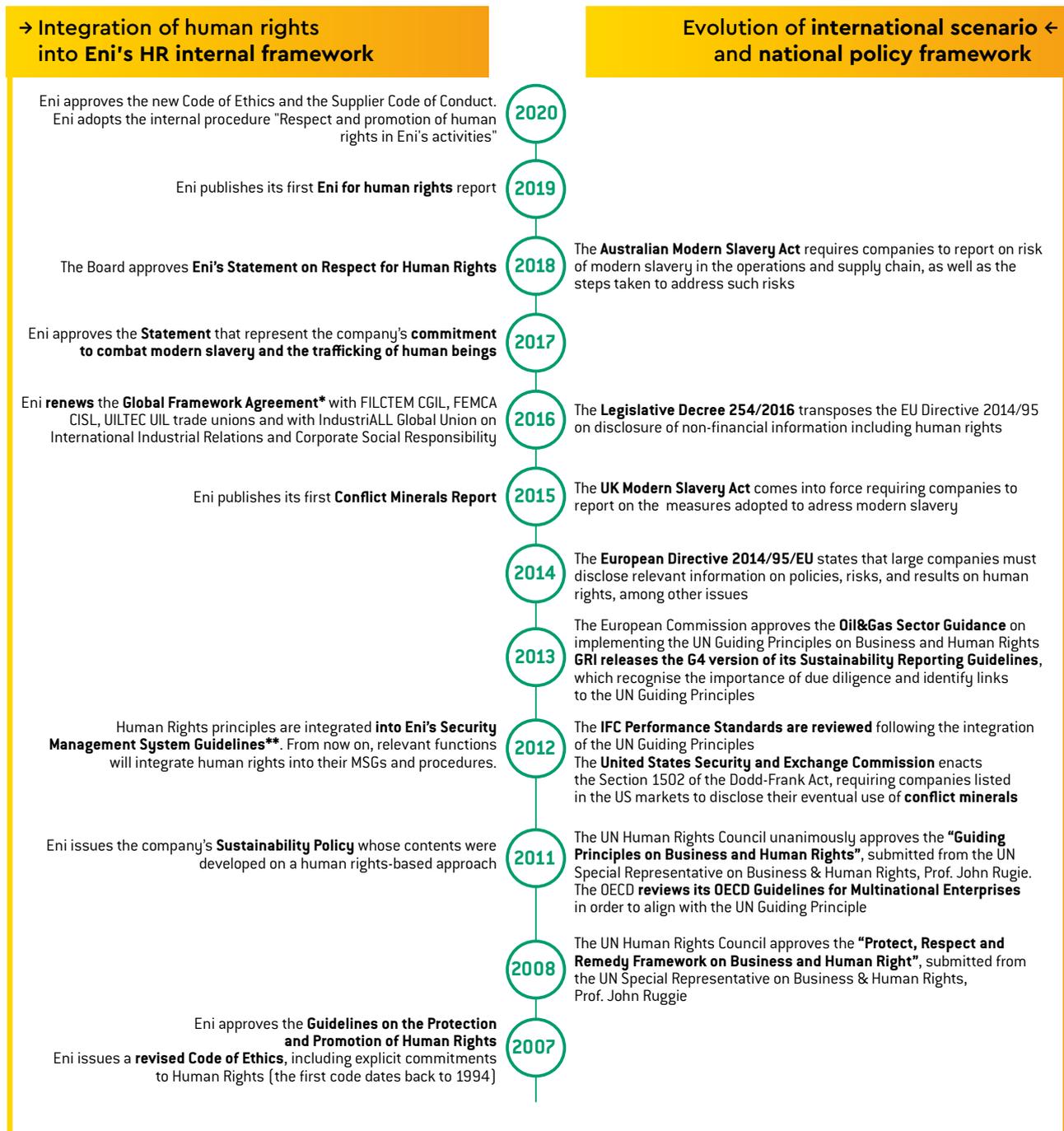
This section presents information on:

- 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 20);
- Communicating commitment: Eni's CEO speaks out on human rights (page 25);
- Embedding human rights: training activities (page 26);
- International relations and partnerships for human rights (page 32).



## 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. 25), 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. 20).



(\*) 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.

### 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. 20). 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.

In 2018 Eni's Statement on Respect for Human Rights was published



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 Human Rights;
  - ILO Declaration on Fundamental Principles and Human 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 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].



#### Minister Fabrizio Petri

President of the Italian Interministerial Committee for Human Rights

**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. 56.

#### BOARD APPROVAL

- On April 23<sup>rd</sup> 2020, the Eni SpA Board of Directors approved the 2019 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. 41; 43; 59.



## Human rights reflected in Eni's internal policies

Eni's Statement on Respect for Human Rights 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

A new **Code of Ethics** was approved by the Board of Directors in March 2020. This new version is a Charter of Values which further enhances Eni's commitment to respect its people and the human rights.

The Code of Ethics is addressed to the members of Eni's administrative and control bodies, to Eni employees and to any third party who collaborates or works in the name, on behalf of, or in the interest of Eni, wherever it operates and in any way it contributes creating value for the company.

To ensure its extensive understanding, the Code is widely disseminated and promoted through a large variety of initiatives, including specific training activities and translation into the different languages of the countries in which Eni operates.

#### 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 pp. 41 and 59]

## 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.





## 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.

2020–2021 objectives:  
spread of the  
Supplier Code  
of Conduct



## Supplier Code of Conduct – "Creating sustainable value together"

### OBJECTIVES

- In April 2020, the [Supplier Code of Conduct](#) was published, in line with the renewed Code of Ethics. It establishes the mutual commitment to recognize and protect the value of all the people, commitment to contrasting climate change and their effects, operating with integrity, protecting company resources, promoting the adoption of these principles within their own people and supply chain. Among these principles, regarding human rights and work, the reference is the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. All suppliers will be asked to sign the Code and to promote the principles contained in it along their supply chain.

### COMMITMENTS ON HUMAN RIGHTS

- Prohibit the forced labor, the undeclared labor, the compulsory labor and all the forms of modern slavery and human trafficking;
- Prevent any form of work by children under the age of 15 and ensure, in compliance with local law, that teenagers under the age of 18 are not employed in hazardous jobs;
- Abide by working times and rest periods in compliance with the applicable legislation and in line with international standards;
- Prevent any kind of discrimination;
- Ensure respect of workers' rights and trade unions freedoms;
- Establish clear and fair working conditions defined in the employment contract;
- Respect the cultural, economic and social rights of the local communities, minorities, indigenous peoples and other vulnerable groups.

## 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 adopted a new internal procedure ("Respect and promotion of human rights in Eni's activities"). Specifically focused on **human rights** and aimed at regulating Eni's human rights due diligence process both at entity and process level. The due diligence approach is described at page 35.

#### 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.



### Internal procedure "Respect and Promotion of Human Rights in Eni's Activities" of the Management System Guidelines on Responsible and Sustainable Enterprise

#### OBJECTIVES

- This internal procedure regulates internally how to perform human rights due diligence and provides a concrete approach to the commitment expressed in the Eni's Statement on Respect for Human Rights.

The document details the model adopted by Eni to ensure the respect for human rights in its business activities. The purpose of the procedure is to define roles and responsibilities, including on the conduction of the human rights due diligence as the process of identification, evaluation, prevention and management of negative impacts on human rights that the company can produce, or help to produce, through its activities and business relationships.

#### COMMITMENTS

- To provide a framework responding to the request of the UN Guiding Principles on Business and Human Rights about the due diligence;
- To ensure an ongoing human rights due diligence (not once-off), that is context-specific and covering all human rights, although certain risks may be prioritized based on severity;
- To ensure a holistic approach, collaboration and integration of Eni's several actors involved in the process (from the headquarter functions to the local subsidiaries).



## 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 2019, the CEO informed the Board also on human rights issues.

##### BOARD OF DIRECTORS

The Board plays a central role in the integration of aspects related to 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. 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 (in 2018);
- The 2019 Annual Report, which includes the Consolidated disclosure of non-financial information; the 2020 Report on remuneration policy and remuneration paid, which includes sustainability objectives in the determination of performance incentives, including those for health and safety; and the 2019 Sustainability Report "Eni for 2019";
- HSE Performance in 2019, 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 Slavery and Human Trafficking Statement 2019, prepared according to the UK "Modern Slavery Act";
- Memorandum of Understanding with the 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 2019, the Sustainability and Scenarios Committee also examined several aspects directly or indirectly concerning human rights, including the Slavery and Human Trafficking Statement 2019, and the results and findings of the Corporate Human Rights Benchmark.

## 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. 38];
- 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. 38].

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)

2019–2020 objectives: finalization of the internal system for managing human rights issues designed by the HRBWG

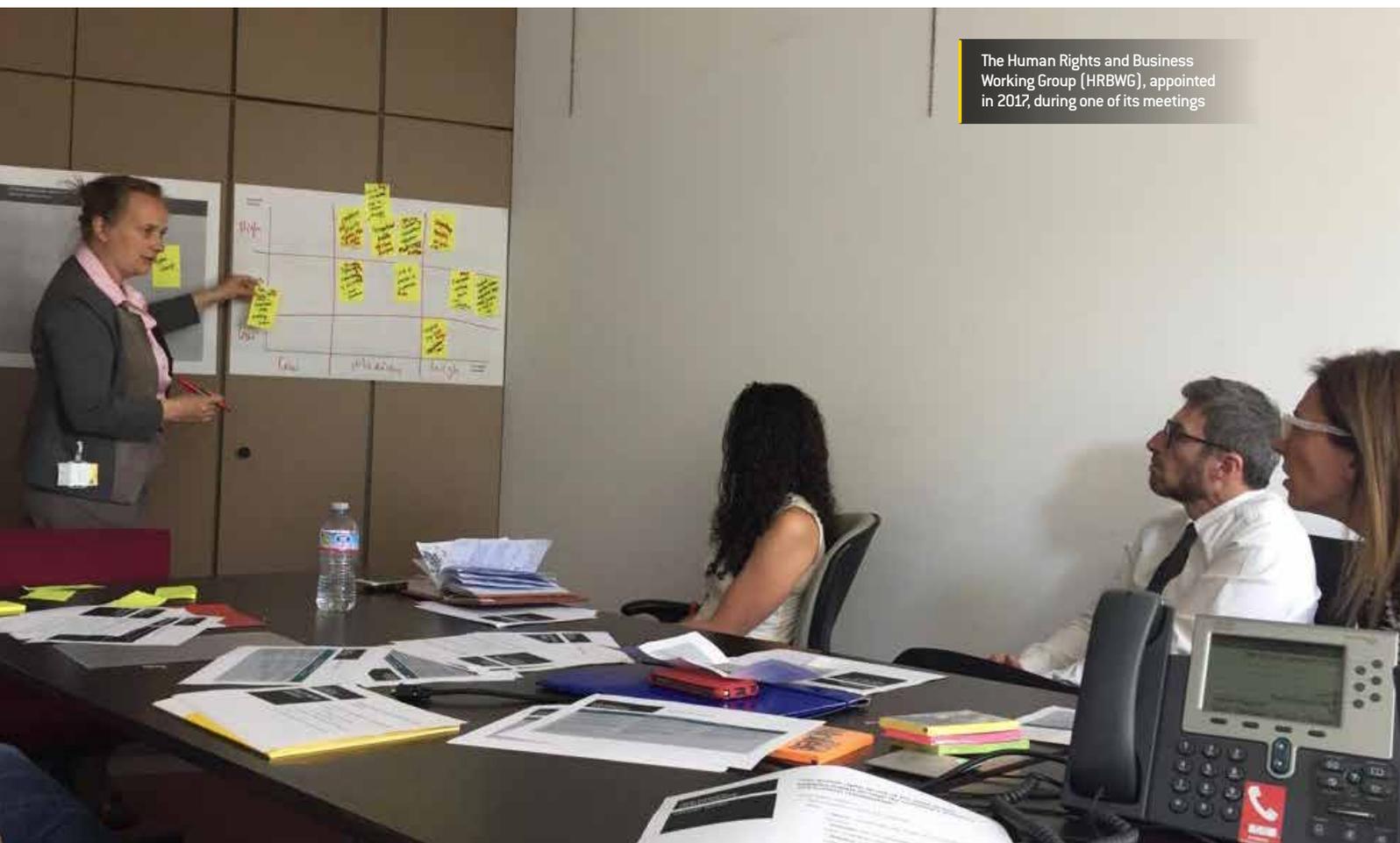
## MAIN ACTIVITIES

- 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.

Moreover, a specific internal procedure to Eni's Management System Guidelines on Responsible and Sustainable Enterprise was published in March 2020 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.



The Human Rights and Business Working Group (HRBWG), appointed in 2017, during one of its meetings

## 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.).

The short-term variable incentive Plan of the CEO, for 2020 as well, includes environmental sustainability targets (with a weight of 12.5% on GHG emissions) and human capital targets (with a weight of 12.5% on the Severity Incident Rate (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.

In addition, the stock-based LongTerm Incentive (LTI) Plan for 2020-2022 provides a specific target on environmental sustainability and energy transition (total weight 35%), comprising targets connected with decarbonization processes, energy transition and circular economy.

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.

The Management Objectives are directly linked to the implementation of the Company's human rights policy commitment and to the Eni's salient human rights issues synthesized in 4 clusters: human rights (i) in the workplace, (ii) in the communities, (iii) in the supply chain and (iv) in security operations. In 2019, such objectives were assigned to all 18 top managers who report directly to the CEO and to over 50 senior managers and Managing Directors of Eni's subsidiaries, in addition to their operational and economic-financial targets.

These Management Objectives are linked to several human rights targets – according to the Action Plan on human rights and the issues emerging from the due diligence – covering the entire spectrum of the salient human rights issues of Eni such as, among others: freedom of association and collective bargaining, health and safety, modern slavery, land rights, indigenous people rights, security, water sanitation.

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.

## The objectives

2020 objectives for the annual variable incentive plan of the CEO/GM

25%

Environmental sustainability and human capital

12.5%

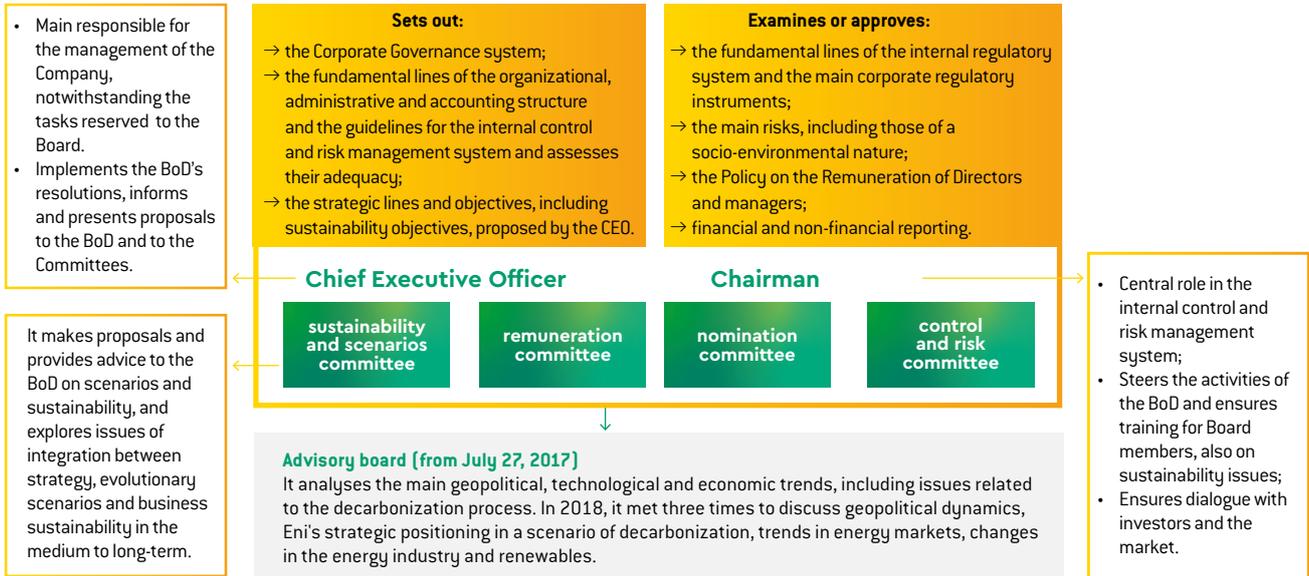
Severity incident rate

12.5%

GHG emissions intensity upstream

Roles and responsibilities on sustainability issues

Board of directors



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 [Report on remuneration policy and remuneration paid](#). 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 positive or negative, Management Objectives are also assigned to Eni's subsidiaries at all levels, including Managing Directors.

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

For the 2020-2023 term, the CEO's short term variable Incentive Plan, still includes sustainability objectives such as environmental (CO2 emissions, with a weight of 12.5%) and human capital (Severity Incident Rate with a weight of 12.5%) objectives, set out for managers with strategic responsibilities and supported by other sustainability objectives (for example, relating to human rights or local interventions) in line with the specific responsibilities, the role held and the provisions of the Company's Strategic Plan. In addition, the new 2020-2022 Long-Term Equity based Incentive Plan provides for specific goals on environmental sustainability and energy transition, with an overall weight of 35%, articulated on targets related to the decarbonization path (reduction of GHG emission intensity), the development of electricity generation from renewable sources and the implementation of circular economy projects (biofuels development).

## 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. 75).
- In 2019, the CEO signed the **"CEO Guide to Human Rights"** published in 2019 by the **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

In 2019, +143% hours of training provided on human rights (vs 2018)

In 2019, training on human rights delivered to 92% of security personnel

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.

### Our initiatives and tools to raise awareness on human rights

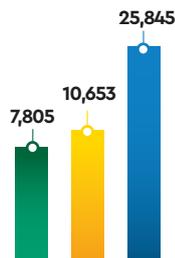
Over the last few years, Eni has developed a wide range of training courses on business and human rights which differ in terms of format and content in order to offer colleagues the training options that best suit their needs.

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 workshops for Security providers on security and human rights**

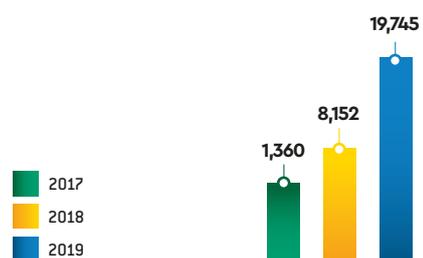
#### HOURS OF TRAINING ON HUMAN RIGHTS

(Number of hours)



#### EMPLOYEES TRAINED ON HUMAN RIGHTS

(Number of people trained)

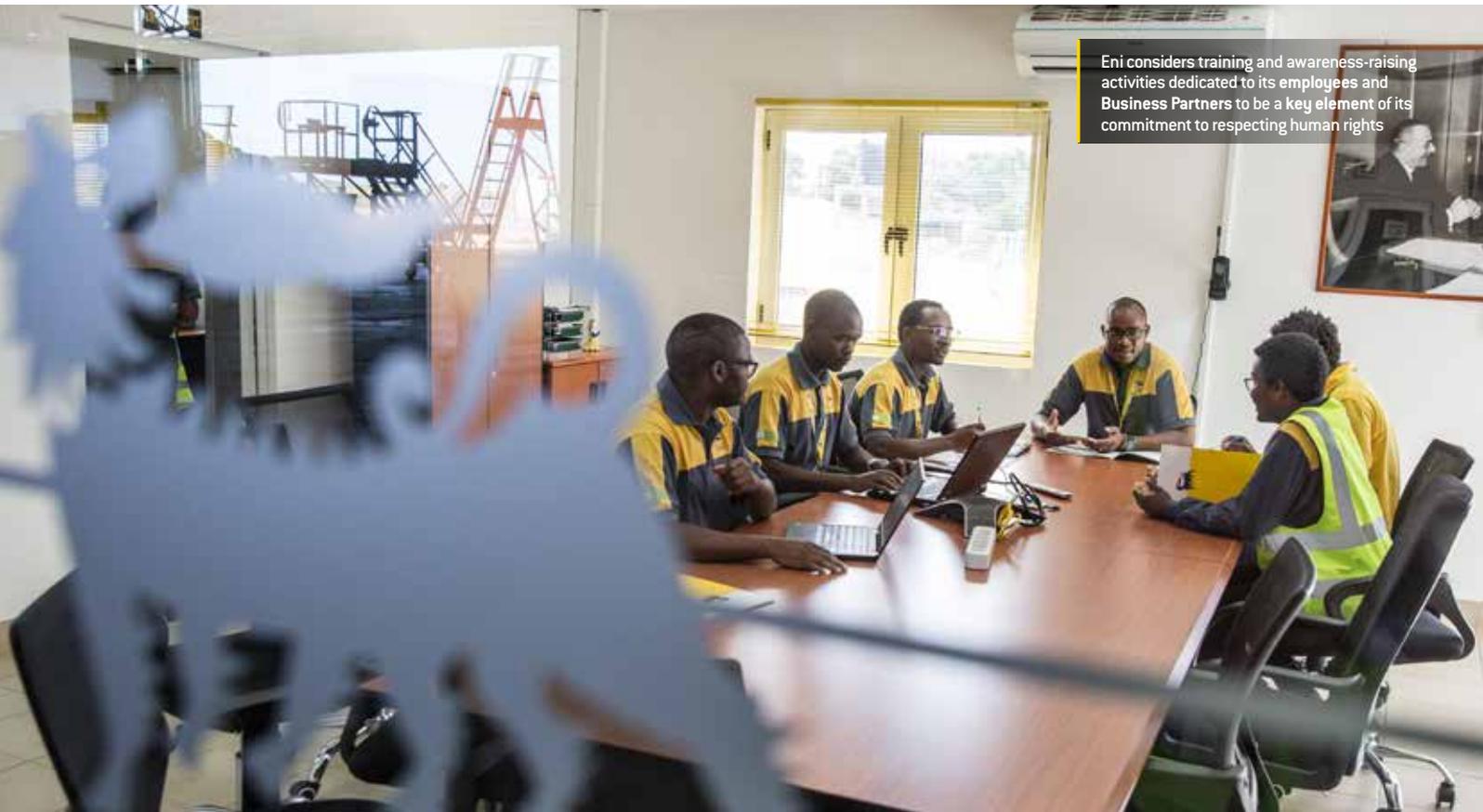


In 2019, the Human Rights program continued engaging along the year more than 19,000 people, after the massive campaign held between 2016 and 2018, with specific in-depth thematic follow-ups (e.g., Security in the Workplace, Relations with Community and Procurement) aimed at different targets depending on the content of the modules. According to a three-year plan for 2018-2020, in 2020, colleagues from additional departments not included in the previous target were involved in these in-depth thematic follow-ups.

In 2019 Eni launched a specific training module on human rights risks along the supply chain for the Eni's Procurement professionals that will be progressively extended in 2020. Almost 1,000 participants were trained on modules shaped on 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.



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

## 1. GENERAL COURSES ON BUSINESS AND HUMAN RIGHTS

### TRAINING PROGRAM

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

### ACTIVITIES

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.

#### 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 29,000 people at Eni, from staff to middle and top managers, completed human rights remote training between 2017 and 2019.

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

#### 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 SECURITY AND HUMAN RIGHTS

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. 81). 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 Eni's approach in *Respect for human rights as priority in our way of doing business*.

(\*) Chosen among the members of communities to manage the needs of the community.

### 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.

##### 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 the 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 2019 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 PROGRAM****ACTIVITIES****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. In order to ensure extensive understanding of the contents of the new Code of Ethics, a training video focused on the new aspects of the document will be made available to all Eni employees within the second half of 2020.

**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 AND SECURITY

		2017	2018	2019
Hours of training on human rights	(number)	7,805	10,653	25,845
In class		52	164	108
Distance		7,753	10,489	25,737
Attendances in human rights training courses		2,084	10,557	44,396
Employees trained on human rights		1,360	8,512	19,745
Employees trained on human rights <sup>(a)</sup>	(%)	74	91	97
Security personnel trained on human rights <sup>(b)</sup>		308	73	696
Security personnel (professional area) trained on human rights <sup>(c)</sup>	(%)	88	96	92

(a) 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.

(b) The variations of the KPI Security resources trained on human rights, in some cases also significant, which can be detected between one year and the next, are linked to the different characteristics of the training projects and to the operating contingencies.

(c) This data is a percentage of a cumulated value. The change compared to 2018 (96%) is due to a change in the scope of consolidation, due to the inclusion of new resources to be trained and the exit of resources already trained.

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. For a complete overview of all Eni's partnerships for sustainable development refer to [Eni for 2019](#).



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

Eni Ghana and the World Bank signed a Memorandum of Understanding, the result of a dialogue that began in 2019, for the development of initiatives to promote access to improved domestic wood fuel cook stoves, to reduce exposure to unhealthy wood-smoke and decreased pressure on the depletion of forest resources. Built on an innovative cooperation model between a multilateral organization and the private sector, the actions planned contribute to the Government of Ghana's strategy for ensuring universal access to modern, clean and safe energy sources by 2030.



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 May 2020, Eni was admitted as "Engaged Corporate Participants" to the Voluntary Principles Initiative, the multi-stakeholder initiative composed of Governments, key international NGOs and companies, which promotes the implementation of a set of principles (Voluntary Principles on Security and Human Rights) aimed at supporting and guiding companies in addressing human rights risks in security activities.



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 **Eni's human rights due diligence approach** (page 35);
- the **identification of salient human rights issues**, resulted from the analysis of the internal human rights working group (page 38);
- the due diligence process applied to the functional areas which are most exposed to human rights risks, and namely **workplace** (page 40), **relations with suppliers and other business partners** (page 56), **host community relations** (page 68), **security** (page 79).

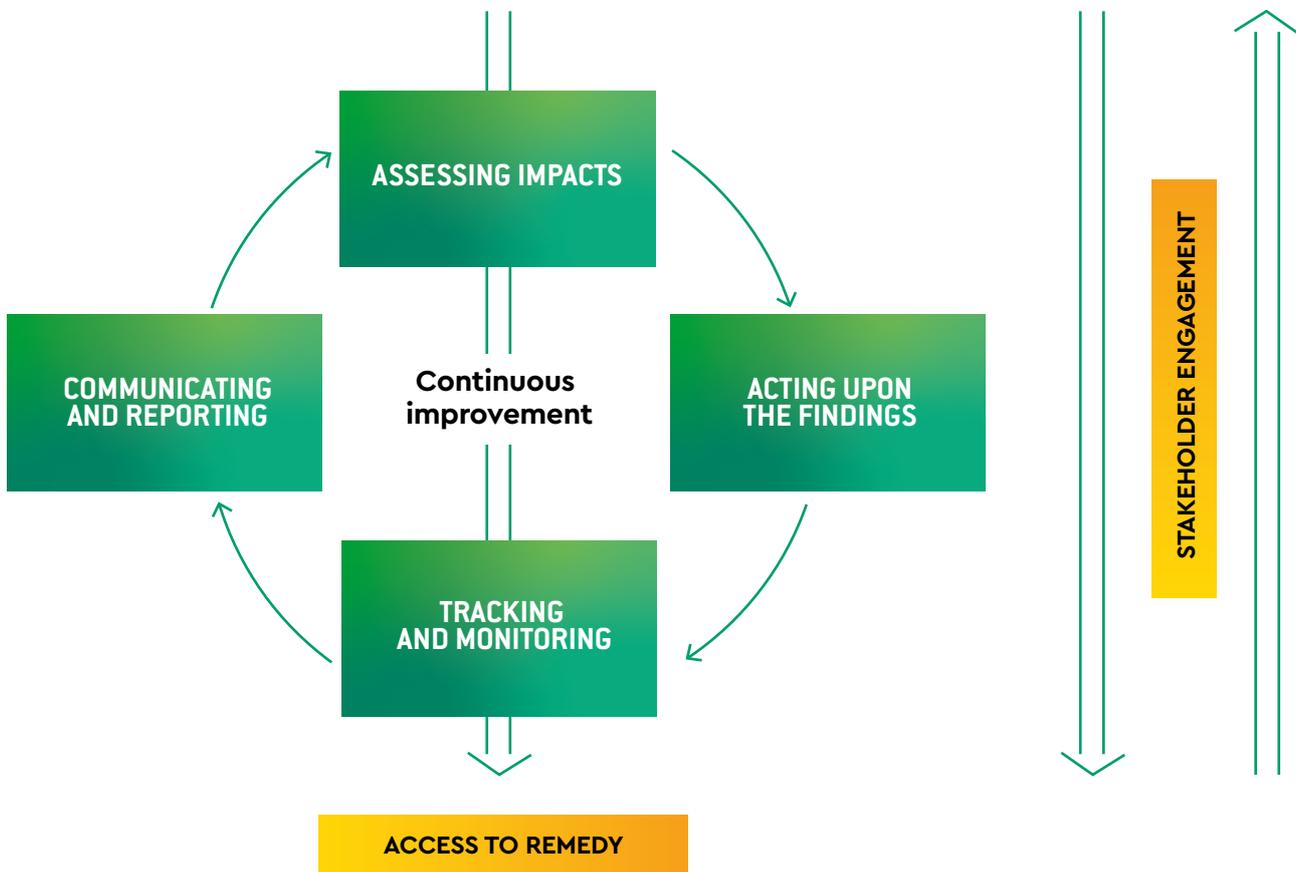
In particular, an overview can be found of:

- 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.

- **Assessing human rights impacts through due diligence** through cross-functional impact assessment processes that identify, prevent, mitigate and account for the full spectrum of human rights risks and impacts (page 85).

## ADOPTION OF A COMMITMENT ON BUSINESS AND HUMAN RIGHTS



## The Eni's human rights due diligence approach

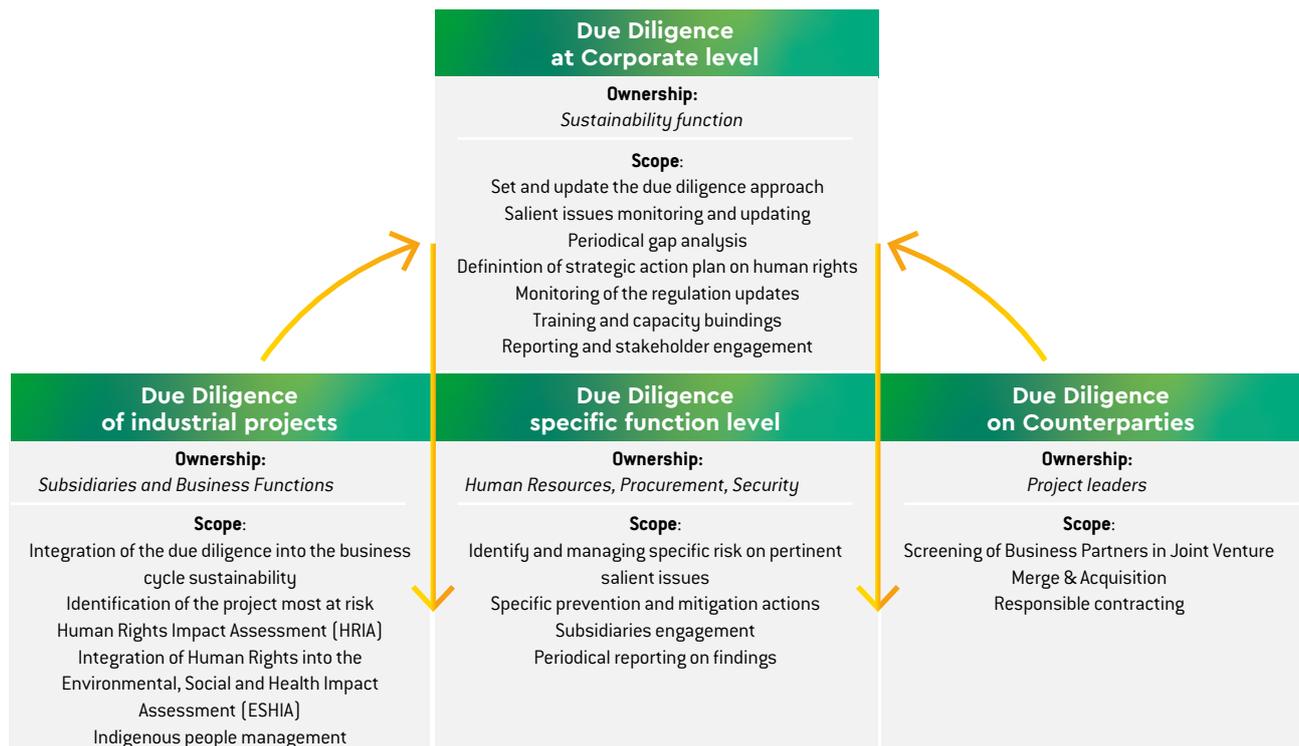
Eni's approach to human rights due diligence was established by the internal procedure "Respect and Promotion of the Human Rights in Eni's Activities", issued on March 2020 as part of the Management System Guidelines of Eni.

This procedure represents a fundamental framework for all the people involved in preventing human rights violations and managing human rights issues; the due diligence is set on an ongoing basis (not once-off) process, context-specific and covers the entire spectrum of human rights implications for Eni, therefore besides the list of salient human rights issues which will be introduced in the next section.

The human rights due diligence model adopted by Eni, designed to be multidisciplinary, multilevel and integrated at any level of the company's processes, follows a risk-based approach with the aim of identifying, preventing, mitigating and accounting for adverse corporate impacts on human rights. The risks identified through the due diligence are defined as risks to rights-holders, therefore extending the traditional company's risk management perspective.



In order to fulfill its tasks, the human rights due diligence model is translated into practice with four separate dimensions: i) at corporate level, ii) on industrial projects, iii) on specific processes connected with Eni's salient human rights issues, iv) and on counterparties.



**The due diligence at Corporate level** it is periodically carried out towards Eni as a whole, in order to update and evaluate the salient human rights issues (see paragraph “The identification of salient human rights issues”).

Such evaluation takes into account the evolution of the company, the external context and best practices emerged in the field of business and human rights to be eventually applied to Eni’s processes.

Every year the Sustainability Department updates a Corporate Action Plan on human rights taking into account the results of the monitoring process of the previous Plans and the issues emerging from the other due diligences (at project level, on specific salient issues and on business partners, described below).

### A practical example of the due diligence at Corporate level

In 2017, Eni with the support of the Danish Institute for Human Rights carried out a gap analysis on business and human rights as part of a wider project aimed at restructuring Eni’s management approach. The project conducted to the identification of the Eni’s salient human rights issues and to the adoption of a Human Rights Action Plan based on the findings of the gap analysis and taking into account the salient issues as well. The Action Plan was set for a 3 years’ timeframe (2017-2019) and has been updated every year according to the monitoring activities carried out, the lessons learned from the due diligence approach application and other assessment activities done.

**The due diligence of the industrial projects** is performed in order to identify specific risks of the projects and evaluate the proper actions to be undertaken, as part of the wider integration of sustainability issues into the business cycle.

According to the characteristics of the project, different assessments are conducted to identify and evaluate potential impacts on human rights: ad hoc Human Rights Impact Assessment (HRIA) and specific analysis on human rights integrated into the Environmental, Social and Health Impact Assessment (ESHIA) that usually are carried out for every industrial project. The HRIA is carried out to evaluate in depth project more at risk (see the paragraph “Stand-alone human rights impact assessment” for further information); in both cases, when a HRIA or an ESHIA is carried out, an Action Plan is defined based on the findings.

To monitor the effectiveness of the Action Plans, at least once a year, the Sustainability Department works together with the subsidiaries in order to track progress and criticalities also through the adoption of specific KPIs.

### A practical example of the due diligence of an industrial plan

In 2016 Eni carried out a HRIA in Myanmar on the project “onshore block RSF-5” due to the risks and possible impacts connected with the characteristics of the project (see the Case Study at page XX for a complete description of it). Based on the results of the HRIA, Eni adopted an Action Plan and specific management measures that have been monitored in the following years to evaluate their effectiveness. As part of this evaluation, in 2018 a follow-up of the HRIA has been conducted to assess the effectiveness of the actions undertaken, also through the engagement of local stakeholders and rights-holders. The follow-up allowed Eni to integrate into the management approach the lessons learned.

**Specific functions due diligences** are carried out according to the salient human rights issues. Indeed, there are some specific functions primarily interested in managing human rights due to the process managed:

- **Procurement** for the issues along the **supply chain**;
- **Human Resources** for issues at the **workplace**;
- **Security** for the issues in managing **security operations**.

Each of them sets a due diligence tailored to seize potential impacts of the specific processes managed. It is a risk based model consistent with the due diligence at Corporate level.

It requires to set pluriannual Plans to address the issues identified and monitor the effectiveness of the actions.

### A practical example of the due diligence towards suppliers

In the chapter “Assessing and monitoring suppliers’ risks” (page 60) are described two case studies: one about an assessment conducted on a supplier in Africa and the other on a social audit carried out on a contractor in Mexico. Both activities were conducted because the due diligence approach revealed activities at risk. Eni visited and assessed the practices of these suppliers and agreed with them some corrective actions to be implemented on critical issues identified. In the following months Eni monitored the progress of both the suppliers to ensure the mitigation of risks and avoid impacts towards suppliers’ workers. The lessons learned by the assessments fed Eni’s entire management system.

**The due diligence on counterparties and business partners** is conducted before the conclusion of a JV agreement or in case of merge & acquisition operations. The process is based on open sources screening to identify if the counterparts have been involved in human rights violation or are exposed to specific risks.

If the screening reveals recent critical issues, Eni’s Sustainability function will deepen such information and provide feedback to the proposing unit in order to undertake proper actions to manage the issues or exercise Eni’s leverage over its partners (taking into account the role Eni will have according to the agreement).

In the JV agreements specific clauses on human rights (responsible contracting clauses) are negotiated, as described in depth at the paragraph “Assessing and monitoring business partners’ risks”.

### Monitoring the effectiveness of the entire process

The management process thus structured allows the implementation of proper mitigation actions and monitoring measures, as well as facilitates the sharing of issues and lessons learned within the entire company (from the local actors to Corporate ones).

Once a year, the Sustainability department collects all the Action Plans – as well as spare actions undertaken on specific topics – emerging from the due diligence process to feed the update of the Corporate Action Plan on human rights and as an input for the gap analysis described to evaluate the effectiveness of the entire system.

The actions of the Plan are declined into the Management Objectives assigned to the top management of Eni.

The process to monitor the effectiveness of the actions involves:

- the use of several internal and public KPIs that are disclosed into this report;
- the engagement of stakeholders to share Eni’s approach and listen to their expectations.

## The identification of salient human rights issues

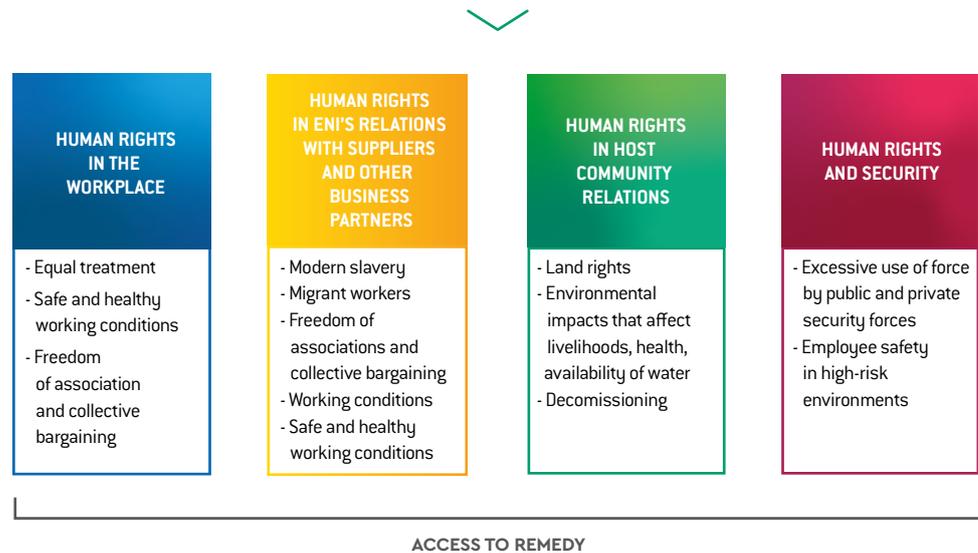
### The process of identification

In **2017**, the newly established Eni Human Rights and Business Working Group (HRBWG) 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 into 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 for Human Rights



The final list of salient human rights issues was shared with external stakeholders in 2018

In **2018**, the final list of salient issues identified by the workshop participants was shared with external stakeholders and prominent 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 opportunities to have their voice be heard. Moreover, particular attention should be paid to **minors'** - especially children - views;
- 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 discussions, which is expected to take a prominent 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 prominent experts.

Enablers to addressing human rights impacts	Challenges to addressing human rights impacts
<p>Eni's solid management systems (e.g. health and safety; operational-level grievance mechanism).</p> <p>The commitment to engage and work with business partners on specific issues and challenges.</p>	<p>The use of Eni's leverage in business relationships due to the different nature of these relations with governments, subcontractors and beyond first-tier suppliers.</p>

In the following sections, a detailed description is given for each cluster of salient issues, which focuses on the respective due diligence approach, the measures undertaken to mitigate and prevent identified impacts and the way their effectiveness is monitored.

## Human rights in the workplace

### HUMAN RIGHTS IN THE WORKPLACE

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

### 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.

### 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:

- a. 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.
- b. 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.
- c. The **commitment of Business Partners and suppliers** to also comply with them.
- d. 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. 43; 59).

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. 43; 59)

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 diverging from or violating 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 effective 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 Slavery and Human Trafficking 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).

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:

- all decisions concerning human resources are adopted following criteria based on merit and ability;
- the human resource selecting, hiring, training, compensating and managing activities are conducted in line with equity, meritocracy, personal care and without discrimination of any kind;
- plurality and diversity are considered as sources of enrichment which create an inclusive working environment and which ensures the wellbeing of all Eni's People.



A training session



#### 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 contractors 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 non-judicial mechanisms.

For details on the protection of whistleblowers see p. 103.

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 rightsholders and strategic stakeholders in order to fully understand and assess the potentially severe negative impacts on workers' rights.

- **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.

11,369

Eni employees belonged to a union in 2019

83.03%

Employees covered by collective bargaining in 2019

## 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:

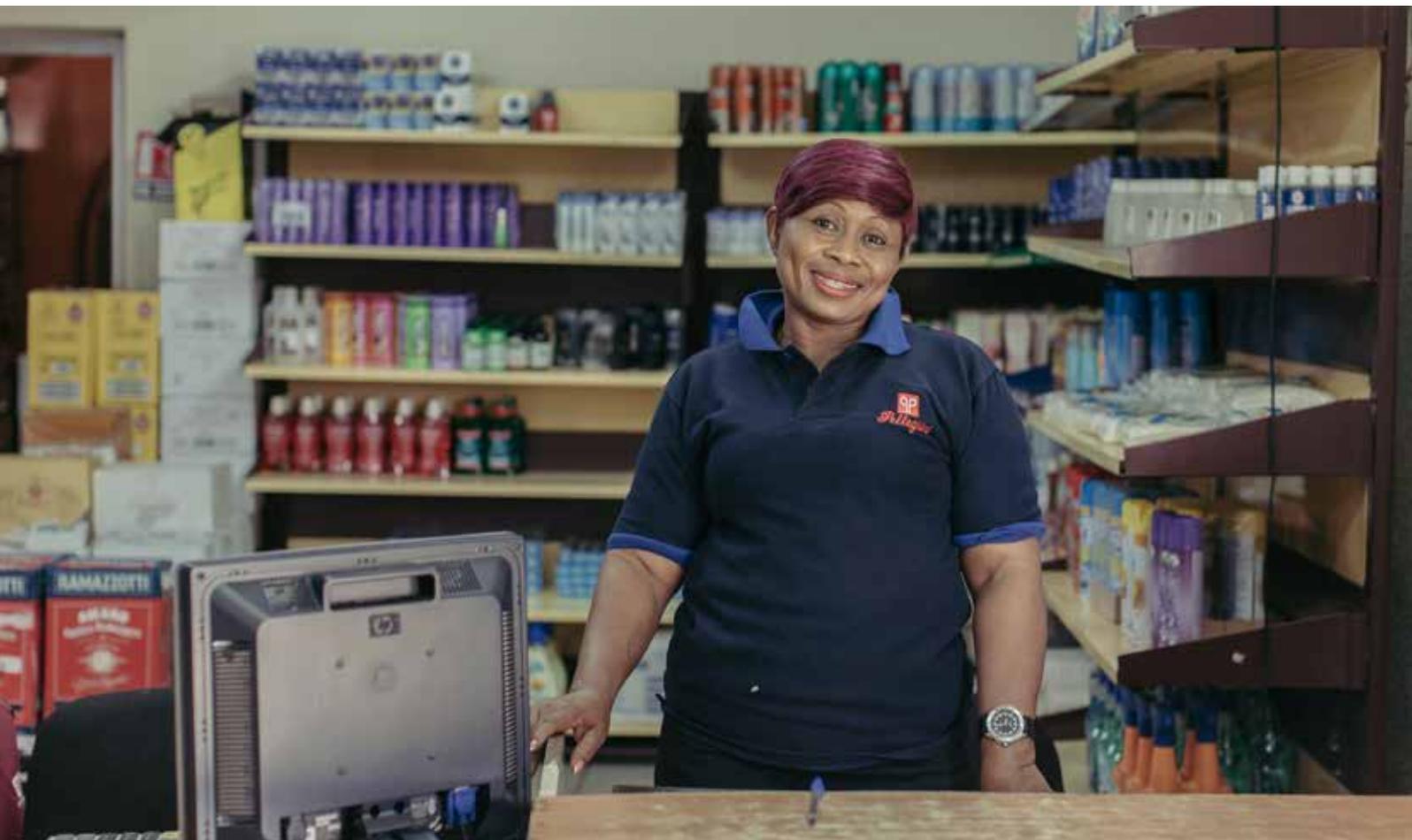
- identifying possible major issues concerning respect for internationally recognized workers' rights in risk Countries;
- estimating efforts to adopt higher internal standards regarding specific categories of workers.

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.

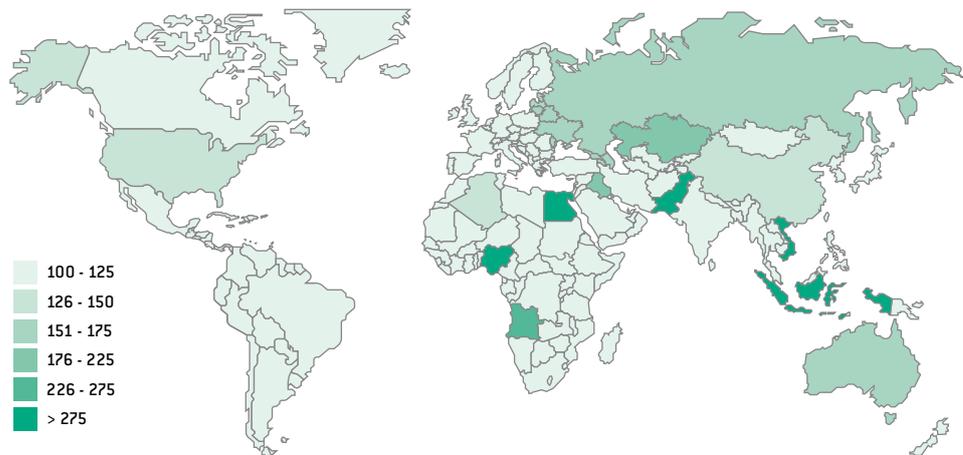
For details see section "Key Performance Indicators" at the end of the chapter.

### 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 collars 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 50 Countries in 2019) 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 in 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; in 2019, about 480 colleagues were enrolled in the training course with an 86% attendance rate.
- **Training module on the Global Framework Agreement** (for details see p. 26): 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 a 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

24.2%

Women employees  
in service

26.1%

Women in managerial  
positions

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 more than two-fifths (44.4%) of all members of the Board of Directors and two fifths of the Board of Statutory Auditors of Eni SpA, both appointed in May 2020. Both Chairman of the Board of Directors and Chairman of Board of Statutory Auditors are women. 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.

Eni implements a series of initiatives, internally as well as externally, to promote an inclusive culture which supports gender equality. We also work with a range of Italian and international institutions to develop and attract talent.

For years, Eni has worked with educational institutions to promote "technical-professional" career paths with a focus on attracting female students. These initiatives are aimed at motivating girls to go down **STEM studies and to professional and technical activities** of interest to the O&G sector, while eliminating the bias that accompanies subjects that have traditionally been considered "masculine" through:

- Promotion and participation in recruitment events such as **"Think about tomorrow"**, which took place at universities and dedicated labour fairs;
- Communication and attraction through external channels: Eni website and social media;
- **Valore D**: Eni is a member of the first association of Italian companies that has focused on promoting gender balance and an inclusive culture at work and the country at large for ten years now.

Through Valore D partnership Eni has endorsed the **Female Employment Manifesto** and participates in research and training that promotes an inclusive culture for women. Moreover Eni is the main sponsor of the **InspirinGirls**, a project that aims to help girls in lower middle school overcome gender stereotyping and become aware of their talents, promoting the STEM studies (science, technology, engineering and mathematics) to encourage **"technical-professional" career paths**.

- **Sistema Scuola Impresa promoted by Elis**, a project aimed at both orienteering high school students and combating gender stereotypes.
- **Fondazione Mondo Digitale (FMD)**: Eni takes part as sponsor to interactive format and meeting with the own role models leading the younger ones to discover emerging areas and professional profiles, with a specific focus on the impact that technologies have on the entire value chain of energy production.

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 of 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 minimum standard - 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 minimum standard for paternity leave as well (10 working days/100% pay). Thanks to this, the policy on a minimum standard for maternity leave has improved, and mothers are now given 10 working days at 100% of their salary, which is included in the 14 weeks already granted at 2/3 of their regular salary.

- Eni continued the **Smart Working project** (launched in 2017); this project allows new parents to work from home two days a week. In addition to new parents, the smart working has been extended to all workers in Italy in non-operational locations (a day per week) and to all employees with pathologies or with disabled family members (two days per week).

In order to address the Covid-19 health emergency in Eni, we immediately implemented the most appropriate measures to ensure the protection of health and the maximization of safety. In few weeks the smart working has involved almost around 21,500 of us all, in Italy and globally, corresponding to approximately 70% of the company population.

The Smart Working is an integral part of Eni's antidiscrimination strategy since:

- It is 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.
- **Parental leave policy:** along with the relevant protections applicable in all the countries in which we operate, Eni provides its people (both mothers and fathers) with periods of leave so they are able to share child-rearing responsibilities.
  - **Welfare initiatives** aimed at facilitating family, according to a "family-friendly" approach: the nursery, education for the children of Eni employees, summer camps and summer holidays for disabled children and their family members and for parents of Eni employees, the services offered by Contact Center Fragilitàà to provide support in caring for family members who are not self-sufficient.
  - 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 finish it 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 440 workers (61% women and 39% men) 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.

### 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 2019, the project identified around 1,700 in-house active and potential teachers (more than 790 active and 900 future trainers).

### c. Internationality

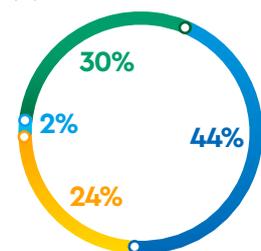
In order to boost the positive impact of intercultural diversity and pave the way for a multicultural working environment, Eni has traditionally invested in training.

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.

EMPLOYEES BY AGE GROUP (%)



86%

Local employees in countries with a historical presence

16%

Local senior managers & middle managers abroad

- **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 eighth edition started in 2019, with 38 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.

0.15

Occupational illness frequency rate (OIFR)<sup>(a)</sup>

28,692

Employees included in health monitoring programs

#### Main objectives and initiatives in 2019

##### HEALTH PROMOTION

Identification and implementation of initiatives promoting health for the prevention of illnesses involving information, communication, awareness, prophylaxis through vaccination, screening of at-risk groups and prevention of complications of diagnosed diseases.

##### PROCESS DIGITALIZATION

Feasibility studies, functional design and launch of the development of management applications within the project for the digitalization of processes and of health services.

##### COMMUNITY HEALTH

Promoting the health of partner Countries' populations as a prerequisite for socio-economic development, through the implementation of specific programs

##### WORK-RELATED RISKS

There is an ongoing process to identify, monitor and control workplace risks, including not specifically regulated ones, such as travelers' medicine, in connection with the industrial and health surveillance process.

##### RESPONSE TO MEDICAL EMERGENCIES

Guaranteed access to services provided for health emergencies. In 2019, the application of the criteria for responding to health emergencies consistently with corporate policies was verified.

##### ACCESS TO HEALTH CARE

In every operating context, assure the application of occupational medicine principles, and access to primary health care. In 2019, for all business units, stock-taking continued for in-sourced and outsourced health care facilities within the dedicated management application.

In 2019, 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.

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

**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.

**Main initiatives in 2019 to strengthen the safety culture between employees and contractors**

**WORKSHOP ON PRODUCT SAFETY**  
Workshop on REACH<sup>(a)</sup> and CLP<sup>(b)</sup> Regulation to increase knowledge of European laws on chemical substances, strengthening awareness of responsibilities and of fulfilments of organizational roles.

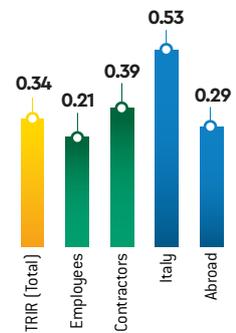
**WORKSHOP ON PROCESS SAFETY**  
Workshop on plant risks related to natural events for professional figures in the safety field and for Eni people working in technical, technological services and responsible of plants. Quarterly newsletter on process safety.

**SAFETY STARTS @ OFFICE**  
New videos to sensitise on virtuous, safe behaviours to be maintained in the office and in head office sites.

**I LIVE SAFE**  
Days of sharing between employees and contractors, on the definition and experimentation of a modular curriculum on the topic of road safety, household safety and leisure time.

**INSIDE LESSON LEARNED**  
Dissemination of lessons learned following accidents, explaining the correct modus operandi according to Eni Safety Golden Rules.

**TOTAL RECORDABLE INJURIES RATE (TRIR)**  
(TOTAL RECORDABLE INJURIES/WORKED HOURS)X1,000,000



a) Regulation [EC] 1907/2006 "Registration, Evaluation, Authorisation of Chemicals" published on December 30, 2006 in the field of product safety.  
b) Regulation [EC] No. 1272/2008 of the European Parliament and of the Council of December 16, 2008 on classification, labelling and packaging of substances and mixtures.

**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.



**Eng Alberto Reggiani**  
general Manager ACR SPA

## Key performance indicators

### Ratio between Eni minimum wage policy and market minimum wage (1<sup>st</sup> decile) (middle manager – senior staff – white collars)

**TABLE 1: MIDDLE MANAGERS, SENIOR STAFF AND WHITE COLLARS - RATIO BETWEEN ENI MINIMUM WAGE POLICY AND MARKET MINIMUM WAGE (1<sup>ST</sup> DECILE)**

Ratio	Countries
100 - 125	Austria, Belgium, Ecuador, France, Germany, Greece, Ireland, Italy, Netherlands, Poland, United Kingdom, Romania, Spain, Switzerland, Hungary
126 - 150	Algeria, China, United States
151 - 175	Australia, Russia
176 - 225	Kazakhstan, Iraq
226 - 275	Angola, Vietnam
> 275	Egypt, Indonesia, Nigeria, Pakistan
<b>172</b>	<b>Global Average</b>

**TABLE 2: WORKERS - RATIO BETWEEN ENI'S MINIMUM WAGE (1<sup>ST</sup> DECILE) AND MINIMUM MARKET WAGE (1<sup>ST</sup> DECILE)**

Ratio	Countries
100 - 125	Italy, Spain
126 - 150	Ecuador, Germany, Switzerland
151 - 175	France
176 - 225	Austria, Hungary
226 - 275	Pakistan
> 275	Angola, Egypt, Indonesia, United States
<b>242</b>	<b>Global Average</b>

For the middle manager, senior staff and white collar worker population, for which Eni envisages specific wage policies, the minimum levels set by Eni in its policy are compared to the minimum market levels reported by the providers (1<sup>st</sup> decile of local wage practices),

as shown in table 1. For the blue collar worker population (table 2), monitoring is performed by comparing the 1<sup>st</sup> decile of wages of the local Eni population and the 1<sup>st</sup> decile of wages in the reference market.

## EQUAL OPPORTUNITIES

	2017	2018	2019
Women employees in service	(%) 23.54	23.61	24.23
Women hired	24.70	29.11	32.29
Women in managerial positions (senior managers and middle managers)	24.86	25.28	26.05
Senior managers	14.14	14.88	15.57
Middle managers	26.03	26.42	27.19
Replacement rate by gender	0.76	1.00	1.55
Men	0.72	0.94	1.37
Women	0.90	1.16	2.15
Total pay ratio (women vs. men)	97	98	98
Senior managers (women vs. men)	96	97	98
Middle managers and senior staff (women vs. men)	96	99	97
White collars (women vs. men)	98	98	100
Blue collars (women vs. men)	97	98	96

By the end of 2019, 7,590 women worked for Eni (24.23% of total employees), 5,287 of whom were in Italy and 2,303 abroad. In Italy, of the 1,254 people permanently hired during 2019, 32.70% (total 410) were female. In 2019, the replacement rate of women (ratio between hires/termination of permanent contracts) after an increase in 2018, rose again from 0.90 in 2017, to 1.16 in 2018, and to 2.15 in 2019. The percentage of women in managerial positions (senior and middle managers) also increased, from 24.86% in 2017, to 25.28% in 2018, and reached 26.05% in 2019.

The results of the 2019 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, with slight differences compared to previous years that 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. In 2019, this measurement involved a sample of about 30,000 resources in 50 Countries (over 90% of the total).

## EMPLOYMENT

		2017	2018	2019
Employees as of December 31	(number)	32,195	30,950	31,321
Employees aged 18 - 24		364	437	564
Employees aged 25 - 39		9,761	9,224	9,289
Employees aged 40 - 54		15,022	14,058	13,824
Employees aged over 55		7,048	7,231	7,644
Local employees in the upstream sector	(%)			
of which: historical presence Countries		90	87	86
of which: recent entry Countries		30	32	30
Local senior managers & middle managers abroad	(%)	15.68	16.70	16.65
Local employees in subsidiaries	(%)	93.36	93.22	93.16
of which: consolidated		85.36	82.63	81.23
of which: non consolidated		97.03	97.25	97.44

The number of personnel employed rose in the youngest age group (18-29) as a result of the recruitment plan to guarantee a structure coherent with the business and innovation targets, as well as making the most of the opportunities offered by new technologies. In 2019, 899 people were hired abroad, 601 of whom with permanent contracts (31.4% women) and 68.1% of employees aged under 40.

Around 50% of recruitments abroad were for the upstream business areas (mainly in the United States, the UK, Mexico and Angola) and in R&M (Ecuador, Germany, France), with the aim of both developing and sustaining new initiatives, and managing the turnover in support of consolidation and evolution of skills.

## INDUSTRIAL RELATIONS

		2017	2018	2019
Employees covered by collective bargaining	(number)	27,325	25,841	26,832
Employees covered by collective bargaining	(%)	81.96	80.89	83.03
Italy		100	100	100
Abroad		44.54	35.33	40.91
Consultations, negotiations with trade unions on organizational changes	(number)	275	192	149
Number of employees in trade unions		12,166	11,444	11,369
Number of employees in trade unions	(%)	36.49	35.82	35.18

## LABOUR DISPUTES

		2017	2018	2019
Employee disputes	(number)	1,310	1,211	927
Prevention/disputes ratio		626/1,310	503/1,211	345/927
Disputes/employees ratio	(%)	4.05	3.89	2.9

The decrease in employment disputes in 2019 is principally due to the positive settlement of a number of serial claims both in Italy and abroad. As regards Italy, more than half the 662 disputes pending concern claims for damages by former employees, or their heirs, for alleged occupational diseases. These alleged diseases are related to exposure to potentially harmful agents occurring in the past, often prior to the 1990s, at industrial sites that were not

managed by Eni but acquired years later as a result of corporate transactions. Overall, the number of claims directly connected with the execution of employment contracts such as higher contractual status, recognition of pay differences and alleged deskilling, remain at an extremely low level which, if considered in relation to the number of employees, amounts to 0.11% of those in service at the end of December 2019 (0.12% in 2018).

## HEALTH

		2017	2018	2019
Health Impact Assessments carried out	(number)	13	20	14
Employees included in health monitoring programs		30,944	28,807	28,579
Number of health services provided		450,398	473,437	487,360
of which: to employees		297,480	320,933	312,490
of which: to contractors		56,573	68,796	94,130
of which: to relatives		79,687	66,327	72,268
of which: to others		16,658	17,381	8,472
Number of registration to health promotion initiative <sup>(a)</sup>		56,765	170,431	205,373 <sup>(b)</sup>
of which: to employees		34,458	75,938	97,493
of which: to contractors		11,739	46,930	78,330
of which: to relatives		10,568	47,563	29,550
OIFR Occupational Illness Frequency Rate <sup>(c)</sup>	(Occupational illnesses allegations received/hours worked) x 1,000,000	0.13	0.16	0.16
Occupational illnesses allegations received	(number)	120	81	73
Employees		12	10	9
Previous employed		108	71	64

(a) The data consider the companies significant the point of view of health impacts, as detailed in the Reporting criteria p. 31. For this reason 2018 data differ from those published in the Eni for - Sustainability performance 2018 where the scope relates to fully consolidated entities only.

(b) 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.

(c) 2018 and 2019 data refer to fully consolidated entities only while 2017 data refers to total Eni.

The number of health services sustained by Eni in 2019 was 487,360, 312,490 of which for employees, 72,268 for family members, 94,130 for contractors and 8,472 for others (e.g., visitors and external patients). The number of participants in health promotion initiatives in 2019 was 205,373, 97,493 of which were employees, 78,330 were contractors and 29,550 were family members. With

regard to occupational diseases, during 2019 cases dropped from 81 to 73, with an overall reduction of 10%, due to the reduction of diseases reported, both from former employees (from 71 to 64 reports) and from current employees (from 10 to 9 claims). Of the 73 occupational disease reports submitted in 2019, 16 were submitted by heirs (all relating to former employees).

## SAFETY

		2017	2018	2019
TRIR (Total Recordable Injury Rate)	(total recordable injuries/hours worked) x 1,000,000	0.33	0.35	0.34
Employees		0.30	0.37	0.21
Contractors		0.34	0.34	0.39
Italy		0.64	0.62	0.53
Abroad		0.26	0.29	0.29
High-consequence work-related injuries rate (excluding fatalities)	(high-consequence work-related injuries/hours worked) x 1,000,000	0.00	0.01	0.01
Employees		0.01	0.00	0.00
Contractors		0.00	0.01	0.01
Lost Time Injury frequency rate (LTIF)	(injuries with days of absence/hours worked) x 1,000,000	0.21	0.23	0.19
Employees		0.27	0.28	0.17
Contractors		0.19	0.21	0.20
Italy		0.60	0.60	0.52
Abroad		0.12	0.14	0.11
Injuries severity index	(days of absence/hours worked) x 1,000	0.011	0.010	0.011
Employees		0.019	0.016	0.011
Contractors		0.008	0.007	0.012
Fatality index	(fatal injuries/hours worked) x 100,000,000	0.33	1.21	0.90
Employees		-	-	1.09
Contractors		0.47	1.67	0.83
Number of fatalities as a result of workrelated injury	(number)	1	4	3
Employees		0	0	1
Contractors		1	4	2
Near miss		1,550	1,431	1,159
Worked hours	(millions of hours)	306.3	330.6	334.2
Employees		93.1	91.6	92.1
Contractors		213.3	239.0	242.1
Training hours on safety	(hours)	323,765	289,661	331,375
of which: to senior managers		9,567	4,945	4,399
of which: to middle managers		67,293	57,061	55,266
of which: to white collars		174,016	157,724	171,832
of which: to blue collars		72,889	69,931	99,878
Process safety events	(number)			
Tier 1		23	27	12
Tier 2		67	48	53

In 2019, the total recordable injuries rate (TRIR) of the workforce improved by 3% as compared to 2018. This improvement was particularly marked for the employees' index (-44%), while the contractors' index deteriorated due to an increase in the number of accidents (95 against 82 in 2018). Three fatal accidents occurred in the upstream sector: one to an employee in Italy in March 2019 was recorded on the Barbara F platform offshore from Ancona and two to contractors struck by objects in Egypt. The high-consequence work-related injuries index was influenced by two accidents that occurred to two contractors in Italy (in the same accident that caused the fatal injury

of the Eni employee) and by an accident to a contractor whose hand was injured in Egypt.

In Italy, the number of total recordable accidents decreased (37 events vs. 40 in 2018), but the total recordable injury rate (TRIR) improved by 14%; however, the number of accidents abroad increased (77 events vs. 76 in 2018) and the total recordable injury rate worsened by +2%. The trend in the number of process safety events – both tier 1 and tier 2 – is constantly improving. Tier 1 and tier 2 measure the severity of the consequences (from the most to the least severe) in terms of amounts released and damages caused.

## Human rights in Eni's relations with suppliers and other business partners

### 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 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.

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

Aware of the important role **suppliers** play in the fulfillment 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.

In April 2020, Eni published also the supplier Code of Conduct which includes the commitment and expectations from suppliers regarding the internationally recognized human rights standards and it describes Eni's position regarding laws, integrity, and transparency. It entails obligations for suppliers to take action, amongst several issues, against modern slavery, child labour, discrimination in the workplace and for the protection of workers' rights in general.

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 the 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 acts 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 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 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 Code of Conduct, published in April 2020, which describes minimum requirements and expectations against which all its suppliers are required to measure themselves, also with a view to continuously improving the activities and services. The Supplier Code of Conduct helps 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 to 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 requires suppliers 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 makes available to workers, the communities 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 a confidential or anonymous way, explicitly prohibiting retaliation against the appellant.

Consistently with this objective and taking into account the operating context and the activities performed, as stated into the Code of Conduct, Eni expects suppliers to make available to workers, the communities and any external individual they interact with in the interest of Eni, their own accessible remedial mechanisms.

### 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, 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 Ethics.*

*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.*

### d. Code of Ethics

Eni's expectations towards suppliers are also addressed in the Code of Ethics, 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 particular, in relationships with our suppliers and partners, the Code requires to:

- adopt accurate qualification, selection and monitoring process of our suppliers based on the principles of transparency and integrity;
- commit to defining and disseminating policies, standard and rules that guide the action of our suppliers and partners towards the respect for human rights and our principles of sustainability.

### 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 Slavery and Human Trafficking 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

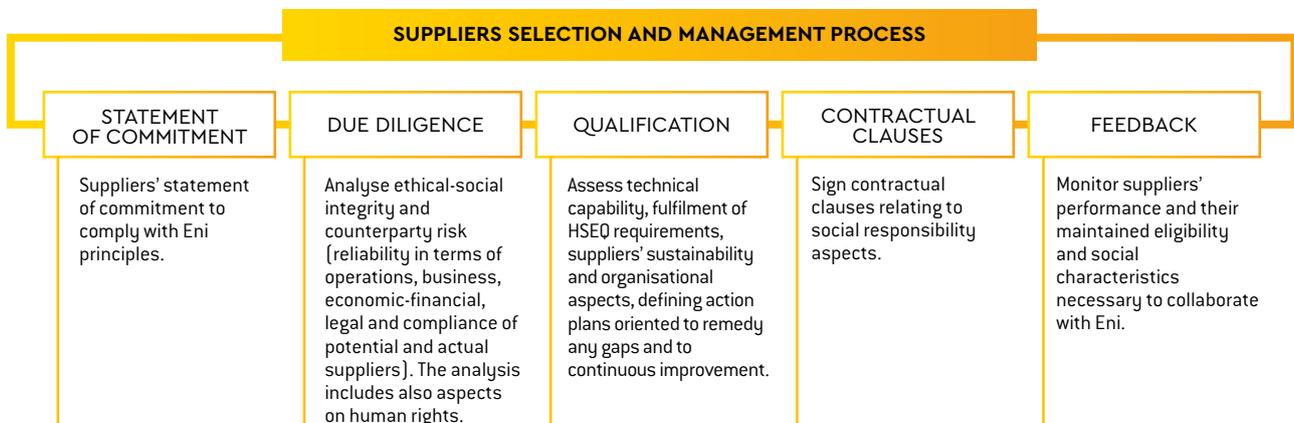
Eni requires suppliers make a formal commitment to upholding principles such as the protection and promotion of human rights, high safety standards at work, environmental protection, the fight against corruption, compliance with laws and regulations, ethical integrity and fairness in relations.

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.



**SUPPLIERS ARE REQUIRED TO FORMALLY COMMIT TO COMPLY WITH THE FOLLOWING PRINCIPLES:**  
COMPLIANCE WITH LAWS; PROTECTION OF HUMAN RIGHTS; ANTI-CORRUPTION; HEALTH AND SAFETY; ENVIRONMENTAL PROTECTION; BUSINESS ETHICS.

### 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 courses.

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 2019, Eni assessed and monitored around 6,000 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.

Around  
**6,000**  
Suppliers to be audited  
and assessed on  
sustainability issues  
in 2019

Over time, Eni has boosted its commitment to encourage its suppliers to develop skills on sustainability issues and to promote the main ILO standards



## 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.



In 2019, Eni started the early production phase of the Miztón field, in Area 1, situated in the bay of Campeche, in the Mexican offshore



### Background

In line with the United Nations Guiding Principles for Businesses and Human Rights (UNGPs) and Eni's Statement on Respect for Human Rights, in 2019 Eni in Mexico commissioned the Danish Institute of Human Rights (DIHR) to carry out a Human Rights Impact Assessment (HRIA) on the activities of Area 1 Development Project. Among the findings of the HRIA, it was highlighted the importance of monitoring the performance of contractors and subcontractors to ensure respect for human rights.

### The pilot project

In August 2019, Eni designed and used a specific questionnaire, which covered human rights issues (conditions at work, collective bargaining, gender discrimination and child labor issues), during a technical audit carried out on a contractor responsible for logistics services. This experience has set the base for the implementation of regular social audits, included as such in the Human Rights Action Plan (2019-2021) in Mexico approved at the end of that year.

### Main results

The contractor performance with regards to respect for human rights was considered generally satisfactory. Nevertheless, it was deemed appropriate to implement some actions to consolidate the level of satisfaction guaranteed, as well as to prevent the possible occurrence of problems in the future, concerning the following observations:

- some workers did not know about the presence of unions and some did not understand the principles and functions of unions even if they belong to one;
- differences between the Federal Labor Work and internal labor regulations in relation to the minimum age for work. However, through an employee registry analysis, it was detected that there were no underage workers employed at the site;
- the contractor did not have a grievance mechanism in place specifically for the workers, expressing however his willingness to establish its own grievance mechanism;
- there was no evidence of social responsibility reports, even when this element was part of contractor's internal policy;
- female staff did not have exclusive and dedicated restrooms;
- workers did not have an adequate lunchroom.

Among the good practices identified were: respect for work schedules and, according to the women interviewed, a workplace perceived as a place free from harassment.

### Follow up: corrective and preventive actions

The contractor sent some evidences of the measures that they had implemented to attend the observations made during the social audit. These evidences are related to: i) the modifications to internal labor regulations for the correction of differences with the Federal Labor Work; ii) the implementation of grievance mechanism for workers; iii) the preparation of a Corporate Social Responsibility Report by 2019; iv) the enablement of female restrooms; v) access to an adequate lunchroom for workers.

### Lessons Learned & Next Steps

This initiative allowed to identify some opportunities for improvement regarding both how to provide support to contractors on human rights respect and how to monitor effectiveness of measures taken. About this aspect in particular it is crucial to sensitise the supplier to adopt a specific and formal commitment to carry out such social audits and to formalise in a specific document the planned improvement actions, in order to allow a more systematic monitoring mechanism, even in a mid-term perspective.

### Social audits to contractors in Mexico

### Eni with the Danish Institute for Human Rights (DIHR) carried out a Human Rights Impact Assessment (HRIA) in 2019 on the activities of Area 1 Development Project, in Mexico



## 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 entirely focused 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.

#### MANAGING HUMAN RIGHTS ISSUES WITH THE EXTRACTIVE BUSINESS PARTNERS

To properly manage the human rights issues with the extractive Business Partners, an approach shared by several departments is necessary in order to be sure that issues are taken into account from the bid phase to day-to-day operations. The Sustainability Department supports the negotiators during the bid phase to ensure that human rights are included into the petroleum contracts and Joint Ventures Agreements, via a specific human rights clause drafted according to the UNGPs and the so-called Sustainability Golden Rules, introduced by Eni on sustainability issues of interest. Once the Petroleum Contract is signed and Joint Venture is formed, the Eni's subsidiary – as counterpart of the Petroleum Contract and part of the JV – is responsible for managing all the issues referred to the operations, including those ones carried out through JVA, with the support of the Sustainability Department, when needed.

Therefore, both local subsidiaries and Sustainability Department oversee the human rights issues with its extractive business partners, exerting Eni's leverage when needed.

In addition to the human rights clause, the above mentioned Sustainability Golden Rules 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.

NAOC representatives exerts leverage on the JV to share Eni's standards

### FOCUS ON: EXERCISING LEVERAGE ON BUSINESS PARTNER

Shell Petroleum Development Company of Nigeria Limited (SPDC) is operator of the unincorporated joint venture ("SPDC JV") established under the Joint Operating Agreement ("JOA"), dated 11 July 1991, between Nigerian National Petroleum Corporation ("NNPC", 55%), Shell Petroleum Development Company of Nigeria Limited ("SPDC", 30%), Total E&P Nigeria Limited ("TEPNG", 10%) and Nigerian Agip Oil Company Limited ("NAOC", 5%).

The JOA stipulates that decisions are taken jointly by the JV Partners. It is in this environment that NAOC, with a marginal weight of 5% of shares, makes all the possible efforts to ensure that the JV actions and standards are fully aligned with Eni's model both in terms of principles and approaches, in line with the recommendations set by the UN Guiding Principles on Business and Human Rights.

NAOC representatives exerts leverage on the JV to share Eni's standards and ask for any clarification on SPDC operations in order to prevent and mitigate any potential adverse impacts. In addition to the participation in several committees, NAOC may request ad hoc engagements to call the attention of the Operator on specific issues and share its own position, as well as use the Managing Directors' meetings to discuss relevant issues. Finally, in the event where Eni representatives are not in agreement with the Operator, strategic relationships with the partners in the JV are used in order to ensure that, despite the marginal share of 5%, Eni could gain the necessary support to further influence the decision making.

In light of this, NAOC confirms its commitment to using these opportunities to share what emerged from the [IndustriAll analysis](#) and about the [oil spill into the Niger Delta](#), to collect detailed information and to present its own position within the JV.

In addition, NAOC yearly embarks on assessments of some selected facilities to ensure that operations and activities are carried out by the operator in line with Eni's model and practices. Follow up actions are then put in place to ensure that any concerns raised are addressed. E.g. in the last two years, NAOC visited the Bonny Oil Terminal, the flowstation of Tunu and the EA FPSO to assess the integrity of the facility following the execution of some major asset integrity activities. In 2020, the Forcados Oil Terminal will be assessed in a similar manner.

Under these conditions and bearing in mind the limited leverage associated with the 5% stake in the JV, Eni believes it has adopted an approach in line with the UN Guiding Principles on Business and Human Rights and will endeavor to raise the issue within the JV and monitor its evolution (both in terms of actions and their effectiveness).

## 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:

- a **Business & Human Rights training course** (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).

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.

In 2019 a specific training module on human rights risks along the supply chain was launched addressed to the Eni's Procurement professionals. Almost 1,000 participants were trained on modules shaped on 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, see page 26.

## KEY PERFORMANCE INDICATORS

KPIs concerning the Health and Safety of contractors are presented in the chapter on human rights in the workplace, see pp. 54-55.

## SUPPLIERS ASSESSMENT

		2017	2018	2019
Suppliers subjected to assessment regarding social responsibility aspects	(number)	5,055	5,184	5,906
of which: suppliers with criticalities/areas for improvement		1,248	1,008	898
of which: suppliers with whom Eni has terminated the relations		65	95	96
New suppliers that were screened using social criteria	(%)	100	100	100

In 2019, Eni assessed around 6,000 suppliers (including but not limited to all the new suppliers that started a relationship with Eni) on issues that include potential implications relating to respect for human rights. This number has increased significantly compared to the previous year due to the inclusion of data relating to two further foreign Subsidiaries (Eni US Operating and Eni Angola) and to the improvement in the reporting system. For 15% of these suppliers (898) were identified potential critical issues and/or possible areas of improvement attributable to HSE issues. In 89% of these cases such issues did not compromise the possibility to work with the suppliers, while for the remaining 11% of cases (96 suppliers) the identified critical issues led to the termination of relations with Eni on an ongoing basis.

Indeed, these suppliers received a negative assessment during the qualification phase or were subject to a new impedimental measure (state of attention with clearance, suspension or revocation of the qualification) or a confirmation of the pre-existing impediment status, often issued by Eni as a precautionary measure also towards suppliers not directly contracted. The critical issues detected (with consequent request for implementation of improvement plans) during the qualification process or during the Human Rights Assessments are attributable to HSE issues or violations of human rights - for example health and safety standards, or violation of the Code of Ethics, corruption and eco-crimes. All areas for improvement are currently being addressed, none of them were related to modern slavery issues. As part of the wide-spectrum assessment, in 2019 Eni carried out 9 Human Rights Assessments (according to the SA8000 methodology) on specific suppliers at risk: 4 in Tunisia, 3 in Vietnam, 1 in Ecuador, 1 in Mexico.



## Human rights in host community relations

### HUMAN RIGHTS IN HOST COMMUNITY RELATIONS

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

### 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.

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

Eni's commitment to respecting **human rights of local communities** is, together with environmental protection and social 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, socio-economic, 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 when 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. 19).

## 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 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.

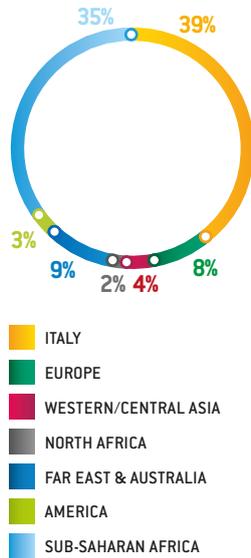
Consultations are also an opportunity for **sharing and informing communities of Eni's approach to human rights and sustainability**, in general, as referenced in the Code of Ethics, in Eni's Sustainability Policy and in Eni's Statement on Respect for Human Rights.

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, tools for management of complaints, stakeholder mapping and to promote participation in the management of local development projects are adopted. 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.

### N. OF LOCAL COMMUNITIES IN ENI'S AREAS OF PRESENCE [%]



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. 1,575 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 (608) and in the Sub-Saharan Africa (559), especially in Nigeria and in Mozambique.

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](#), [Angola](#) and [Mexico](#).

## OTHER RELEVANT CONSULTATION ACTIVITIES WITH LOCAL COMMUNITIES HAVE BEEN CARRIED OUT OVER THE LAST YEARS:

<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>3</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.

[3] 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 setting 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 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. 85].

#### **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 individuals and communities. 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.

According to the procedure, negative impacts potentially caused by the activities and the criteria to qualifying people or categories of people eligible for the compensation measures are evaluated. In particular, the eligibility criteria include the landowners or users who occupy land on the basis of formal, traditional or recognizable usage rights, in addition to legal rights to land recognized and/or recognizable under local laws.

A **Census** that counts and records the persons affected by the project and an **asset inventory** for each affected persons, are developed. These documents are then used to determine the level of compensations. To define the compensation proposal the following criteria are evaluated:

- loss of assets or of access to assets (including home, natural resources, collective services and cultural heritage);
- loss of revenues and income (including means of livelihood);
- loss of social cohesion between the people involved in the project in case of cash compensation, this should preferably cover the full replacement cost;

This information feeds the "Entitlement Matrix" which **may be shared with the project affected persons**. The Land Management Action Plan (LMAP) thus including the compensation measures identified in this way, is communicated to ensure maximum understanding and acceptance of the compensation proposal by the affected persons.

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



**"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**.



Eni has taken action to facilitate access to water and improve sanitation conditions



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 knowhow, 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;
- **11 wells in North-East Nigeria**, of which 5 in different Local Government Areas in **the Borno State**, 5 in different Local Government Areas in Adamawa State and 1 in Yobe 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.*



The new nuclear medicine ward in Basra: the first of its kind in the country



## 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.

### Case study: Iraq



### 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.

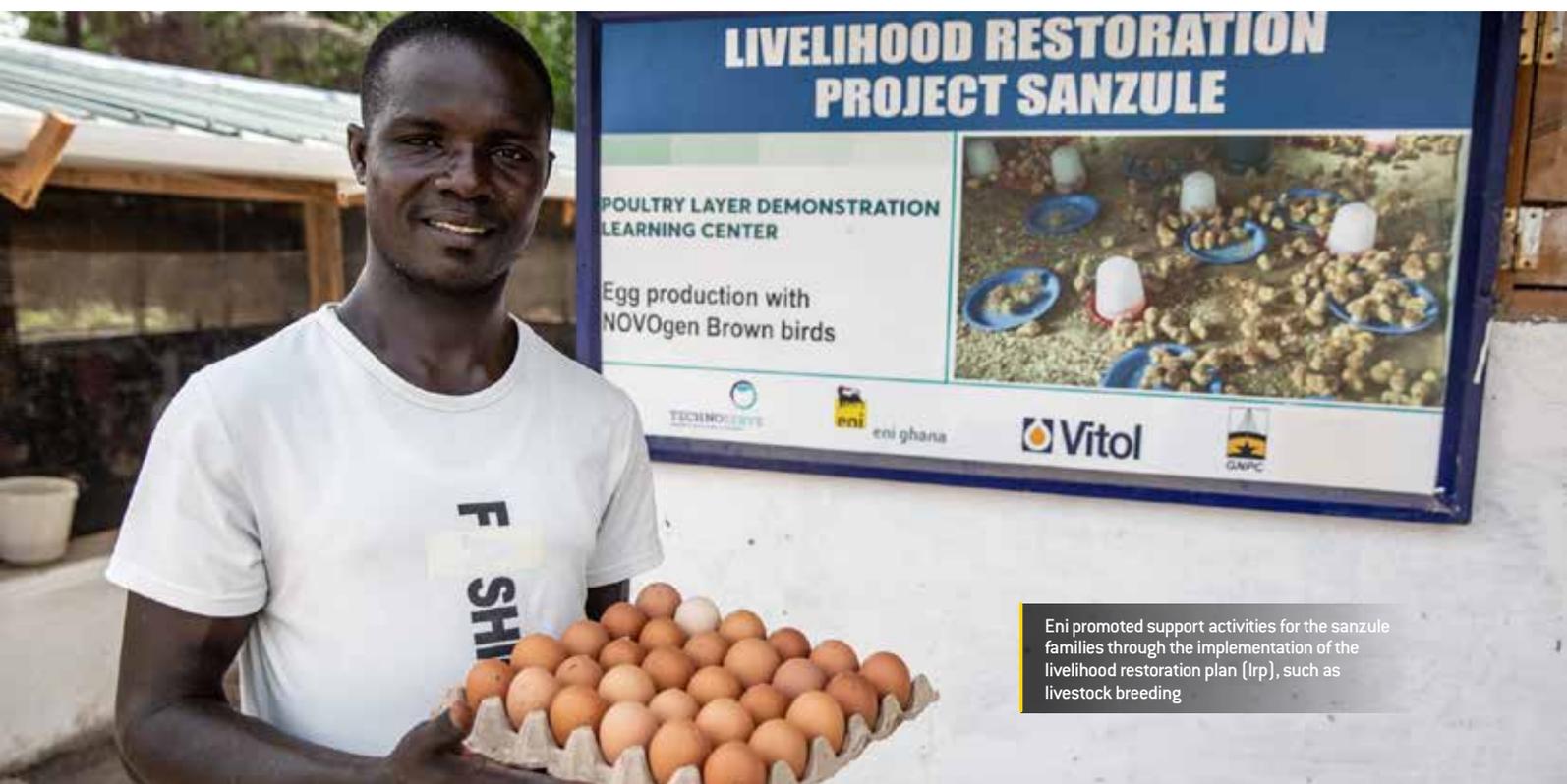
## Key performance indicators

### LOCAL DEVELOPMENT INVESTMENTS

		2017	2018	2019
Local development investments by sector of intervention	(€ million)	70.7	94.8	95.3
Access to off-grid energy		1.1	1.7	4.2
Economic diversification		33.4	28.1	39.9
Education and vocational training		17.3	23.3	16.9
Access to water and sanitation		0.7	0.8	1.8
Life on land <sup>(a)</sup>		3.7	17.7	5.3
Health		7.0	3.3	8.6
Compensation and resettlement		7.5	19.9	18.6
Local development investments by geographic area				
Africa		22.9	46.7	53.3
Americas		4.9	3.8	3.9
Asia		34.3	21.9	28.1
Italy		7.0	20.6	8.2
Rest of Europe		1.4	1.5	1.5
Oceania		0.2	0.3	0.3

[a] In previous editions of Eni for this item was included in the item Economic diversification.

In 2019, investments for local development totalled around €95.3<sup>18</sup> million (Eni share), about 98% of which in the area of upstream activities. In Asia, approximately €28.1 million was spent, mainly on economic diversification, in particular for the maintenance of road infrastructures (bridges and roads). In Africa a total of €53.3 million was spent, of which €48.6 million in the Sub-Saharan area, mainly in the area of maintenance of road infrastructures and the construction of infrastructures for training. Overall around €43.4 million were invested in infrastructure development activities, €20.8 million in Africa and €21.2 million 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>4</sup> by Law Enforcement Officials and the **Voluntary Principles on Security & Human Rights**<sup>5</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 May 2020, Eni was admitted as "Engaged Corporate Participants" to the Voluntary Principles Initiative, the multi-stakeholder initiative which defined and promotes the Voluntary Principles on Security and Human Rights.

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 is 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.

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

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

97%

Security contracts containing clauses on human rights

92%

Security personnel (professional area) trained on human rights

**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. A specific section on human rights impacts within security activities is included in the the Security Regulations Consolidation Act.

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 provisions concerning the respect for human rights in the conduction of protection activities of people and assets (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. 88), 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. 84).

## 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 (for details see p. 87), 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 (VP-SHR) 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;
- 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. 26).

#### 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

		2017	2018	2019
Security contracts containing clauses on human rights	(%)	88	90	97
Countries with armed guards protecting sites		7	7	8

### TRAINING ON HUMAN RIGHTS - SECURITY PERSONNEL

		2017	2018	2019
Security personnel trained on human rights <sup>(a)</sup>	(number)	308	73	696
Security personnel (professional area) trained on human rights <sup>(b)</sup>	(%)	88	96	92

[a] The variations of the KPI Security resources trained on human rights, in some cases also significant, which can be detected between one year and the next, are linked to the different characteristics of the training projects and to the operating contingencies.

[b] This data is a percentage of a cumulated value. The change compared to 2018 (96%) is due to a change in the scope of consolidation, due to the inclusion of new resources to be trained and the exit of resources already trained.

## Assessing human rights impacts through due diligence

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 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.

STAND-ALONE ASSESSMENTS

Human Rights  
Impact  
Assessments  
(HRIAs)

Human Rights  
Compliance  
Assessments  
(HRCA)

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.

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 a Human Rights Assessment that did however come up 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.

A field visit in Myanmar where the rightsholders were consulted during a dedicated meeting.



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

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 a follow-up of the HRCAs conducted in previous years. 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:

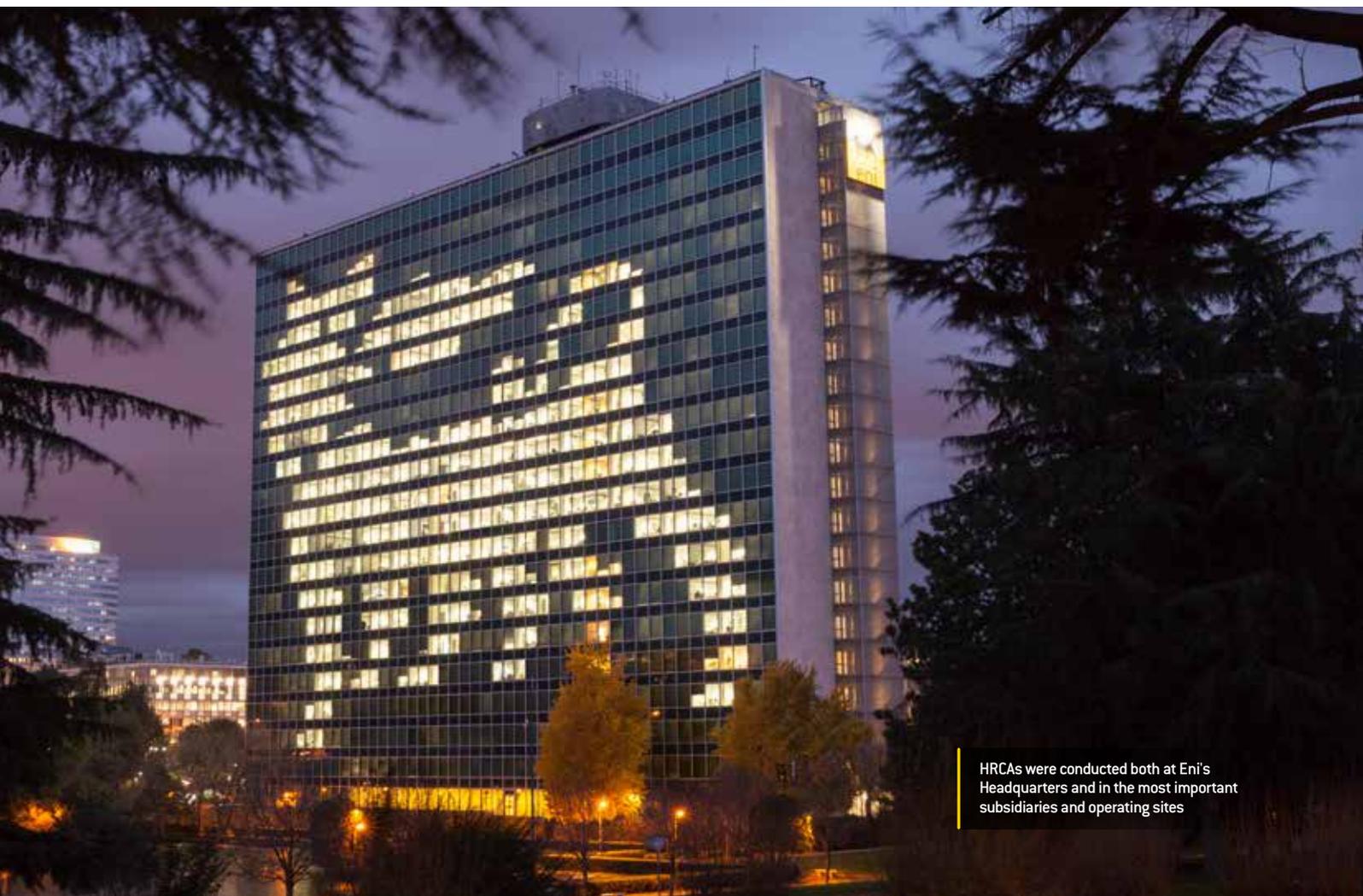
- Tracking progress over the last six years;
- Planning the future Eni Human Rights Action Plan.

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 38.

In previous years, HRCAs were conducted both at Eni's Headquarters and in the most important subsidiaries and operating sites.

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.



HRCAs were conducted both at Eni's Headquarters and in the most important subsidiaries and operating sites

In Myanmar, Eni carried out a Human Rights Impact Assessment with the support of the Danish Institute for Human Rights.



## 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. It acquired four oil licences and became a player in the energy sector in this area, where in 2016-2017 it 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 to be 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 2019, 16 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, Eni Myanmar and Versalis (Italy).

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

#### STRENGTHS

Specific agreements in place for social dialogue

Application of an integrated health, safety and environment management system

Attention to the needs of local communities and their involvement

#### AREAS FOR IMPROVEMENT

Strengthening integration of human rights into impact assessment methodologies and processes

Improving governance of human rights at local levels

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 contribute 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 is working on 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. 72)



## Communication and disclosure

According to Eni's commitment to provide meaningful, timely and accessible responses to human rights concerns raised by affected stakeholders and local communities as well as for the sake of a transparent engagement with them, Eni communicates externally the results of some of the activities that have been carried out in order to prevent and mitigate human rights impacts. This specific communication is part of the wider disclosure on human rights issues and performances, which includes also the present report.

This way to communicate was reinforced in the last few years with several initiatives aimed at making available reports, data and other relevant information concerning Eni's salient human rights issues, including those raised by affected stakeholders. These initiatives are summarized below.

### Human Rights Impact Assessment and related Human Rights Action Plans

The Human Rights Impact Assessments are conducted in relation to the most challenging new projects, having a higher risk to produce human rights impacts (see pages 36 and 86). The HRIA methodology aims at assessing potential impacts and identifying measures likely to prevent and manage such impacts with a timely fashion.

Most of the HRIAs conducted so far involved the Danish Institute for Human Rights (DIHR), as a reliable third party to ensure maximum confidentiality to the rights-holders engaged in personal interviews and focus groups held with members and representatives of the local communities, workers, NGOs, and vulnerable groups (children, women, etc.).

At the end of each assessment the DIHR has drafted specific Reports with findings and recommendations, which have then been published on its website as well as in a dedicated section of Eni's website. Additionally, in some of the HRIAs conducted, Eni has allowed the DIHR to report-back on results and activities to the stakeholders involved in the assessment.

#### HRA/HRIA REPORTS AVAILABLE ON ENI'S WEBSITE

- Angola – [Human Rights Assessment Cabinda North Project](#)
- Mexico – [Human Rights Impact Assessment, Area 1 development project](#)
- Myanmar – [Human Rights Impact Assessment, Seismic Acquisition Block RSF5](#)





In 2019, Eni Mexico commissioned the Danish Institute of Human Rights (DIHR) to conduct a Human Rights Impact Assessment (HRIA), which included engagement with affected rights holders, with the objective of assessing the potential and future human rights impacts of activities in Area 1 Development Project on coastal communities and on workers regarding:

- Offshore operations;
- Onshore activities (ORF) and pipeline.

To address the DIHR's HRIA findings and related recommendations, Eni Mexico developed at the end of 2019 a Human Rights Action Plan (2019-2021) with the objective to prevent and address the main human rights impacts concerning the project assessed.

The HRAP (2019-2021) takes most of the topics proposed in DIHR's HRIA report and divides its actions into five components:

1. **Accountability and transparency of the HRIA:** actions to promote proper communication on human rights impacts, transparency on the project activities, and dialogue and engagement with the stakeholders.
2. **Local communities:** the main actions and activities for local communities are focused on the sharing of information, as well as on guaranteeing their right to participate and to be consulted.
3. **Fishers:** actions are focused on addressing concerns related to offshore project's impacts. Taking into consideration previous issues of conflicts between communities and oil and gas companies in the area, as well as the high vulnerability of host communities, the action plan strives for inclusive and structured engagement.
4. **Workplace:** in order to properly address limited, but potentially significant, labour issues (these includes working hours, rest periods, written contracts, ad hoc trainings).
5. **Security:** many and serious security related concerns for the communities in the project area have been identified in the HRIA report.

The public description of the [Action Plan](#) has been done to allow stakeholders and communities to engage with Eni Mexico and to ensure follow-up on the findings. To this end, Eni Mexico commits to share a progress report within 2020, in order to gather further comments and suggestions.

### Case study: engaging and responding to the affected rights-holders in Mexico





#### **Responding to concerns addressed through the grievance mechanism**

As described in detail at page 98, Eni sets multiple access points to receive grievances. Each grievance is analyzed locally and solutions are shared and discussed with the complainants in order to gather their observations and evaluate alternative solutions to the one proposed. When a grievance is sent anonymously, the answer may be published in order to allow the right-holder to be informed on the way Eni decided to address it. Eni's grievance mechanisms may be used by workers within the company as well as suppliers' workers and contractors, and by local communities' members and organizations.

#### **EXAMPLES OF GRIEVANCE MECHANISMS AND ENGAGEMENT OF RIGHTS-HOLDERS**

- Case study on Kazakhstan at page 102
- Case study on Ghana at page 100

### The role of the Community Liaison Officers

The Community Liaison Officers are Eni's representatives in charge for building positive and trust-based relations with communities and stakeholders through direct and continuous listening. Their role ensures a continuous engagement and communication with local communities' members and representative: their presence on the territory is crucial to encourage positive communication and provide accessible information to potential affected stakeholders on how Eni manages specific issues and handles the concerns they raised.

#### AN EXAMPLE OF THE COMMUNITY LIASON OFFICERS ROLE

- Case study on Kazakhstan at page 102

### Public responses to NGOs and communities' representatives

Eni provides public responses as well as direct answers to concerns and issues raised by rightsholders, NGOs or communities' representatives in order to ensure accessibility and public commitment towards actions undertaken or solutions proposed.

Eni's public responses are also collected by third parties' website, such as the Business & Human Rights Resource Centre, as a way to ensure accountability for the commitment taken ([here the full list of responses provided by Eni through the BHRRC website](#)).

Another example of the way Eni provided answer to the concerns of rightsholders and ensured access to the solutions proposed is represented by the conciliation procedure activated via the Italian National Contact Point of the OECD Guidelines to answer at the complaint raised by the NGO "Egbema Voice of Freedom" (EVF). The procedure was activated with the EFV instance, claiming that NAOC (Eni's subsidiary) was not doing enough to mitigate the impacts of its operations on the effects of the floods on the community. 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. 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 AGGAH COMMUNITY CASE

For an in-depth description of the case, the answers provided by Eni and the agreement, see the "Focus on" at page 96.

The content of the agreement is available on the NCP's [website](#).

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 performances and environmental and social performances, including human rights. The Integrated Annual Report is approved by the Board of Directors and presented to the Annual Shareholders' Meeting, which approves Eni's financial statements.

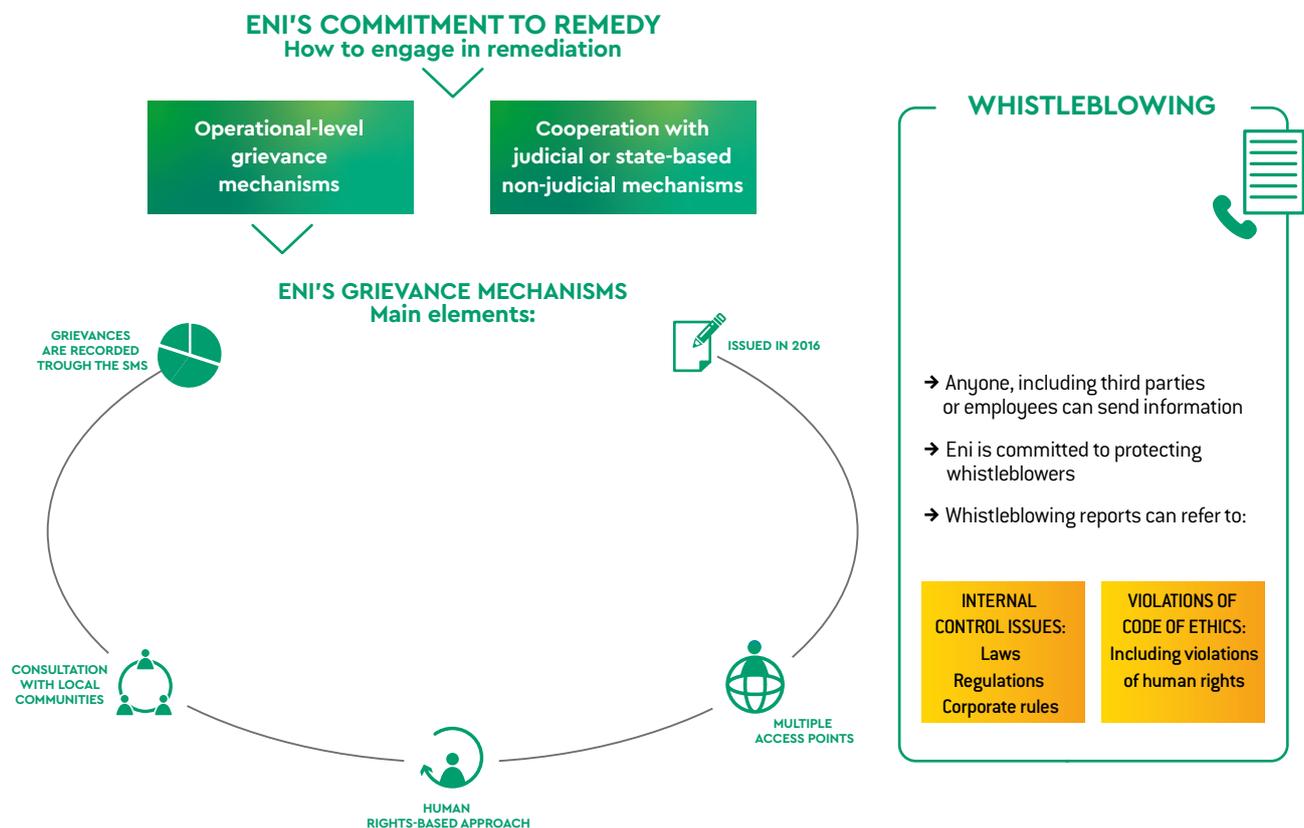
Furthermore, starting from the 2017 Annual Report, non-financial performance is detailed in the Consolidated Disclosure of Non-Financial Information, prepared in accordance with applicable legislation and included in the Management Report in the Annual Report. It reports Eni's activities also with regard to respect for human rights 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 96);
- **How to engage in remediation** (page 98);
- **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 98);
- **Whistleblowing reporting management system**, including a description of the reporting system and data and figures about investigations and report received (page 103).



## 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.



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

### The case

In December 2017, an association called Egbema Voice of Freedom (EVF), in the Aggah community, 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”. The application complained that Eni was not doing enough to mitigate the impact of its operations on the effects of the floods on the community.

### The results

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 it 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 to the procedure at the NCP and to actively contribute to 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 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 drainage systems, 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 relationships activities.

### Transparency and next steps

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. Following the signing of the Terms of Settlement, NAOC and Egbema voice of Freedom (EVF) designated their respective contact persons who met several times in order to define the contents of the drainage interventions to be carried out in the community. Once the engineering design completed, NAOC activated the internal procurement procedures to assign the contract for the rebuilding of the culverts. The Italian NCP will be kept informed of the implementation of the agreement.

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.



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. The protection of whistleblowers, of who express concerns regarding ethical issues or reports wrongdoings is reiterated also within the Code of Ethics.

## 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>6</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 is especially true when 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>7</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 having 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, such as the Community Liaison Officers - see p. 95 on the role of Eni's CLO), 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 principles explicitly stated into the document:

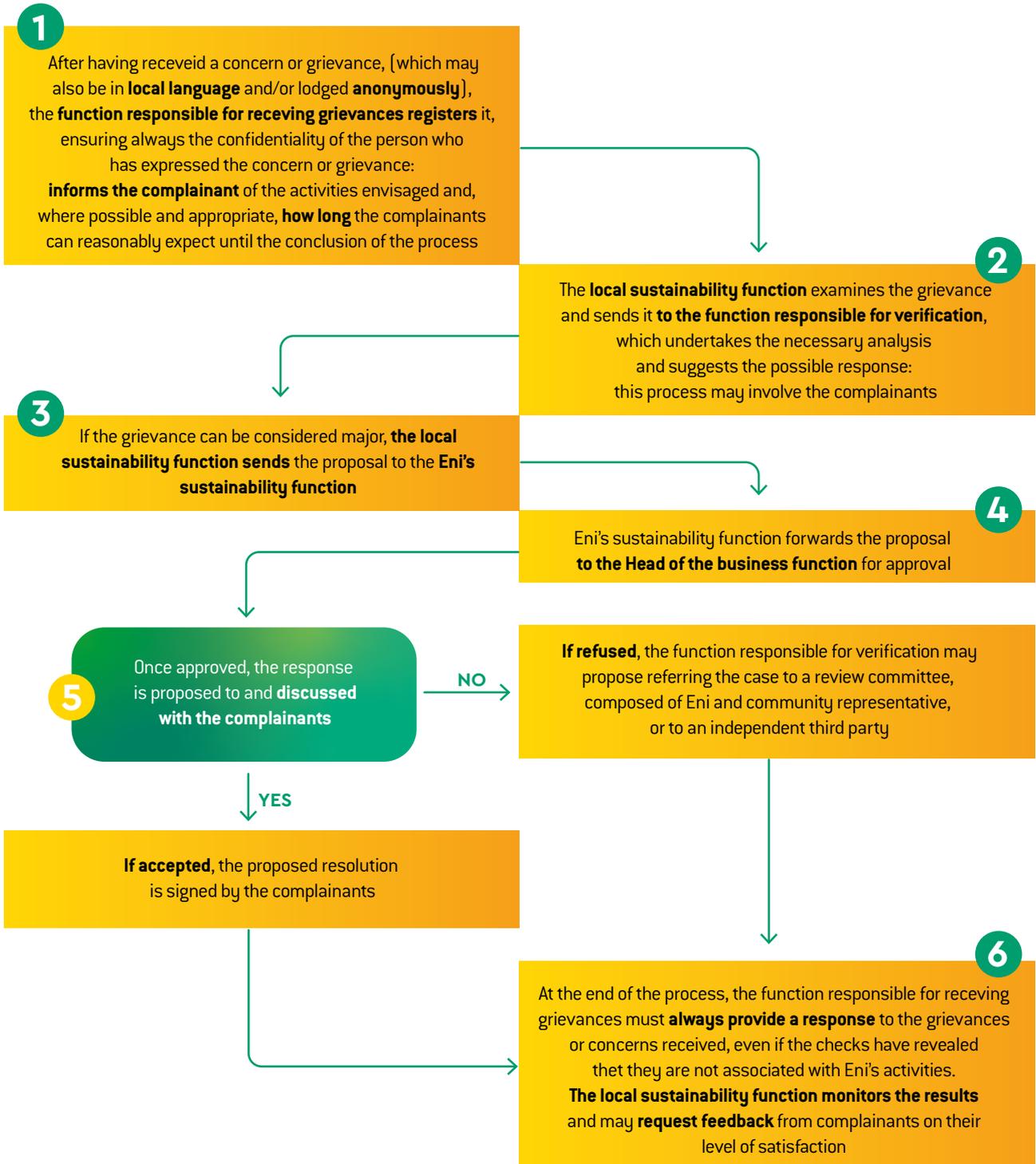
- complainants are not asked by Eni to waive for their rights: filing a complaint with grievance does not prevent or impede any complainants to access other legal or administrative remedies;
- and the actions and resolutions taken must be consistent with internationally recognized human rights and the UN Guiding Principles on Business and Human Rights, with particular focus on Guiding Principle 31 on effectiveness criteria.

It should be highlighted that, in order to define the grievance mechanism's structure and implementation, a subsidiary may set up an ad hoc **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.

<sup>6</sup>) See Chapter IV, Human Rights, comment 46.

<sup>7</sup>) 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.



#### ENI'S GRIEVANCE MANAGEMENT IN GHANA



**Listening to stakeholders and their needs is of fundamental importance to better contribute to create shared value with the host population.**

In Ghana, Eni has constant relations with 79 local stakeholders. A responsible grievance management entails the need to introduce a new assessment approach and methods to accommodate different local contexts in which Eni operates, to ensure the best possible resolution of the critical issues raised. In May 2019, for example, one of the breeders who benefited from the "livelihood restoration programme initiative" complained that the breeding business did not allow to generate sufficient profits to purchase all of the animal feed and continue the activity and requested the company to supply additional feed. Eni sent experts to identify the reasons for the low yields of the breeder's activity. The solution of problems with hygiene and sanitation and with transporting products and feed allowed to successfully solve the problems of this micro enterprise: these methods were also shared among the local breeders' association, to improve their knowledge of the best management practices.

In Ghana, the Offshore Cape Three Points (OCTP) Integrated Grievance Mechanism allows Eni Ghana to receive, evaluate and address any project – related grievances, written and verbal, from communities and stakeholders that claims to be affected by Eni operations. In 2015, Eni has organized to record and promptly receive any grievances and address eventual concerns or misunderstandings arising from the valuation process of the 237 acres of land acquired for the construction of the OCTP.

The grievances were examined on a severity priority-base and sent for response to a Consulting Valuation Team, composed of local community representatives, local government representative and Eni Ghana sustainability function response. Explanation given by the Consulting Valuation Team was assessed by the Local Content and Sustainability Function and the response communicated to the complainants.

After provided the responses, twenty eight (28) complaints were solved and successfully closed out with an estimated 95% satisfaction of process and outcomes. The process was characterised by Eni instant and timely responses, with an average resolution timeframe of 21 days.

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, improve the management of the grievance mechanism and enhance the quality of the procedure. 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.

In 2019, Eni received 253 complaints from 8 subsidiaries/districts<sup>8</sup>, of which 44% were resolved and closed. Most of the grievances have come from Sub-Saharan Africa (Congo, Ghana, Nigeria), the main topics being access to energy, employment development, education, land management.

With regards to Eni's expectations towards suppliers, contractors and business partners in relation to the establishment of their own grievance mechanisms:

- Eni expects suppliers, contractors and subcontractors to make available to workers, the communities and any external individual they interact with in the interest of Eni, their own accessible remedial mechanisms (as stated into the [Supplier Code of Conduct](#)).
- Eni's internal procedures foresee the inclusion of a specific human rights clause within the contractual agreements with partner companies, State companies or entities, aimed at raising the awareness of the counterparties and commit them to respect human rights, in accordance with the UNGPs and the main international human rights standards.

In particular, the clause provides that in case joint operations or activities have caused or contributed to adverse human rights impacts, all the parties shall take whatever action to address such impact in accordance to human rights.

**253**  
Complaints received

**44%**  
Resolved and closed

8) Eni Congo, Eni Ghana, Myanmar, NAOC in Nigeria, ENIMED (Eni Mediterranea) and DIME (distretto meridionale) in Italy.



### 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.

### 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.

The case with KPO has contributed to improve and streamline the implementation of the grievance management process in resettlement cases.

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.

### ONGOING RELATIONS

The relation with the communities is stable and continue, also thanks to the KPO Community Liaison Officers. 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.

## Whistleblowing reporting management system

Eni uses a **Whistleblowing reporting management system** that enables anyone - whether Eni's people<sup>9</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;
- **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 2019, investigations were completed on 74 files, **20<sup>10</sup> of which included human rights aspects**, mainly concerning **potential impacts on workers' rights**. Among these, 26 reports were checked: the events reported were confirmed, at least in part, for only 7 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 against 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 15 files were still open, 8 of which referred to human rights aspects, particularly potential impacts on workers' 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.

20

Reports received in 2019 concerning human rights

9) Eni personnel and any natural or legal persons, who operate on its behalf.

10) All relating to companies consolidated on a line-by-line basis.

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 of Directors 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. 41; 43; 59)

## Key performance indicators

### WHISTLEBLOWING FILES ON HUMAN RIGHTS VIOLATIONS

	2017	2018	2019
Whistleblowing files (assertions) on human rights violations (archived during the year <sup>(a)</sup> and divided by result of investigation and by type), of which (number)	29 (32)	31 (34)	20 (26)
Justified assertions	3	9	7
Potential socio-economic impacts on local communities <sup>(b)</sup>	0	0	0
Potential impacts on health, safety and/or well-being of local communities <sup>(c)</sup>	0	0	0
Potential impacts on worker rights <sup>(d)</sup>	3	6	5
Potential impacts on workplace health and safety <sup>(e)</sup>	0	3	2
Unfounded assertions, with the adoption of corrective/improvement measures	9	9	8
Potential socio-economic impacts on local communities <sup>(b)</sup>	0	0	1
Potential impacts on health, safety and/or well-being of local communities <sup>(c)</sup>	0	0	0
Potential impacts on worker rights <sup>(d)</sup>	8	8	5
Potential impacts on workplace health and safety <sup>(e)</sup>	1	1	2
Unfounded/Not applicable assertions <sup>(f)</sup>	20	16	11
Potential socio-economic impacts on local communities <sup>(b)</sup>	0	0	0
Potential impacts on health, safety and/or well-being of local communities <sup>(c)</sup>	2	2	1
Potential impacts on worker rights <sup>(d)</sup>	15	12	10
Potential impacts on workplace health and safety <sup>(e)</sup>	3	2	0

(a) 2017 data includes 1 file with 1 unfounded/not applicable assertion related to not fully consolidated entities.

(b) Including issues related to consultation and/or compensation processes and increase in conflicts.

(c) Including spills, atmospheric pollution, accidents, etc.

(d) 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).

(e) Including unhealthy and/or insecure workplace environments.

(f) Classification introduced in 2019. They are classified as such whistleblowing reports/assertions in which the facts reported: i) contain facts already covered in past specific investigations; ii) that do not qualify as Verifiable Detailed Reports as it is not possible to start the investigation phase; iii) Verifiable Detailed Reports for which, in light of the outcome of preliminary checks, it not being considered necessary to start the next investigation phase referred.

## 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

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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

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