

Management System Guideline

Responsible and Sustainable Company

Annex F | Respect and Promotion of Human Rights in Eni's activities



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1. INTRODUCTION

1.1 Objectives of the document

The purpose of this Annex is to define the roles and responsibilities relating to the model adopted by Eni to ensure respect for human rights in the performance of its business activities, including the conduction of human rights Due Diligence.

1.2 Scope of application

This annex applies to:

- Eni SpA;
- Subsidiaries directly and indirectly controlled by Eni SpA in Italy and abroad, subject to implementation according to the procedures described in section 1.3 below.

1.3 Implementation modalities

This Annex is for immediate application for Eni SpA.

The subsidiaries ensure the implementation of this annex as soon as possible and no later than June 30th, 2020, following the procedures described in the "Regulatory system" MSG.

Subsidiaries with shares listed on a regulated market must implement this Annex and, where necessary, adapt it to the specific characteristics of their business, compatibly with their degree of managerial autonomy and taking into account the interests of minority shareholders.

This document voids and replaces the following Eni SpA document:

- "Eni Guidelines for the Protection and Promotion of Human Rights", issued on 17 April 2007.

2. DEFINITIONS, ABBREVIATIONS AND ACRONYMS

For the purposes of this annex, the following definitions shall apply:

COUNTERPARTIES: companies with which Eni enters into Joint Venture Agreements, the State Entities or State Companies Eni enters into agreements with, such as Production Sharing Agreements, Concession Agreements and Service Contracts, as well as counterparties in merger and acquisition operations and sales of companies, mineral rights and production assets and counterparties in transactions involving the acquisition and sale of exploration mineral rights.

COMPLICITY: situations where, regardless of whether a formal complaint or a suit was brought to Court, a commercial enterprise contributes to human rights negative impacts caused by other parties.

VULNERABLE GROUPS: individuals or social groups that are potentially disadvantaged compared to the rest of the population in terms of their ability to adapt to socio-economic changes or to obtain benefits from compensation/relocation assistance and related development benefits. This may result from conditions that affect their ability to access social, economic, technological, institutional and cultural resources, which are essential for maintaining resources for subsistence. Causes of vulnerability can include: age, gender, ethnicity, income level, physical and/or mental disabilities.

HUMAN RIGHTS IMPACT ASSESSMENT (HRIA): methodology aimed at identifying, analysing, assessing and managing the negative effects that the implementation of an industrial project or other business activities may have on the enjoyment of human rights of certain types of stakeholders (so-called rights-holders), like workers and members of the community. A HRIA is a methodology of Due Diligence consistent with international human rights standards (UNGP) which calls for the involvement of the rights-holders and other potentially interested stakeholders.

NEGATIVE IMPACT ON HUMAN RIGHTS: occurs when an industrial project and/or any other activity carried out by Eni negatively affects the human rights of an individual or community.

LEVERAGE: ability/power to influence the behaviour of the Counterparties that could cause negative impacts on Human Rights.

INDIGENOUS PEOPLE: a distinct social and cultural group that has the following characteristics, to varying degrees: 1) self-identification as members of a distinct indigenous cultural group, with this identity being recognised by others; 2) collective attachment to geographically distinct habitats or ancestral territories and to the natural resources of those habitats and territories; 3) cultural, economic, social or traditional political institutions separate from those of the most widespread society or culture; or 4) a distinct language or dialect, often different from the official language or languages of the country or region it resides in.

INDUSTRIAL PROJECT: Eni project that is part of the activities carried out by the various Business Areas upstream, midstream and downstream.

NATIONAL CONTACT POINTS (NCPs): offices set up by governments that have adhered to the OECD Guidelines for Multinational Enterprises (mentioned in the external references below) to promote their application and handle cases promoted by stakeholders ("specific instances") as a non-judicial grievance mechanism.

RIGHTS HOLDERS: within the impact analysis on human rights, all people or communities whose human rights are affected, even potentially, by the impacts of the company's activities. Such typology of local stakeholders can be significant and therefore could receive priority in managing the related requests and engagement activities.

SALIENT ISSUE: human rights and/or issues most at risk of being negatively impacted by Eni's activities and those ones of its Counterparties. The UN Guiding Principles on Business and Human Rights make clear that an enterprise should not focus exclusively on the most salient human rights issues and ignore others that might arise. But the most salient rights will be the ones on which it concentrates its primary efforts.

For the other terms, please refer to the definitions in the "Responsible and Sustainable Enterprise" MSG.

3. EXTERNAL REFERENCES

- Universal Declaration of Human Rights
- International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work
- United Nations Guiding Principles on Business and Human Rights (UNGPs), 2011
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, 2011
- EU Commission, Oil and Gas Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights, 2013
- United Nations Global Compact, 2000
- The International Business Leaders Forum (IBLF) and the International Finance Corporation (IFC), in association with the UN Global Compact, Guide to Human Rights Impact Assessment and Management (HRIAM), 2010
- International Petroleum Industry Environmental Conservation Association (IPIECA), Human rights Due Diligence process, A practical guide to implementation for oil and gas companies, 2012.

Any legal instrument that updates and/or supplements the above indicated references.

4. THE MODEL ADOPTED BY ENI FOR THE RESPECT AND PROMOTION OF HUMAN RIGHTS

The model adopted by Eni for the respect and promotion of human rights has been developed in accordance with the United Nations Guiding Principles on Business and Human Rights (hereinafter "UNGPs"), which recognise the responsibility of companies to respect human rights. As defined in the "Responsible and Sustainable Enterprise" MSG, the model is based on three key elements, detailed below:

- "Policy Commitment": understood as the company's commitment to respect for human rights and the adoption of processes that translate this commitment into company culture and practices. In this regard, this Annex summarises Eni's commitments and the procedures for proposing their updating (paragraph 5 of this Annex);
- "Human Rights Due Diligence": In this Annex the term "Human Rights Due Diligence" indicates the standard of conduct to be used to prevent the occurrence of human rights violations by companies. This standard is characterised by a process of identification, assessment, prevention and management of negative impacts on human rights that the company can cause or contribute to causing through its activities and business relationships (section 6 of this Annex). Furthermore, Human Rights Due Diligence includes monitoring and reporting on the process described and the effectiveness of the mitigation measures introduced, as well as communicating the results outside the organization.¹
- "Access to remedy": understood as the system of rules and mechanisms which the company provides itself with or participates in to ensure that impacted third parties are involved in repairing any damage caused by the company (section 7 of this Annex).

The UNGPs are general principles. It is the responsibility of the company to implement them in the manner deemed most effective, according to its organizational and operational characteristics.

¹ For the purposes of this Annex, the due diligence on human rights therefore differs from the due diligence governed by the anti-corruption regulatory instruments, as well as from the due diligence governed by the "Procurement" MSG.

5. POLICY COMMITMENT

Eni's commitment to the respect for human rights in its activities - the first key element of the model adopted in accordance with the UNGPs - is expressed, among others, in the following corporate documents:

- Eni Code of Ethics;
- Eni's Statement on the respect for human rights, approved by the Board of Directors on 13 December 2018;
- The "Sustainability" policy;
- Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility signed by Eni with the international trade union IndustriAll Global Union and with the General Secretariats of the national unions Filctem CGIL, Femca CISL and Uiltec UIL.

In particular, the "Eni's Statement on Respect for Human Rights" contains:

- the enunciation of Eni's vision on human rights, focused on human dignity;
- a commitment to the respect of the International Treaties and standards, as a corporate objective;
- the articulation in specific commitments, through cooperation and constructive dialogue with stakeholders impacted in the most sensitive areas of the company's activity²;
- a commitment to carry out training and awareness raising activities on the importance of respect for human rights, addressed to Eni employees and Counterparties;
- a commitment to implement assessment, monitoring, reporting and communications on the respect for human rights in Eni's processes;
- the provision of mechanisms for submitting complaints to manage any negative impacts;
- participation in international initiatives in this field.

With the support of the relevant units of the Integrated Compliance function where deemed necessary, Eni's Sustainability function:

- monitors the evolution of international standards in order to verify Eni's constant compliance with them;
- with the involvement of the other relevant functions, identifies any need for changes and/or updates to be made to the "Eni's Statement on the respect for human rights"; for the presentation of the relevant proposals to the Board of Directors, it avails itself of the support of the Corporate Secretariat function.

Furthermore, Eni's Sustainability function coordinates with the relevant Integrated Compliance function in order to monitor and identify any changes in regulations, in particular foreign regulations, for analysis and comparison with existing regulations that are already applied by Eni, and coordinates the possible drafting and review of Eni's statements and official positions on the subject, for which reference should be made to the specific regulatory instrument on external sustainability reporting.

² More specifically, the "Eni's Statement on Respect for Human Rights" identifies the following areas of commitment:

- Human rights in the workplace;
- Human rights of the local individuals and communities;
- Human rights and security;
- Human rights in our business relations (Business Partners and suppliers).

6. HUMAN RIGHTS DUE DILIGENCE

Human Rights Due Diligence, the second key element of the model adopted in accordance with the UNGP, is an integral part of the measures put in place by the company to implement its commitment to respect for human rights in its activities.

Given the nature of the issue, human rights Due Diligence must be:

- multidisciplinary: the analysis considers the social, health, environmental and legal dimensions that could be impacted³;
- multilevel: the analysis is carried out at a central level taking into account the company as a whole and at the level of each function/project by focusing on those most exposed to the issue according to a risk-based approach;
- integrated with Eni's activities: from a project's initial development phase the analysis is weighted according to the specifics of the context (like region/country, project complexity), which determine the associated level of criticality.

Roles and responsibilities in human rights Due Diligence are set out in the following sections, which describe in detail how it is conducted:

- human rights Due Diligence at the central level;
- human rights Due Diligence at the industrial project level;
- human rights Due Diligence at the function level;
- human rights Due Diligence on Eni's Counterparties.

Furthermore, in accordance with the evolution of the principles on respect for human rights which Eni adheres to, the concept of human rights Due Diligence could evolve over time, resulting in the addition of new elements when necessary (section 6.3.1 of this Annex).

6.1 Human rights Due Diligence at the central level (overview)

Human rights Due Diligence at the central level aims to provide an overall representation of Eni's position on human rights.

To this end, Eni's Sustainability function ensures the following activities:

- constantly monitors the evolution of international standards and verifies the validity of Eni's Salient Issue list⁴;

³ For more details on the multidisciplinary nature of human rights and how the different dimensions are considered in the Due Diligence, please refer to section 6.3 of this Annex (the human rights Due Diligence at the function level).

⁴ Eni's Salient Human Rights Issues are the Human Rights and Business issues that are considered most relevant based on the activities carried out by Eni and its Counterparties. The Salient Human Rights Issues can be traced back to four macro areas that are periodically reviewed and updated by Eni's Sustainability function in connection with the functions of the Business Lines concerned:

- human rights in the workplace: discrimination and equal treatment based on religion, ethnicity, gender; freedom of association and collective bargaining; safe and healthy working conditions;
- human rights in business relations: modern slavery, migrant workers, freedom of association and collective bargaining, working conditions (wages and working hours), safe and healthy working conditions in the supply chain;
- human rights in communities: land rights; environmental impacts reflected in impacts on means of subsistence, health, water availability for communities and indigenous peoples; decommissioning;
- human rights and security: excessive use of force by private and public security forces; security of workers in high-risk environments.

The issue of access to remedial measures was considered to cut across the four macro areas.

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- periodically, at least every three years and whenever there is a significant change in Eni's standards or activities, it performs a gap analysis between the general structure of Eni's human rights Due Diligence and the main pertinent international standards of reference⁵;
- in case of misalignments, it proposes the necessary adjustments to the relevant line/support functions (e.g. addition of new dimensions to be monitored);
- consolidates the results of the Due Diligence conducted at the various levels of the company, both for individual projects and functions;
- on an annual basis, it draws up Eni's human rights action plan and ensures the inclusion of what has been achieved/monitored into external sustainability reporting, consolidating the specialised contributions of the functions involved;
- when appropriate, it presents the actions carried out and those ones planned to the Chief Executive Officer, the Chief Services & Stakeholder Relations Officer and the Eni's Sustainability and Scenario Committee.

Eni's subsidiaries are responsible for the implementation and monitoring of the actions under their responsibility, which may be identified as part of the Due Diligence at the central level. In these cases, the local sustainability function⁶ ensures the support needed, in coordination with Eni's Sustainability function.

Furthermore, Eni's Sustainability function:

- promotes cross-functional collaboration on the topic of human rights Due Diligence in order to exploit possible synergies;
- makes available specific expertise and operational tools (e.g. databases, best practices, etc.) to support human rights Due Diligence at the function level (section 6.3 of this Annex);
- makes the results of the activities carried out available to the Integrated Risk Management (IRM) function for appropriate integration within its own processes (e.g. in the context of Integrated Country Risk - ICR);
- proposes training and awareness-raising initiatives in relation to the evolution of international standards and/or the areas of improvement identified, to be carried out in conjunction with the functions responsible for Training and Internal Communication;
- develops and proposes the content related to Eni's human rights activities to be communicated externally (e.g. periodic announcements on the Eni website, publication of Eni's position on eventual critical cases, etc.), to be carried out in cooperation with the functions responsible for External Communications and, when needed, also with the contribution of other relevant functions eventually involved.

6.2 Human rights Due Diligence at the industrial project level

Human rights Due Diligence for industrial projects aims to: i) identify and assess the possible impacts that these projects may have on the human rights of individuals and communities; ii) identify the most appropriate mitigation actions; and iii) monitor their effectiveness.⁷

⁵ More specifically, in addition to the framework identified by the UNGPs and the other documents included among the references in section 3 of this Annex, the gap analysis will be carried out taking into account additional external and internal inputs such as, for example, those resulting from peers benchmarking and requests received from investors.

⁶ "Local sustainability function" means: if present, the function of the subsidiary or district/establishment, if not present, the unit/resource of the subsidiary (or of Eni SpA, where applicable) identified by the Managing Director/CEO of the subsidiary as a reference for sustainability issues (for example HSE, HR, etc.).

⁷ In this regard, it should be noted that while the impacts of industrial projects on the social, environmental and health dimension are subject to integrated analysis (Environmental Social Health Impact Analysis, ESHIA) and/or stand-alone analysis (Environmental Impact Analysis, EIA, or Social Impact Analysis, SIA), human rights Due Diligence related to industrial projects is holistic and non-compensatory in nature. As highlighted in the previous paragraphs, the nature is "holistic" because human rights of the individual and communities are considered as a whole, superimposing the social dimension with the environmental and health dimension, also considering the issue of labour and the supply chain. "Non-compensatory" since

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In this context, the geographical location, the technical characteristics of the project and the complexity of the business relationships involved constitute essential cognitive elements for determining the human rights risk profile of the industrial projects.⁸ This risk profile is understood as the probability that, based on the elements mentioned above, the implementation of the industrial project will directly or indirectly determine a negative impact on human rights of individuals and communities located in the areas affected by the project.

In order to carry out this assessment – which will allow each project to be classified as having a high, medium or low human rights risk⁹ – Eni's Sustainability function carries out the appropriate in-depth analysis of the project's potential impact on human rights in coordination with the relevant business functions and/or the subsidiaries concerned. With the support of Eni's Sustainability function, these in-depth analyses allow the relevant business functions and/or the subsidiaries concerned to identify the specific measures to be implemented in order to guarantee respect for human rights in all cases.

The constant and timely retrieval of information is therefore a central element and requires a systematic integration of Eni's Sustainability function with the relevant business functions throughout all phases of industrial projects, calibrating the approach according to the specific characteristics typical of the various phases (e.g. negotiation, exploration, development), as established by the "Responsible and Sustainable Enterprise" MSG and other relevant regulatory instruments.

In particular for human rights, which the "Responsible and Sustainable Enterprise" MSG identifies as one of the key sustainability issues to be considered throughout the entire life cycle of Eni's businesses, this interaction involves:

- **the definition of a 'project classification model'** - agreed by Eni's Sustainability function and the business functions responsible for the projects – related to the potential risk to human rights, which links each risk level (high/medium/low) to specific tools of analysis (see below).
- **the classification of projects in relation to their potential risk to human rights**, to be carried out annually according to a schedule defined by Eni's Sustainability function and consistent with the timing of budget preparation.¹⁰ This classification will be carried out by Eni's Sustainability function based on the model specified above, fed with context elements and information concerning the project provided periodically by the business functions responsible for it. The results obtained with the application of the model will be evaluated in conjunction with the business functions.
- **analysis associated with the level of risk to human rights assigned to the project.** Analyses investigating the project's potential impact on human rights will be carried out by Eni's Sustainability function, in agreement with the line function/Project Manager/subsidiary and with the support of the local sustainability function.¹¹

In particular:

any impacts on human rights cannot be mitigated by adopting measures and/or initiatives other than those ones strictly related to the human rights impacted.

⁸ More specifically, in relation to each project the elements to be provided are those ones related to the external context, depending on the level of protection and the respect for human rights in the country (based on the concise assessments of info providers) and those ones related to the project (such as the presence of Eni in the country, the type of activities to be carried out, the location of the block or plant, the size of the area affected by the activities, etc.).

⁹ A distinctive feature of the human rights risk related to the industrial projects is the need to consider the point of view of the rights-holders, rather than the company's one. In general terms, risk levels are defined as follows:

- high: a project with potentially considerable temporary or permanent impacts on local community groups or a geographical area in terms of: access to essential goods and services and natural resources, economy and social context, employment and labour rights, culture, local identity and landscape, social stability and absence of conflicts;
- medium: a project with potentially significant temporary or permanent impacts on local community groups or a geographical area in terms of: access to essential goods and services and natural resources, economy and social context, employment and labour rights, culture, local identity and landscape, social stability and absence of conflicts;
- low: a project with zero or negligible, temporary impact on a small number of people or a limited area.

¹⁰ For budgetary implications, please refer to note 11.

¹¹ In this regard, it should be noted that the costs of the aforementioned analyses must be included in the project/subsidiary budget.

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- for high risk projects, a standalone human rights study – called Human Rights Impact Assessment (HRIA)¹² – is usually required to be carried out typically by a third party supplier¹³;
- For medium-risk projects, an analysis of human rights is normally required as part of the Environmental Social Health Impact Assessment (ESHIA)¹⁴, which should be done by the same supplier used to perform the ESHIA, where possible;
- for low-risk projects no further analysis is normally needed.

Following the above described analysis, Eni's Sustainability function prepares a report that identifies specific recommendations;

- **the definition of a specific Human Rights Action Plan (HRAP)** by the subsidiary responsible for the project/Project Manager with the support of the local sustainability function, which will be drawn up starting from the recommendations of the report above and in agreement with Eni's Sustainability function. This HRAP will identify the actions to be carried out to reduce the project's impact on the human rights of individuals and communities, together with the related timing and functions responsible for their implementation;
- **the performance of the actions in the HRAP**, for which the functions responsible are supported by the local sustainability function and Eni's Sustainability function;
- **monitoring of the progress and effective implementation of the actions** carried out by Eni's Sustainability function, with the support of the local sustainability function. To this end, Eni's Sustainability function may ask the functions responsible for the actions to input information concerning specific indicators, to be used for periodic reporting on the activities carried out and to monitor performances, in accordance with the provisions of the "Responsible and Sustainable Enterprise" MSG and the specific regulatory tool for external sustainability reporting.

The application of the tool required by the level of risk, the effective implementation of the actions¹⁵ identified through the analysis and the monitoring of their effectiveness complete the human rights Due Diligence on the industrial project.

As highlighted above, in all cases and through the local sustainability function, Eni's Sustainability function supports the functions responsible for implementing the actions identified in the action plan, with particular reference to actions related to critical human rights issues, like:

- stakeholder engagement¹⁶ in the presence of indigenous peoples, vulnerable groups and in general other rights-holders;
- land management.¹⁷

6.2.1 Stakeholder Engagement with vulnerable groups and indigenous peoples

In accordance with the provisions of Annex E "Sustainability Stakeholder Engagement" to the "Responsible and Sustainable Enterprise" MSG, besides the identification of the local communities that need to be consulted in accordance with local regulations, the local sustainability function verifies the presence of vulnerable groups and indigenous peoples in the area affected by the project, ensuring their effective engagement throughout the project's life, including by using external specialised services and technical assistance from Eni's Sustainability function.

¹² To be executed according to international best practices (in particular Human Rights Impact Assessment Guidance and Toolbox of the Danish Institute for Human Rights). For the description of the tool, please refer to section Definitions of this Annex.

¹³ To this end, Eni's sustainability function will use external suppliers having the necessary professional skills, selected and contracted in accordance with the provisions of the Procurement MSG.

¹⁴ To be performed according to international best practices (in particular the *Guide for integrating human rights in environmental, social and health impact assessment* by IPIECA).

¹⁵ These Due Diligence actions identified on the projects are added to the annual action plan referred to in section 6.1 (Actions carried out during the year and those still planned, prepared by Eni's Sustainability function).

¹⁶ See Annex E "Sustainability Stakeholder Engagement" to the "Responsible and Sustainable Enterprise" MSG.

¹⁷ See Annex D "Land Management" to the "Responsible and Sustainable Enterprise" MSG.

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In this context and for the purposes of respecting human rights, the consultation of local communities is particularly important in presence of vulnerable groups, i.e. those groups which, by virtue of certain specific characteristics and/or for contextual reasons, are exposed to potential negative impacts related to the project and - as minorities - may not have access to the traditional forms of consultation envisaged by local legislation and whose needs may not be adequately identified by ordinary means (for example, in a given context vulnerable groups may be minors, women, ethnic minorities).

In the stakeholder mapping phase, it is therefore necessary to verify the presence of these vulnerable groups – also by drawing on research from secondary sources and consulting NGOs operating in the area – and to adopt effective tools, like culturally appropriate and linguistically accessible pre-consultation methods, that are suitable to identify their effective representatives and priority issues.

To this end, the local function responsible for sustainability ensures the identification and application of the most suitable engagement tools, in coordination with Eni's Sustainability function and updates the Stakeholder Management System.

6.2.2 Human rights in Land Management activities

In accordance with the provisions of Annex D "Land Management" to the "Responsible and Sustainable Enterprise" MSG, in conjunction with Eni's Sustainability function the local sustainability function supports those responsible for industrial projects with impacts on the region, to ensure the responsible acquisition of land, defining possible compensatory measures for local communities negatively impacted by Eni's use of the areas necessary for operations.

In this context and for the purposes of respect for human rights, the model adopted by Eni provides that:

- the compensation model must include fair and sustainable alternatives and other forms of assistance to improve or at least restore the standard of living of all people affected by the project, avoiding any form of discrimination;
- all land management activities involving the physical and/or economic displacement of individuals and communities should be conducted by ensuring the consultation and informed participation of all people affected by the project (Free Prior and Informed Consultation). Such consultation and informed participation must be continuous, based on meaningful, advanced, objective, transparent and culturally accessible information. All vulnerable groups must be allowed to participate actively in the consultation and compensation process.

To this end, the local function responsible for sustainability ensures the use of the most suitable methods of involvement and compensation, in coordination with Eni's Sustainability function.

6.3 Human rights Due Diligence at the function level

In addition to the functions responsible for carrying out the Due Diligence on industrial projects (section 6.2 of this Annex) that have an impact – mainly - on host communities, the assessment carried out by Eni in 2017 and the main sector studies available¹⁸ identified other specific functions to be engaged while managing human rights issues within the company. These functions have a primary interest in human rights due to their pivotal role in the process they

¹⁸ Specifically: the *Human rights Due Diligence process, a practical guide to implementation for oil and gas companies* by IPIECA (International Petroleum Industry Environmental Conservation Association, 2012), the *Oil and Gas Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights* of the European Commission (2013) and the *Methodology for the Agricultural Products, Apparel and Extractive industries* by CHRB (Corporate Human Rights Benchmark, 2019).

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respectively oversee; therefore shall be considered owners of specific commitment areas identified in Eni's Statement on respect for human rights:

- Procurement, for the respect of human rights in the supply chain;
- Human Resources and Organization, for the respect of human rights in the workplace;
- Security, for the respect of human rights in the execution of its activities.

HSE, health and asset integrity and anti-corruption issues, which also have a priority impact on human rights, shall be managed according to the relevant regulations, to which reference should be made.¹⁹

Human rights Due Diligence at the function level has the objective of identifying areas of risk and appropriate actions to prevent negative impacts on human rights that may occur in the processes respectively overseen. Each function defines the human rights Due Diligence model for its area of responsibility with a view to continuous improvement, according to methods and timeframes agreed with Eni's Sustainability function, which monitors its progress. Once fully operational, the human rights Due Diligence model adopted by each function will include at least the following elements:

- identification and assessment of the risks of human rights violations in the processes overseen by the function, based on a methodology of reference inspired by international standards and shared with Eni's Sustainability function;
- identification of suitable measures to prevent the occurrence of identified risk situations, depending on the type of risk (like training, awareness raising, regulation updating), with the support of Eni's Sustainability function;
- execution of the identified measures, in cooperation with the relevant company functions;
- monitoring the effectiveness of the actions agreed, using specific indicators and targets defined in cooperation with Eni's Sustainability function.

Based on the findings of the human rights Due Diligence, each function involves the subsidiaries for which it is appropriate to implement the actions identified.

Each year and in accordance with the timing foreseen for Eni's planning and reporting, each function submits to Eni's Sustainability function:

- the four-year human rights action plan for its area of responsibility, in which the necessary actions for the management of the risks identified by the human rights Due Diligence are described;
- its contribution to external sustainability reporting (NFD, Modern Slavery Act Statement, etc.).

6.3.1 Extension of the Due Diligence scope

In accordance with the evolution of the principles on respect for human rights which Eni adheres to, and with the scope of interest of the company's activities, Eni's Sustainability function assesses whether to extend the human rights Due Diligence to other company functions, also based on their proposals, involving them in updating their governance models.

Depending on the evolution over time of the perceived riskiness of human rights issues in the process overseen, as an alternative to human rights Due Diligence the company function concerned can agree with Eni's Sustainability function to introduce a structured flow of reporting and information on human rights issues. This approach is applied, for example, for the Legal Affairs - jointly with other relevant functions - towards the "human rights and climate change"

¹⁹ In terms of the transversal connotation of human rights, other corporate functions also oversee activities that can potentially have an impact on human rights, but the technical measures prescribed by the specific MSGs (e.g. HSE, Health, Anti-Corruption, Asset Integrity, etc.) aimed at managing the specific risks of the processes are in themselves appropriate measures to prevent potential impacts on human rights indirectly related to them. These activities and processes are therefore not covered by this Annex.

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topic, as well as for remedy issues (e.g. in relations with communities) and management of eventual disputes, both judicial and extrajudicial. This reporting complements external sustainability reporting.

6.4 Human rights Due Diligence on Eni's Counterparties

Eni's commitment to the respect for human rights also extends to the Counterparties Eni deals with in the context of its operations. Indeed, Eni's objective is to exercise its leverage over them in order to prevent the risk that Eni may be associated with, or has indirectly responsibilities for, as well as to be seen as complicit in any human rights violations committed by these Counterparties.

Below are the main tools which Eni uses to perform human rights Due Diligence on its Counterparties.

6.4.1 Human rights screening of Eni Counterparties

When performing Anti-Corruption Due Diligence, at the same time as the other compliance checks envisaged by the applicable regulatory instruments²⁰ and preparatory to the stipulation of agreements for transactions considered to have a relevant human rights risk, it is necessary to verify any information regarding the conducts of the potential counterparty related to human rights and/or linked to the business/activity that Eni is going to acquire (human rights legacy).²¹ Such agreements regards:

- Joint Venture²²;
- acquisition and sale of companies, drilling rights and production assets²³ in the Upstream area. For Business Lines other than Upstream, the provisions of this Annex apply only to transactions subject to authorisation by Eni's Board of Directors,
- acquisition and sale of exploratory mining rights²⁴;

To this end, the initiative's proposing function/unit/Project Leader must consult the database prepared by Eni's Sustainability function (see Appendix 1), with the support of Eni's Sustainability function.

If the consultation reveals recent critical issues, Eni's Sustainability function will deepen such information and provide a feedback to the proposing unit, specifying:

- any recommendations to be followed in order to exercise its leverage and mitigate, where possible, the reputational impacts for Eni resulting from the transaction,²⁵ also taking into account the role that Eni will take on under this agreement;
- a short report on the critical issues found and the measures to be taken or already implemented, that the initiative's proposing function/unit/Project Leader will include in the note to the authorising party.²⁶

Details on how this verification is carried out are set out in Appendix 1 of this Annex.

²⁰ For example, checks on Reference Lists pursuant to Annex B "Reference Lists" of the "Internal Control and Risk Management System" MSG.

²¹ With reference to the acquisition and sale of companies, drilling rights and production assets, these checks should normally be done when the investigation is opened if the counterparty is known, or otherwise as soon as the counterparty's name becomes available. In any case, before the operation's authorization note will be prepared, where the results of the checks will be provided.

²² As envisaged in Annex A "Joint Venture Contracts" to the "Anti-Corruption" MSG, as amended.

²³ As envisaged in the "Acquisition and sale of companies, drilling rights and production assets" MSG, as amended.

²⁴ As envisaged in Annex C "Acquisition and sale of exploration rights" to the "Exploration" MSG, as amended.

²⁵ These measures include, but are not limited to, specific human rights clauses to be included in agreements with countries and JV partners, as outlined in the following section.

²⁶ This is the note with which the final authorisation to carry out a specific transaction/contract is requested to the company position/corporate body identified as the authorising party (authorisation levels are defined in specific regulatory instruments of reference).

6.4.2 Responsible contracting

The Joint Venture agreements incorporate the potential risk for Eni of being indirectly involved in cases of human rights violations, as well as being complicit, if the counterparties have a human rights approach different from Eni's. These agreements are:

- Joint Operating Agreements,²⁷ which define the terms of cooperation between Eni and one or more partner companies in the O&G sector to carry out one or more industrial projects;
- Agreements signed with State Entities or State Companies,²⁸ which govern the terms between the oil company(ies) and the State authority authorised to grant exploration and exploitation rights for a country's energy/mineral resources.

In order to prevent this risk and raise the awareness of its Counterparties on the subject of respect for human rights, the functions responsible for the negotiation and stipulation of the aforementioned agreements, both at Eni and subsidiary level, must propose the inclusion of a specific clause. This clause is aimed at committing the Counterparties to respect human rights within the scope of the activities and roles governed by the agreement, with the support of Eni's Sustainability function where necessary.²⁹

This clause may be subject to adaptation depending on the context of reference, the specificity of the Counterparty and the outcome of the negotiations. In such circumstances, the function responsible for the negotiation shares the changes in the clause with Eni's Sustainability function. If it is objectively impossible to include the clause in the agreement to be negotiated, the function responsible for the negotiation and Eni's Sustainability function will work together to assess alternative ways to mitigate risks of human rights issues related to the operation.

Finally, with reference to consortia and joint ventures that Eni does not operate directly, the representatives specified by Eni in the corporate bodies and/or management committees of the joint ventures will periodically inform and raise awareness on the company's commitment to human rights. Eni representatives will also share Eni's expectations towards its counterparties on this issue, guaranteeing the delivery and the dissemination of the Eni's Statement on respect for human rights to the counterparties' representatives.

7. ACCESS TO REMEDIES

Eni provides complaint mechanisms and other whistleblowing channels, both at a central level and on site, aimed at ensuring that any possible violation of human rights is intercepted, analysed and managed in a timely manner.

In particular, Eni has two specific instruments in the company's regulatory system that can also be used in the event of alleged human rights violations:

²⁷ The provisions of this section also apply to the Farm Out and Farm In agreements with which Eni respectively sells or buys the shares of an already established Joint Venture.

²⁸ Examples include Production Sharing Agreements, Concession Agreements and Service Contracts.

²⁹ These clauses, defined by Eni's relevant functions, are included in the specific standard contracts for the types of agreements mentioned. For detailed information on *i)* the contents and objectives of the Treaties and Standards referred to in the human rights clauses listed above and *ii)* the main publicly available tools to verify the ratification of individual Treaties and Conventions by countries, see the operational guide developed by Eni's Sustainability function in conjunction with the function responsible for negotiations.

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- the "Grievance Mechanism", consisting of all the activities to be carried out when Eni receives written or verbal requests or complaints about its activities. Roles, responsibilities and operating procedures of this mechanism are regulated by Annex C "Grievance Mechanism" to the "Responsible and Sustainable Enterprise" MSG, which classifies grievances related to human rights as "significant" and establishes a specific analysis and response process;
- "Whistleblower Reports": Eni allows anyone, whether employees or third parties, to confidentially or anonymously report issues related to the Internal Control System or other matters in violation of the Code of Ethics, like business ethics, bullying, harassment, discrimination and respect for human rights. The relative roles, responsibilities and operating procedures of this mechanism are regulated in Annex C "Whistleblowing reports received, including anonymously, by Eni SpA and by its subsidiaries in Italy and abroad" to the "Internal Control and Risk Management System" MSG. Eni's Sustainability function establishes the criteria for identifying reports having a potential impact on human rights, which are communicated to the company functions responsible for managing the investigation, and contributes to identifying the most appropriate remedies.

There are also other non-judicial forms of access to remedies, like the NCP of the Organisation for Economic Cooperation and Development (OECD), which is an additional channel for lodging complaints. Access to this channel is regulated by the OECD Guidelines for multinational enterprises and the existing NCPs in the various countries. In the event of a claim against Eni, Eni's Sustainability function interfaces with the National Contact Point and involves the business/support functions concerned.

Remedies include but are not limited to apologies, restitution, restoration of the status quo, financial or non-financial compensation as well as the prevention of a repetition of the damage through, for example, injunctions or guarantees of non-recurrence, to be assessed according to the local context. For the definition of the remedies to be offered, please refer to the provisions of the company's regulatory instruments.

8. ANNEXES

Annex 1: Methodological note for conducting human rights screenings of Eni Counterparties

The initiative's proposing function/unit/Project Leader is responsible for carrying out the screening.

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The screening must be carried out during the Anti-Corruption Due Diligence, at the same time as the other compliance checks required by the applicable regulatory instruments, and in any case prior to the preparation of the note to the authorising party which will report the results of the checks carried out.

To this end, the operation's proposing function/unit/Project Leader performs the verification using the appropriate database,³⁰ prepared and periodically updated by Eni's Sustainability function, which includes:

- the Counterparties which, depending on the type of relationship with Eni, will be exempted from such checks;
- the Counterparties for which information has been found in open sources relating to alleged human rights violations committed by or attributable to them.

Consulting the database can lead to four possible outcomes:

1. Counterparty included in the database without any critical issues: no action is required and the note for the authorising party will include the wording "*The human rights checks have been carried out and have not revealed any critical issues related to the Counterparty*" in addition to the other compliance-related information normally required;
2. Counterparty— included in the database with limited critical issues: if the operation concerns the same area/concession affected by the critical issue, it is necessary to contact Eni's Sustainability function for further information; if, on the other hand, it concerns other areas/concessions, no action is required and the "Compliance checks" section in the note for the authorising party will report the standard wording specified in point 1;
3. Counterparty included in the database and highlighted in red: contact Eni's Sustainability function for further information.
4. Counterparty not found in the database: contact Eni's Sustainability function for further information.

In the cases explained at points 2 a, 3 and 4, based on the request of the function/unit/project leader proposing the initiative, Eni's Sustainability function will carry out the necessary investigation, consulting specialised websites and/or performing web searches. If these investigations do not reveal recent detailed news of critical issues, Eni's Sustainability function will promptly communicate the outcome to the function/unit/Project Leader proposing the initiative and the note for the authorising party will include the standard wording specified in point 1.

If the investigation reveals recent details of critical issues, once the required assessments are completed Eni's Sustainability function will provide feedback to the proposing unit, specifying:

- any recommendations to be followed in order to exercise leverage over the Counterparty and to mitigate the reputational impacts for Eni arising from the operation;
- a short report on the critical issues found and the measures to be taken, or already implemented, which the initiative's proposing unit will have to include in the note to the authorising party.

The unit proposing the operation will be required to save and archive the results of the database consultation and any other documentation related to the investigation.

³⁰ The database, periodically updated by Eni's Sustainability function and disseminated to the requesting functions by the relevant business compliance functions, contains the results of human rights audits carried out on open sources by Eni's Sustainability function on the Counterparties with which Eni has previously entered into Joint Venture agreements and/or transactions for the acquisition and sale of companies, drilling rights, exploration rights and production assets.