Eni Mexico

Human Rights Action Plan (HRAP)

2019-2021

Area1 Development Project Executive Resume

December 2019



1. ABOUT ENI MEXICO AREA 1 DEVELOPMENT PROJECT

Eni operates in Mexico in the exploration and production sector. It has been present in the country since 2006 with a representative office. In 2015, it was created Eni Mexico S. de R.L. de C.V (Eni Mexico), a wholly owned subsidiary, which participated in the international public tenders carried out by the Government of Mexico from 2015 until 2018. At the end of 2015, as result of its participation in the tender CNH-R01-L02/2015, the National Hydrocarbons Commission (CNH) awarded Eni Mexico with a Production Sharing Agreement (PSA) - valid for 25 years - for the exploration, development and exploitation of Area 1 Block, located in shallow (shallow) waters of the southeast of the Gulf of Mexico.

This area covers 67 km² and includes three offshore fields (Amoca, Mitzon, and Tecoalli), discovery wells, an offshore sealine (10 km), an onshore pipeline (7 km) and an ORF (Onshore Receiving Facility). Apart from the mentioned facilities, Eni Mexico maintains an operational office in Villahermosa, in the state of Tabasco (until April 2019 it was located in Ciudad del Carmen, in the state of Campeche), a logistics base in Dos Bocas in the state of Tabasco, a jacket construction site in the state of Tampico and its main office in Mexico City. There is also ongoing work in Shanghai, China, where a vessel is being stripped, refurbished and turned into a Floating Production Storage and Offloading unit (FPSO) for activities in the Area 1 Development Project. Currently, this Area is under development phase (early production)

The Project is located approximately 3 to 9 km away from the coastal line of the Municipality of Cárdenas, in the State of Tabasco. During the early production, Area 1 Project activities affect particularly the small fishing town and port Coronel Andres Sanchez Magallanes and the towns of Pailebot and Ejido Ley de la Reforma Agraria.







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(Source: Eni Mexico, 2017)



2. ENI MEXICO HUMAN RIGHTS ACTION PLAN RELATED TO A1 DEVELOPMENT PROJECT

2.1 BACKGROUND

Eni Mexico is committed to ensure the respect and promotion of internationally recognized human rights, not only in its own activities, but also in activities entrusted to/conducted by business partners. This commitment was reaffirmed in the Eni's Statement on Respect of Human Rights, approved in December 2018, and it is in line with the United Nations Guiding Principles for Business and Human Rights (UNGP), unanimously endorsed in 2011:

"Principle 13: (a) The responsibility to respect human rights requires that business enterprises avoid causing or contributing to adverse human rights impacts through their own activities and address such impacts when occur.

Principle 15: In order to meet this responsibility, companies should first of all undertake human rights due diligence process to identify and prevent, mitigate and account for how they address their impacts on human rights".

To fulfill this responsibility, Eni Mexico commissioned the Danish Institute of Human Rights (DIHR) to conduct a Human Rights Impact Assessment (HRIA)¹, 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 regarding:

- The impacts of offshore operations on coastal communities and on workers
- The impacts of onshore activities (ORF) and pipeline as well.

To attend 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 A1 Development Project Activities.

2.2 HUMAN RIGHTS ACTION PLAN (2019-2021): MAIN COMPONENTS AND ACTIONS

The HRAP (2019-2021) takes most of the topics proposed in DIHR's HRIA report and divides its actions into five components - each one aligned with one or more of Eni's human rights expressed commitments. This has set up the basis of the overall strategy framework of Eni Mexico in this regard. Main components and actions are described below:

- a) Accountability and transparency of the HRIA (General): As one of the core elements of human rights due diligence process, and in alignment with international human rights standards' expectation regarding transparency and accountability, the action plan foresees to:
 - Communicate clearly and report on human rights impacts
 - Promote transparency regarding to the project activities and around issues of major interest

¹ The scope of the HRIA considered also the findings of a Preliminary Human Rights Impact Mapping and Preliminary Stakeholder Mapping that the DIHR carried out for Eni in October 2018



(this includes the publication of the HRIA report and Eni Mexico's HRIA action plan);

- Promote dialogue and engagement with other stakeholders, in order to foster (shared) solutions on the relevant issues and impacts.
- b) 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. The above through:
 - Informing and consulting meaningfully on project activities and its impacts, taking into account: potentially vulnerable groups (including women, youth), specific needs (derived from roles, contributions and particular situations), as well as legitimate expectations.
 - Implementing a community grievance mechanism and establishing appropriate communication channels. Successful experiences of Eni in other countries will be considered.
 - Adopting a long-term strategic thinking, based on the communities' needs, benefiting the communities but particularly groups at risk (women in particular).
 - Enhancing of women participation.
- c) Fishers: Actions are focused on addressing concerns related to offshore project's impacts². 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, including:
 - Considering lessons learnt and past experiences with regard to engagement processes with fishing communities, in order to find more sustainable solutions (versus traditional compensation measures, for example);
 - Assessing the opportunity of a multi-stakeholder platform to address specific concerns raised by fishing communities;
 - Promoting the identification and collective management of potential cumulative impacts
- d) Workplace: in order to properly address limited, but potentially significant, labour issues (these includes working hours, rest periods, written contracts, ad hoc trainings), this component will focus on:
 - The development of an adequate monitoring mechanism for contractors and subcontractors, ensuring decent working conditions, through periodical on-site social audits

In order to support local employment:

- Adopt fair hiring practices, targeting specifically job opportunities for women
- Reinforce non-discrimination and equal opportunities measures at the workplace
- Spread transparent information on job opportunities at the local level, through contractors and sub-contractors

To support of all the above-mentioned measures:

² Such as: permanent restricted area; damaged fishing equipment; contamination and pollution, installation of the sea line during fishing season, safety of boats to travel further



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- Engage and cooperate with relevant experts (e.g. ILO, IndustriAll) to address systemic labour issues and cumulative impacts
- e) Security: Many and serious security related concerns for the communities in the project area have been identified in the HRIA report. The strategic framework with regard to this topic will focus on:
 - Ensuring that security personnel and security companies respect human rights of local communities and that they have not been involved in past human rights violations
 - Providing specific trainings on human rights and the use of force for security contractors and sub-contractors
 - Ensuring safety for host communities who interact with influx workers
 - Promoting the discussion on security and human rights related issues in the Mexican oil and gas industry at a regional level



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the HRAP identifies topics that will be further incorporated into other Sustainability Department Plans (Stakeholder Engagement Plan, Grievance Mechanism, Local Content Plan, and Local Development Projects).

Finally, and parallel to the HRAP implementation, Eni Mexico will focus on internal capacity building by undertaking additional human rights training initiatives, as well as delivering available training modules to a wide range of departments within the company.

3. ACCOUNTABILITY AND TRANSPARENCY

By publishing and sharing the HRIA report overview, as well as the related Executive Summary of the Human Rights Action Plan, Eni Mexico intends to ensure transparency and accountability of the process undertaken, in alignment with human rights due diligence requirements. Such disclosure should also allow external stakeholders and communities to engage with Eni Mexico as relevant, 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.

Contact points, whose contact details are provided here below, are made public for further enquiries with regard to this action plan and related issues.

Sustainability Dept. of ENI Mexico.

Domenico Barranca Sustainability Manager Phone number: +52 55 3000 2078, 6954 E-mail: <u>Domenico.Barranca@eni.com</u>

Sandra Maqueda Phone number: +52 55 3000 2078, 2137 E-mail: <u>Sandra.Maqueda@external.eni.com</u>

