



# Statement Modern Slavery Act 2016

## Eni Modern Slavery Statement 2016

*This statement refers to Eni Group<sup>1</sup> (herein referred to as "Eni", "we", "us", or "our") in accordance with the Modern Slavery Act 2015 and describes the steps taken by Eni during year ending 31 December 2016 to prevent slavery and human trafficking in its supply chain or in any part of its own business*

### Introduction

We believe that business has the responsibility to respect and support the fundamental human rights, as expressed in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. Eni is committed to maintaining and improving its practices to combat slavery and human trafficking violations in its operations and supply chain. We have zero tolerance towards slavery and human trafficking and expect our supply chain to comply accordingly.

### About Eni

#### ENI BY NUMBERS



**73** countries  
in the world



**33k**  
employees



**161** mln €  
R&D costs



**67** mln €  
Community investments

**Eni is an energy company.** We are working to build a future where everyone can access energy resources efficiently and sustainably. Our work is based on passion and innovation, on our unique strengths and skills, on the quality of our people and in recognizing that diversity across all aspects of our operations and organization is something to be cherished.

We believe in the value of long term partnerships with the countries and communities where we operate. Since it was founded, Eni has been inspired by principles that guide its every move – and make its *modus operandi* unique. Eni is committed to promote these ideals through trust, reciprocal exchange of knowledge and the sharing of

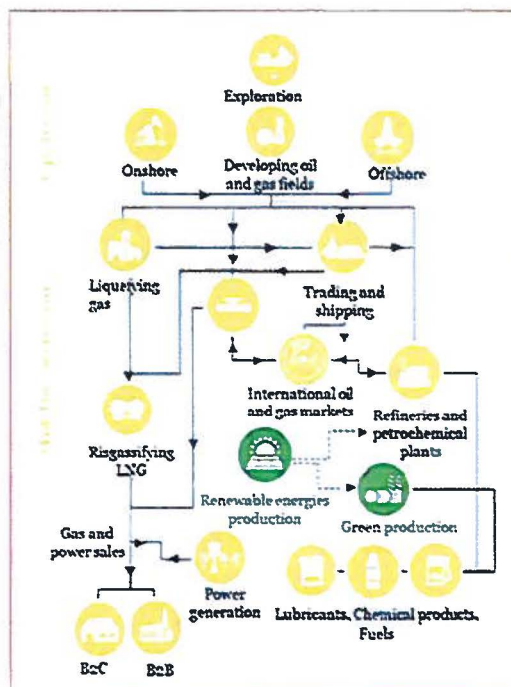
values and objectives. Our actions are always aimed at safeguarding and promoting human rights, respecting safe and fair working standards, protecting the environment and countering corruption.

Eni employs more than **33,000 people** in **73 Countries** around the world.

It is a key player in the exploration and production of oil and natural gas, the refining and sale of petroleum products, the generation and marketing of electricity.

#### Upstream

Eni engages in oil and natural gas exploration, field development and production, mainly in Italy, Algeria, Angola, Congo, Egypt, Ghana, Kazakhstan, Libya,



<sup>1</sup> Eni Group refers to the parent company Eni S.p.A. and its consolidated subsidiaries as identified in the [Integrated Annual Report](#).

Mozambique, Nigeria, Norway, the United Kingdom, the United States and Venezuela, overall in 44 countries.

#### Mid-Downstream

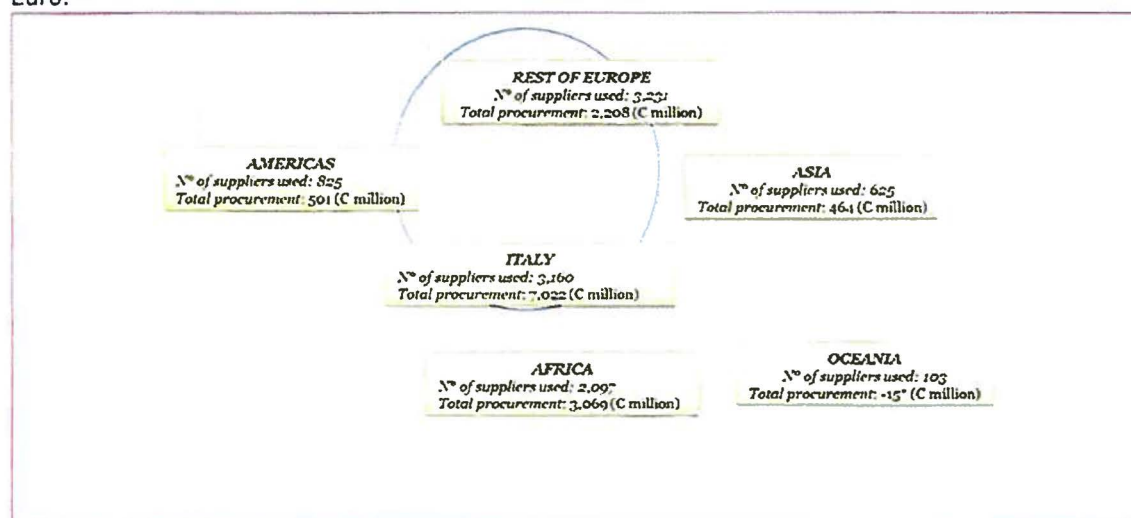
Eni sells gas, electricity, LNG and oil products in the European and extra-European markets, also leveraging on trading activities. Products availability is ensured by oil and gas production in the upstream segment, long-term gas supply contracts, power plants, Eni's refinery system as well as by chemical plants. The supply of commodities is optimized through trading activity.

Our business and operating model is described in detail in our **Integrated Annual Report**.

#### Our Supply chain

Our operations are supported by a global supply chain that includes suppliers of goods, works and services required for our operations that are located in a wide range of geographical areas all over the world. For the management of their procurement activities, the Eni subsidiaries abroad have their own dedicated procurement departments, which, according to Eni's direction, coordination and control model, operate with the same principles of the headquarter.

In FY2016, more than 10,000 suppliers worked for the Eni Group, which correspond to 13,247 million Euro.



\* The negative procurement volume in Oceania is due to the closure of a contract worth 47 million euros, which is partially offset by the remaining contracts volume issued during the period.

# Statement Modern Slavery Act 2016

## Corporate Governance, Values and Policies

Eni has set up a governance structure that is able to support sustainable development strategies, identifying the Board of Directors of Eni S.p.A. as the body responsible for defining sustainability policies and strategies and approving results, upon CEO proposal, which are reported together with financial results in an integrated Annual Report and regularly presented to the Shareholders' Meeting. The Board of Directors of Eni S.p.A. has also the role to approve the most important internal rules, including the Code of Ethics, and to periodically examine the main business risks, evaluating the adequacy and effectiveness of the Internal Control and Risk Management System of Eni.

### Our responsible model

Sustainability has been imprinted in the genetic heritage of Eni since its origins.

It is a business dimension that creates value over time for its stakeholders, the company and society in general. Acting in a socially responsible way means creating opportunities at a local level, promoting respect for people and their rights, enhancing diversity, and using resources responsibly while preserving the environment.

Fairness, transparency, honesty and integrity are the principles that inspire us, in managing our activities in all contexts where we work we adopt the highest international standards and guidelines.

In 2014, the company's commitment to sustainability issues was further strengthened by the creation of the **Sustainability and Scenarios Committee**, within the Board who advises the Board on scenarios and sustainability issues, i.e. the processes, initiatives and activities aimed at supporting Eni's commitment to sustainable development throughout the value chain. Most recently, the Board emphasized the **Sustainability and Scenarios Committee** role with regard to the respect and protection of human rights.

### Sustainability is in our DNA

#### Our commitment

Respect for human rights is a cornerstone for the comprehensive development of societies, territories and consequently of the companies that work in them.

Our work is guided by the values and principles described in our **Code of Ethics**, the **Eni Guidelines on the Protection and Promotion of Human Rights** and our **"Sustainability"** and **"our people"** policies.

The **Code of Ethics** sets out the main values that guide Eni's actions and contains effective rules of behavior, so that the principles contained therein form a practical guide for corporate operations. In this respect, Eni operates within the

reference framework of the United Nations Universal Declaration of Human Rights, the Fundamental Conventions of the ILO – International Labor Organization – and the OECD Guidelines on Multinational Enterprises. This Code of Ethics forms an integral part of the model of organization, management and control, in order to prevent the commission - in the interest or to the benefit of the Company - of offences punished by the Italian Legislative Decree no. 231 of 8 June 2001. The Code of Ethics applies to all direct or indirect subsidiaries, both in Italy and abroad. Each subsidiary assigns the function of Guarantor of the Code of Ethics with the duty of promoting and verifying its implementation.

The **"Eni Guidelines on the Protection and Promotion of Human Rights"** define the reference principles on the protection and promotion of human rights in our and our business partners activities and strengthen our commitment to protect the workers from economic exploitation, refrain from using forced or compulsory labor, provide a safe and healthy working environment and provide workers with equal remuneration and working conditions suitable for an adequate standard of living.

We encourage Eni's people and third parties to report any wrongdoing which extends to human rights violations as described in the ruling **"Reports, including anonymous, received by Eni SpA and its subsidiary companies in Italy and abroad"**, in full confidence and without fear of retaliation.

All whistleblowing reports received are fully investigated and appropriate remedial actions taken. Annual information about whistleblowing reports received and actions taken are published on our website, annually, at the following [link](#).

Moreover, we promote more responsive and responsible management and contribute to our long-term business prospects and the well-being of local communities. To achieve this we have defined a **Grievance Mechanism**, a proactive and structured approach to receive, recognize, investigate, respond and resolve complaints from individuals or groups of individuals in a timely, planned and respectful manner. The Grievance Mechanism makes it possible to manage risks and foster a positive relationship with stakeholders. Details are available to the following [link](#).

### Due diligence and audits of suppliers and supply chain

Eni considers the respect and protection of human rights at every stage of the relationship with suppliers, who are subject to a structured assessment designed to verify and monitor their compliance with the main ILO standards, and in particular:

- (I) The respect of health and safety conditions at the workplace,
- (II) The prohibition of forced labor and exploitation of minors,
- (III) Trade unions freedom and collective bargaining.

Eni sets the due diligence as the first screening of potential and current suppliers, during different steps of the process (self-application, first qualification and subsequent renewals, participation to tenders, and contract awards). Through the due diligence, Eni evaluates the risk level of suppliers, also through specific checks about their ethic conduct, HSE performances and reputational behavior.

Eni is committed to identifying, among its vendors and external partners, suitable levels of professionalism and shared corporate values, through:

- Social and environmental standards** that govern selection and inclusion in the list of approved suppliers;
- Regulatory and contractual instruments** to regulate employment relationships;
- Specific monitoring tools** to verify and update the status of compliance and conduct.

The qualification process consists in evaluating, verifying and monitoring the technical and managerial ability, the ethical, economic and financial reliability of a vendor according to objective elements. In particular, Eni selects vendors able to guarantee references and capabilities, amongst other things, the promotion of healthy and safe working conditions, protection against discrimination, prohibition of forced and child labor, freedom of association and collective bargaining. In 2016 Eni and its subsidiaries carried out qualification processes for more than 4.700 suppliers; these processes consist also of a screening regarding the Human Rights and HSE aspects and whenever it is necessary the process encompass an on-site visit for an in-depth analysis.

All contracts with suppliers and subcontractors include the obligation to comply with the principles contained in Eni's **Code of Ethics** and in the **"Eni Guidelines on the Protection and Promotion of Human Rights"**. In addition, contracts signed by Eni with suppliers provide for human rights clauses and relevant sanctions in the event of non-compliance. Moreover, suppliers are required to declare that they adhere to the principles and international standards of human rights, including the Universal Declaration of Human Rights, the Global Compact, as well as the specific safety requirements of SA8000 Standard<sup>2</sup> that are provided to them.

Eni periodically updates the status of conformity and conduct of its suppliers. Furthermore, Eni and its subsidiaries carry out audits according to the SA8000 principles in order to make a gap analysis

<sup>2</sup> SA8000 is an international standard governing Corporate Social Responsibility in order to certify some aspects of corporate management involving corporate social responsibility, including respect for human rights, workers' rights, respect for health and safety in the workplace, the production chain and the consumer chain.

## Statement Modern Slavery Act 2016

with reference to the main Human Rights International standards, and to define possible action plans to be monitored through specific follow up.

In 2016, 16 Audits SA8000 were conducted worldwide and 8 follow-up audits referred to audits carried out in 2015 in Algeria, Ecuador, Ghana and Vietnam.

Eni supports the goal of preventing the exploitation of minerals for the purpose of funding or supporting human rights violations. We have established a "Conflict Minerals Compliance Program" to review any use of Conflict Minerals in our products or in the manufacturing of our products. Further information are available on our website at the following [link](#).

### Assessing and Managing the risk

In order to identify possible risks of human rights violations, Eni has begun to integrate its environmental and social impact assessment tools with specific impact assessments on human rights.

To ensure the implementation of the universal human rights principles in countries where it operates, Eni conducts specific assessments such as the Human Rights Impact Assessment (HRIA). In 2016, a HRIA was carried out in Myanmar with the support of the Danish Institute for Human Rights. Details on project and assessment results are available in the section "[Eni's commitment to human rights](#)" of our website.

We are committed to map our supply chain in order to assess particular industries/sectors and geographical risks with regard to human rights violations. Further details on how we carry out this assessment and the relevant outcome will be presented in future Modern Slavery Statements.

### Training

Eni is aware that training is an important tool to prevent risks of human rights violations. For this reason, we are committed to the continuous promotion of human rights awareness in our managers, our employees and our supply chains. Eni proactively organizes relevant training courses for managers and employees and specific workshops with the supply chain operators.

In 2016, the event "**Raising awareness on human rights in Eni's activities**" was held, addressed to Eni's management with the aim of raising awareness of business and human rights issues. As a follow-up to this training initiative, in 2017, a focus will be put on the areas most concerned with the human rights theme. The main topics of the course will concern security, human resources (work) and relations with communities.

Another of Eni's relevant initiatives concerning the supply chain is the **Program on Human Rights and Security** which has been running since 2009 with the participation of security providers, in Italy and abroad. The program has been also addressed to public security forces.

Eni intends to continue a comprehensive company training program on human rights following differentiated approaches based on the exposure to risk.

### Performance indicators

KPIs are used as a means to monitor Eni's efforts to prevent human rights violation, also in terms of Modern Slavery practices. For FY2016, relevant KPIs related to staff training, suppliers' audits performed, whistleblowing events and screening of the supply chain are available in the Report "[Eni for](#)".

### Further steps

We will continue to develop and enhance our risk assessment process to allow us to better understand the sectors and locations where slavery and human trafficking risk is higher and to improve our methodologies and processes aimed at preventing and mitigating potential and actual risk and impacts in the violations of human rights.

For this purpose, Eni has set up the Human Rights and Business Working Group. In particular, using as a reference the main international standards and the best practices in the field of promotion and protection of human rights, the working group has the following aims:

- Identify areas of improvement by carrying out an assessment with the most relevant business lines and support functions;
- Define the most appropriate initiatives to overcome any gap identified in the assessment, such as improving current methodologies and processes, communicating policies, specific training programs;
- Develop an action plan for the adoption of the most appropriate operational tools and the implementation of the initiatives.

#### An inclusive and participatory approach

We encourage dialogue with different stakeholders and local communities and we participate in inter-institutional working groups and co-operate with international organizations to promote a culture of respect of human rights in our business and supply chain.

Further details are available in the Report "Eni for".

*This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and was approved by the Board of Directors of Eni S.p.A., 19<sup>th</sup> June 2017.*



Claudio Descalzi  
CEO ENI SpA

Date: 21 June 2017

*This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and was approved by the Board of Directors of EniProgetti S.p.A., 22, June 2017.*



Luciano Maria Vasques  
Presidente e Amministratore delegato  
EniProgetti S.p.A.

Date: 22.6.2017

