Eni for 2021 Human rights





We are an energy company.

13 15 We concretely support a just energy transition, with the objective of preserving our planet
7 12 and promoting an efficient and sustainable access to energy for all.
9 Our work is based on passion and innovation, on our unique strengths and skills,
5 10 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.

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

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.



ENI FOR 2021

HUMAN RIGHTS

Disclaimer

Eni for 2021 is a document published on a yearly basis which contains certain forward looking statements related to the different topics covered therein. Forward looking statement are based on Eni management's reasonable assumptions and belief in light of the information available to them at the time the statements are made. Nevertheless, by their nature, forward looking statements involve an element of uncertainty as they relate to events and depend on circumstances that may or may not occur in the future and which are, in whole or in part, beyond Eni's control and reasonable prediction. Actual results may differ from those expressed in such statements, depending on a variety of factors, including without limitation: the impact of the pandemic disease (COVID 19); the fluctuation of the demand; the offer and the pricing of oil and natural gas and other oil products; the actual operational performances; the general macroeconomic conditions; geopolitical factors and changes in the economic and regulatory framework in many of the Countries in which Eni operates; the achievements reached in the development and use of new technologies; changes in the stakeholders' expectations and other changes to business conditions. The readers of the document are therefore invited to take into account a possible discrepancy between the forward looking statements included and the results that may be achieved as a consequence of the events or factors indicated above. Eni for 2021 also contains terms such as, for instance, "partnership" or "public/private partnership" used for convenience only, without a technical legal implication. "Eni" means the parent company Eni SpA and its consolidated subsidiaries

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Why read Eni for Human rights?

INTRODUCTION COMMITMENT DILIGENCE

In this report, an updated version of the one released in July 2021, Eni aims to describe its approach to respect for human rights which is in accordance to the UN Guiding Principles (UNGPs) and based on the dignity of every human being, and the wellbeing of people and communities everywhere Eni works. 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 UNGPs. 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.

The report is written in line with the main recommendations of the UN Guiding Principles Reporting Framework (published in February 2015).

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Message to our Stakeholders and Rightsholders

"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



We are living in a time of disruption that calls us to act with even more responsibility to affirm our values: peace, respect for human rights and sense of community. As everyone, I am witnessing the escalation of the humanitarian emergency in Ukraine with great concern. The war is destroying human lives and livelihoods and deteriorating international relations, drawing us to join forces to seek our common good.

As Eni, we are close to the Ukrainian people, both in our thoughts and actions. Together with our colleagues, we have launched a fundraising initiative in support of the citizens affected by the conflict; we donated materials as well as promoting support and welcome initiatives for Ukrainian children and young people hosted in Italy.

Since the very beginning of the crisis, we have been working closely with the Italian government and with our partners to strengthen Europe energy security, by finding alternative supplies to Russian gas.

Our goal stands clear in this context: we want to work for the security and sustainability of the energy system, while keeping a sharp focus on a just transition that will be people-centred. We will achieve a just transition only if we share its costs fairly, without burdening workers and vulnerable communities, while accelerating decarbonisation to achieve the Paris Agreements' objectives.

In this direction, for Eni, respecting human rights means to grow in an inclusive way, recognizing the value of each person, ensuring their dignity, safety and health, equal working conditions and promoting diversity.

To this aim, in 2021 we have continued consolidating our systemic approach to respect for human rights. We can now rely on our human rights due diligence, centred on a risk-based model and mitigating measures implemented in each area of our salient human rights issues: workers, suppliers and business partners, communities, and security services.

In 2021, we carried out four specific human rights studies in relation to the industrial projects considered more at risk in Angola, Albania, Oman and United Arab Emirates, with the support of prominent experts and consultants in the field of human rights. These practices led us to the creation of concrete Human Rights Action Plans, tailored on the specificities of each country. Furthermore, as part of the work Eni is doing within the framework of the Voluntary Principles on Security and Human Rights (VPI), in 2021 the VPI Steering Committee approved Eni's Voluntary Principles Implementation Plan. We also updated our procedures to manage grievances coming from the communities, and we are investing on training activities for our workers and for our suppliers.

In January 2021, Italy began the ratification process of the International Labour Organization Convention on the elimination of violence and harassment in the workplace. In October 2021, the process came to an end, marking an epochal milestone as it recognizes that violence and harassment in the workplace can constitute, in addition to a violation of human rights and a threat to equal opportunities, a real risk to health and worker safety. Eni has decided to move in advance to the issuance of the national implementing decrees and in December 2021 we published our Zero Tolerance Policy that prohibits all forms of violence and harassment at work, without exception.

In December 2021, we also signed the United Nations Women's Empowerment Principles, as we strongly believe that all dimensions of diversity are of utmost importance. In particular, gender equality is paramount in view of women's fundamental role in the human development of every social group, from family to community, and to businesses.

In addition, we are leveraging our integrated approach to ensure that the most innovative projects we are developing are fully aligned to human rights and sustainability policies. For example, in Kenya and Congo we have started to monitor the impact on the communities of our agri-feedstock initiatives aimed at producing vegetable oil for biorefining. In these countries, we are working closely with farmers to recover marginal land by growing crops for energy use, not in competition with the food value chain, for example in degraded areas subject to erosion, drought and pollution. These projects will provide income opportunities and market access to thousands of farmers in rural areas. To ensure it, we are carrying out socio-economic studies to evaluate over time several indicators, such as the improvement of the revenues that the system introduces on the lives of farmers, as well as the proper land management. This practice will allow us to promote the integration of African countries into the biofuel value chain with the utmost respect for the environment and human rights.

Looking ahead, we will also work to ensure our approach is aligned with upcoming regulations. The EU Commission has recently published its proposal on Corporate Sustainability Due Diligence Directive, which would require member States of the European Union to legislate at national level the human rights and environment due diligence obligations for companies. While the legislative process is ongoing and several aspects of the proposal still debated among the different stakeholders, Eni welcomes the Commission's proposal. Eni is indeed already committed to human rights due diligence processes and the system developed according with the UN Guiding Principles on Business and Human Rights certainly makes the company well prepared for the forthcoming regulatory reauirements.

In conclusion, the work carried out by Eni in recent years allows us to rely on a solid path, also recognized by our stakeholders, which will in any case require constant verification and improvement to ensure its full effectiveness. It is time to be aware that as a Company we are credible when we demonstrate that we are capable of working in a respectful and inclusive way.

This is the real key to community and a guiding principle to be followed regarding the role of companies on human rights.

> Claudio Descalzi Chief Executive Officer

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DUE

Business model

Creating value for all stakeholders Eni's business model is focused on creating value for all its stakeholders through a strong presence along the entire energy value chain. Eni aims to contribute, directly or indirectly, to the achievement of the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, supporting a just energy transition, which responds with concrete and economically sustainable solutions to the challenges of combating climate change and giving access to energy in an efficient and sustainable way, for all. Eni organically combines its business plan with the principles of environmental and social sustainability and sustainable governance, extending its range of action along three pillars:



OPERATIONAL EXCELLENCE

1. Eni business is constantly focused on operational excellence. This translates into an ongoing commitment to valuing people, safeguarding both the health and safety of people and asset integrity, protecting the environment, integrity and respect for human rights, resilience and diversification of activities and ensuring sound financial discipline. These elements allow the company to seize the opportunities related to the possible evolutions of the energy market and to continue on the path of transformation.

CARBON NEUTRALITY BY 2050

2. Eni's business model envisages a decarbonization path towards carbon neutrality by 2050 based on an approach oriented to emissions generated throughout the life cycle of energy products and on a set of actions that will lead to the total decarbonization of processes and products by 2050. This path, achieved through existing technologies, will allow Eni to totally reduce its carbon footprint, both in terms of net emissions and in terms of Net Carbon intensity.

ALLIANCES FOR DEVELOPMENT

3. The third guideline refers to Alliances for the promotion of development through the enhancement of the resources of the Countries where it operates, promoting access to electricity and promoting Local Development Programmes (LDPs) with a broad portfolio of initiatives in favour of communities. This distinctive approach, referred to as Dual Flag, is based on collaborations with other internationally recognized players in order to identify the needs of communities in line with the National Development Plans and the United Nations 2030 Agenda. Eni is also committed to creating job opportunities and transferring its know-how and expertise to its local partners.



COMPETENCIES, TECHNOLOGICAL INNOVATION AND DIGITALISATION

Eni's business model is developed along these three pillars by leveraging internal expertise, the development and application of innovative technologies and the digitalization process. A fundamental element of the business model is the Corporate Governance system, inspired by the principles of transparency and integrity, outlined further in the "Governance" section.

VALUE CREATION FOR STAKEHOLDERS

Through an integrated presence all along the energy value chain



Scenario

To face the risks and opportunities of Eni's activities and regional presence it is important to understand the global landscape Eni is a global energy company present in 69 Countries with over 31,000 people, operating along the entire value chain. 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.

MAIN INTERNATIONAL REFERENCES IN THE FIELD OF HUMAN RIGHTS



THE EVOLUTION OF THE REGULATORY FRAMEWORK

Since 2011, international references to business and human right 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.

FOCUS ON

EU PROPOSAL FOR A FOR A DIRECTIVE FOR CORPORATE SUSTAINABILITY DUE DILIGENCE

On February 23, 2022 the European Commission adopted "the proposal for a directive on mandatory due diligence on human rights and the environment, the 'Corporate Sustainability Due Diligence Directive' (CSDDD)". The proposal requires companies to identify risks - and take any prevention and mitigation measures - related to actual or potential negative impacts on human rights and the environment. Under the proposal, companies will be held liable if such impacts are caused by their own activities, their subsidiaries or - along the value chain - carried out by subjects with whom the company has a consolidated direct or indirect business relationship. The proposal also establishes new measures linked to the breach of these obligations. The text will now be scrutinized by the European Parliament and the Council. Once adopted, Member States will have two years to transpose the directive into national law. The legislative process is still ongoing, but all human rights due diligence system developed at Eni certainly makes the company well prepared for the shift to a system of compliance.

Explicit legal standards could be indeed in many ways decisive to move those companies which are still behind and less organized (because unwilling or unable) towards the responsibility to respect; at the same time, well written legislation on this matter could allow more certainty and clear definition about what it is expected (and how); could contribute to a level-playing field; and could allow comparing human rights due diligence processes of companies, with a consequent "domino effect" and stronger leverage on contractors, suppliers and partners.

At the same time, mandatory due diligence yet hide a great challenges: the risk that human rights become a mere "compliance" and "liability" issue which forgets the utmost importance aspects of establishing strong relations with communities and stakeholders, disseminating a sound human rights corporate culture within the company and across the value chain, pro-actively maintaining an approach of continuous integration, also by keeping to identify potential salient issues on evolving business activities and sectors.

At Eni, this is a journey launched and led by our CEO in 2016, a journey which is still ongoing, and which will continue into the future. More recently (June 9, 2022), the EU Parliament also adopted a resolution calling for a legislative proposal on import ban on products produced with forced and child labour.

THE WAR IN UKRAINE

Regarding our direct activities, as stated in Eni's website, Eni has been operating in Russia since the 1960s, when we first began importing crude oil and gas into Italy. Eni currently has a marginal presence in Russia.

The existing joint ventures with Rosneft, linked to exploration licenses in the Arctic area, have frozen all operations for a number of years, due also to the international sanctions imposed after 2014 under the Ukraine/Russia-related sanctions programs by the United States and the EU.

Eni has communicated its intention to sell its share in the joint and equal shareholding with Gazprom in the Blue Stream gas pipeline Company (connecting Russia to Turkey). This is notwithstanding the fact that activities related to this gas pipeline are not targeted by the newly introduced sanctions against Russia, which currently do not prohibit gas transportation nor gas supply. As per the Global Gas & LNG Portfolio, in 2020 the gas supplied in the country amounted to 22.47 bcm. Eni is not present in Ukraine.

Furthermore, as communicated to the press on March 9, 2022: "Eni has suspended the stipulation of new contracts related to the procurement of oil and oil products from Russia and it will fully honor every decision taken by the European and Italian institutions".

Consistently with the reduced ac-

tivities, Eni's staff in the country is composed by just a few people. Most of the expatriate resources returned to their home countries (Italy) while local resources remained in service.

Continuous contact was ensured with all of them through the line structures to which the subsidiaries of Eni SpA in Russia refer. The HR functions also ensured contact with resources of Ukrainian and Russian nationality who operate in other countries and companies controlled by Eni SpA.

Eni and its subsidiaries have adopted and implemented policies and procedures that are designed consistently with legal requirements and best practices in order to prevent any violation of sanctions that may apply to its operations. Such internal compliance measures include the screening of third parties against relevant sanction lists, employees' training programs tailored with a risk-based approach and the appointment of organizational structures dedicated to monitoring the legal framework, keeping updated internal procedures and evaluating and mitigating risks relating to specific transactions. Eni is strictly committed to abide any applicable sanctions including those recently issued in respect of the recent Ukraine crisis.

In addition, within its human rights due diligence process, Eni performs ad-hoc screening on its potential business partners aimed at scrutinizing them on their eventual involvement in human rights violations.

Eni's CEO Claudio Descalzi on March 8, 2022 posted the following message on the social media: "Like everyone, I am following the invasion of Ukraine with great sadness and concern. This conflict is destroying lives and livelihoods and provoking a humanitarian crisis in Europe the likes of which we hoped we would never see again. I, and all my colleagues in Eni, stand with the people of Ukraine who deserve our thoughts and our solidarity. Together with the Italian government, we are working with our upstream partners and alliances to identify and secure alternatives to the Russian gas that we require for our energy security. We also continue to develop new renewable sources leveraging the proprietary technologies that we have developed over many years. We hope that a peaceful solution can be found as a matter of urgency, and that civilians caught up in this conflict can be provided with the immediate safety and protection that they so desperately need."

Eni's people took part in a fundraising initiative in collaboration with the Italian Red Cross, the company doubled the hours donated and donate them to the Red Cross to tackle the emergency. This small shared gesture aims to express solidarity with the people of Ukraine, so terribly affected by the current conflict.

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 Rights¹ 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, guaranteeing access as 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.

SUSTAINABLE G ALS



FOCUS ON

SOCIAL ASPECTS OF ENERGY TRANSITION

The concept of a "just transition" increasingly considers the impact of energy transformation on people, starting with direct and indirect workers, and including communities and consumers. In this perspective, the management of emission reductions must include the management of social impacts, it is a transition that must be inclusive. This contributes not only to the fairness of the transition but also to the effectiveness of the policies and actions that are being implemented.

Energy transition therefore brings together several Sustainable Development Goals and not just Goal 13. This heightened awareness is evidenced in particular by two initiatives presented in 2021 at COP26 in Glasgow:

- the IEA established a "Global Commission On PeopleCentered Clean Energy Transitions", which developed a set of recommendations on the transition path to properly
 manage its possible social impacts, positive or negative;
- fourteen governments and the European Commission signed the "Supporting the Conditions for a Just Transition Internationally" at COP26, committing to support a
 just transition internationally and leave no one behind, outlining some essential principles.

The issue of a Just Transition, often addressed at government and public policy level, has a specific application at a corporate level: various international frameworks – also the result of comparison and dialogue between companies, civil society, investors and institutions – are trying to outline how companies can contribute positively to the transformation of the current energy and economic system, taking into account the social impact. The basic reference – in addition to the prerequisite of decarbonisation targets – is a human rights management system (in the light of the UN Guiding Principles on Business and Human Rights) applied to activities particularly affected by the transition. This is complemented by specific initiatives for different stakeholders. In this area, Eni was one of the seven companies in the sector that took part in the definition of the action framework outlined by the Council for Inclusive Capitalism with reference to a Just Energy Transition.

For a detailed analysis of Eni's approach to the Just Transition please refers to Eni for 2021 - A Just Transition and Eni for 2021 Carbon Neutrality by 2050.

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.

INVESTORS AND CIVIL SOCIETY INITIATIVES TO EVALUATE COMPANIES' COMMITMENT AND ACTIONS TO RESPECT HUMAN RIGHTS

Investors are part of the institutional context in which companies are held accountable for human rights. Investor leverage can be exercised in a number of ways, including through investment decision-making that factors in environmental, social, and governance (ESG) performance; shareholder resolutions, positive and negative screens and proxy voting with portfolio companies; engaging in company dialogues and multi-stakeholder platforms; and engaging state institutions and standard-setting bodies on policies and standards that advance human rights, prevent adverse impacts, and hold companies accountable.

Over the past years, an increasing number of benchmarks, surveys, voluntary disclosure and assessments flourished to evaluate companies commitments, actions and performances.

FOCUS ON

Corporate Human Rights Benchmark (CHRB): is an initiative resulting from the collaboration between investors and civil society organisations to create the first public benchmark to assess companies' performance with respect to human rights, in line with UNGPs. The initiative periodically compares the world's largest companies in the extractive, agricultural products, apparel, ICT, manufacturing and since 2020 automotive sectors. In the latest benchmark, published in 2020, Eni was ranked first among the around 200 companies assessed. The next benchmark referred to extractive industry will be issued in 2023.

World Benchmarking Alliance - Just Transition (WBA): Eni was included in the top 1% of companies that meet most of the requirements of the "Just Transition pilot assessment" with reference to a set of Just Transition indicators and a set of Core Social Indicators.

Workforce Disclosure Initiative (WDI): WDI is an initiative carried out by ShareAction, a no profit organization in the UK, over the past few years it has worked with institutional investors to improve corporate workforce transparency about both companies' workers and those employed in their value chains. Eni Confirmed a role of pioneer in the sector, and at the annual WDI conference held in March 2022, Eni received a special mention in the "Supply Chain Data Award" due to its comprehensive disclosure on supply chain management, being one of the companies that provided the most information about it in the 2021 survey.

Eni has been included in 2021 for the first time in Bloomberg's Gender-Equality Index (GEI), with a total score of 75.7.

Eni has been included in the Top 100 of Equileap's Gender Equality Ranking, with a score of 63%, for the first time in 2021.

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:

REPORTING FRAMEWORK



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?

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 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. Sectorial 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 recog-

nized 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 <u>mission</u> 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 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'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 🜉 see p. 15;
- Eni's Statement on Respect for Human Rights <u>see p. 16</u>;
- Human rights reflected in Eni's internal policies, including a description of policies, procedures and guidelines 🜉 see p. 18;
- Human rights governance, including performance incentives **see p. 22**;
- Communicating commitment: Eni's CEO speaks out on human rights <u>see p. 28;</u>
- Embedding human rights: training activities 📕 <u>see p. 29</u>.

HUMAN RIGHTS GOVERNANCE
CHIEF EXECUTIVE OFFICER BOARD OF DIRECTORS
BOARD OF AUDITORS SUSTAINABILITY AND SCENARIOS COMMITTEE
FUNCTIONS INVOLVED
SUSTAINABILITY PROCUREMENT SECURITY HUMAN RESOURCES
COMPLIANCE AND LEGAL OTHER BUSINESS UNITS CONCERNED SUBSIDIARIES
COMMITMENTS AND POSITIONS TAKEN
ENI'S STATEMENT ON RESPECT FOR HUMAN RIGHTS SUPPLIER CODE OF CONDUCT
SLAVERY AND HUMAN TRAFFICKING STATEMENT
POSITION ON CONFLICT MINERALS CORPORATE SOCIAL RESPONSIBILITY
INTERNAL REGULATORY SYSTEM
(CODE OF ETHICS) (SUSTAINABILITY POLICY) (OUR PARTNERS OF THE VALUE CHAIN POLICY)
OUR PEOPLE POLICY MSG ANNEX "GRIEVANCE MECHANISM"
SUSTAINABILITY MANAGEMENT SYSTEM GUIDELINES (MSG) MSG ANNEX "PROMOTION AND RESPECT FOR HUMAN RIGHTS IN ENI'S ACTIVITIES" PROCEDURE FOR RECEIPT AND MANAGEMENT OF REPORTS (WHISTLEBLOWING)

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 five 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, led to the launch of a training program and to the appointment of the second Working Group on Human Rights and Business.



(*) 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

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



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 cuttingedge 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

Statement was drafted The thanks to the cooperation within the inter-functional working group on human rights and business. 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.

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.

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 and the Australia Modern Slavery Act 2018 that require companies to report the measures taken to address modern slavery in their direct operations and supply chains.
- The Statement represents Eni's and its companies' commitment to combat modern slavery and the trafficking of human beings within the organization.

BOARD APPROVAL

On April 28, 2022, the Eni SpA Board of Directors approved the 2021 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 in 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 p. 42.





INTRODUCTION

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 <u>Code of Ethics</u> 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.

SUSTAINABILITY POLICY

OBJECTIVES

 The <u>Sustainability Policy</u> 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.

INTRODUCTION

COMMITMENT

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.





DUE



SUPPLIER CODE OF CONDUCT - "CREATING SUSTAINABLE VALUE TOGETHER"

OBJECTIVES

In April 2020, the <u>Supplier Code of Conduct</u> 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.

ZERO TOLERANCE



In line with the Code of Ethics and our corporate culture, which promotes inclusion and respect for uniqueness, in December 2021 Eni issued a policy against violence and harassment in the workplace. The Zero Tolerance policy, in accordance with the principles of the Geneva Convention of the International Labour Organisation, defines a broad perimeter of types of harassment that allows us to identify misconduct and behaviour that should not be engaged in and should be reported. Eni wants to increasingly ensure a working environment free from violence and harassment of any form, where we can all feel protected and free to express ourselves.

WOMEN EMPOWERMENT PRINCIPLES

In 2021 Eni also signed the United Nations Women Empowerment Principles (WEPs) to reaffirm its commitment to promoting gender equality and female empowerment in the workplace, in business practices and in society, as outlined in the 2030 Agenda for Sustainable Development and in the 17 SDGs. Jointly established by the UN Global Compact and UN Women, WEPs are based on international labor and human rights standards and the recognition of the key role of businesses in promoting gender equality and empowering women.

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"). It is 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 **p**. 34.

COMMITMENTS

- To provide instructions to the owners of the most critical activities 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 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).

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Human rights governance

BOARD OF DIRECTORS AND COMMITTEES

Eni applies the new Corporate Governance Code, which introduces the concept of sustainable success

Eni's corporate governance system, based on the principles of integrity and transparency, reflects the desire to integrate sustainability into the business model. This approach is confirmed by the adherence to the

2020 Corporate Governance Code,

applied by Eni since January 1st, which

identifies "sustainable success" as the

objective that must guide the actions

of the Board of Directors and that

consists of creating long-term value

for the benefit of shareholders, taking

into account the interests of other

stakeholders relevant to the company.

Moreover, since 2006 Eni has consid-

ered the interest of stakeholders other

than shareholders as one of the necessary references that Directors must assess when making informed decisions. In compliance with the Code, the Board of Directors (BoD) has also approved, upon proposal of the Chairman, in agreement with the CEO, a policy for dialogue with shareholders. The BoD has a central role in defining, as proposed by the Chief Executive Officer (CEO), sustainability policies and strategies, in identifying annual, fouryear and long-term objectives and in monitoring results. In performing its sustainability duties, the BoD has been supported, since 2014, by the Sustainability and Scenarios Committee (SSC), which provides information, makes proposals and provides advice

on scenarios and sustainability, for example in the areas of climate transition and the protection of rights, in particular human rights. Under the 2020 Corporate Governance Code, the Control and Risk Committee, in assisting the Board of Directors, is also responsible for assessing the suitability of periodic non-financial information for the correct representation of the company's business model and strategies, the impact of its activities and the performance achieved, expressing an opinion thereon to the Board and coordinating with the SSC, and for examining the content of periodic non-financial information relevant to the internal control and risk management system.

ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS ON SUSTAINABILITY TOPICS

BOARD OF DIRECTORS

Defines:

• Th res

- the Corporate Governance system;
- · the fundamental lines of the organisational, administrative and accounting set-up and the guidelines of the internal control and risk management system;
- · the strategic lines and the objectives, including sustainability objectives, as proposed by the CEO.

It reviews or approves:

- · the basic outlines of the internal regulatory system and the main corporate regulatory instruments;
- · the main risks, including socio-environmental ones;
- · the Policy for the Remuneration of Directors and managers with strategic responsibilities
- financial and non-financial reporting.

	CHAIRMAN
he person in charge of managing the Company, without prejudice to the tasks	Central role in the internal control and risk management system;
eserved to the Board;	Steers the BoD's activities and ensures that Directors are trained on sustainability matters

· Implements the resolutions of the BoD, informs and submits proposals to the BoD and to the Committees.

	Соми	AITTEES	
SUSTAINABILITY AND SCENARIOS	CONTROL AND RISK	REMUNERATION	NOMINATION
COMMITTEE	Committee	COMMITTEE	Committee
It provides proposals and advice to the	It supports the Board in evaluations	It informs, makes proposals and pro-	It supports the BoD in the appointments,
BoD on scenarios and sustainability	and decisions relating to the internal	vides advice to the Board of Directors	in the periodic assessments of the di-
and delves further into the integration	control and risk management system,	on remuneration topics, and in this	rectors' requirements and in the self-as-
between strategy, evolutionary scenar-	and in particular in the quarterly review	context proposes annual and long-term	sessment process, formulating opinions

ios and business sustainability in the medium-to-long-term.

of the main risks, including ESG risks, and the approval of periodic financial and non-financial reports.

incentive systems, defining their objectives, also supporting the guidelines adopted on sustainability issues.

to the BoD on the composition of the BoD and of its Committees also with respect to required competencies.

ENI FOR 2021 HUMAN RIGHTS



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 2021, 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: The 2021 Annual Report, which includes the Consolidated disclosure of non-financial information; the 2021 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 2021 Sustainability Report "Eni for 2021 – A just transition"; HSE Performance in 2021, 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; Sustainability scenario, which sets out emerging issues – including those connected with respect for human rights – and the initiatives Eni has planned in this area; The Slavery and Human Trafficking Statement 2021, prepared according to the UK "Modern Slavery Act" and to the Australian "Modern Slavery Act".
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 2021, the Sustainability and Scenarios Committee also examined several aspects directly or indirectly concerning human rights, including the Eni's due diligence approach and its risk models elaborated and implemented referring to direct workers, suppliers, security forces and industrial projects, and the Slavery and Human Trafficking Statement 2021.
SUSTAINABILITY FUNCTION "Responsible and Sustainable Enterprise (SOST)" and local sustainability functions	 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.

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STRUCTURE MAIN ACTIVITIES FUNCTIONS INVOLVED Human Resources, Procurement and Security have a primarily interest in human rights due to their pivotal role in the process they **IN MANAGING** respectively oversee; therefore shall be considered owners of specific commitment areas identified in Eni's Statement on respect for **RELEVANT HUMAN** human rights: **RIGHTS ISSUES** > Procurement, for the respect of human rights in the supply chain; (HUMAN RESOURCES, Human Resources and Organization, for the respect of human rights in the workplace; **PROCUREMENT**, **SECURITY**) > Security, for the respect of human rights in the execution of its activities. Each of these functions set specific human rights due diligence with the aim of identifying areas of risk and take appropriate actions to prevent negative impacts on human rights that may occur in the processes respectively overseen. The methods and the activities are agreed with the Sustainability function which monitor and ensur implementation of the entire human rights management system. COMPLIANCE With respect to corporate social responsibility, including human rights, the Compliance Department is committed to develop, inter alia, AND LEGAL standard contractual instruments and clauses With regard to the human rights-related matters, the dedicated in-house Legal Department: (i) carries out the monitoring of the evolution of the global human rights-related trends pursuant to the international jurisprudence, the pre-contentiouos environment as well as the existing and developing worldwide regulation, for the purpose of contributing to the evaluation of the company's risks associated thereto and to the determination of the appropriate mitigations; (ii) provides consultancy and legal support to the impacted corporate's functions, as appropriate.



Human rights in the Integrated Risk Management (IRM)

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 reviews periodically periodic review of Eni's main business risks evaluates periodically the adequacy and effectiveness of the Internal Control and Risk Management System of Eni.

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. These risks of potential human rights violations are mapped through the "Integrated Country Risk" (ICR), whose purpose is to offer an integrated analysis of risks existing in Countries of either presence or interest for the company. To evaluate the human rights risks of the Countries is used a third-party provider (Verisk Maplecroft).

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

Incentives and remuneration linked to sustainability and human rights targets

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 and its implementation are also subject to the Annual General Meeting's vote. The Eni Remuneration Policy for the entire mandate 2020-2023 has been approved by Annual General Meeting held on May 13, 2020. 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. The commitment to energy transition is reflected in the Variable Incentive Plans for the CEO and company management. The 2020-2022 Long-Term Equity Incentive Plan supports the implementation of the strategy through parameters related to the objectives of decarbonisation, energy transition and circular economy, with an overall weight of 35% for both the CEO and all Eni's



INTRODUCTION

35%

CEO sustainability objectives for Long-Term Incentive Plan management recipients of the Plan; the 2022 Short-Term Incentive Plan with deferral includes, as in previous years, a target on reducing the intensity of GHG emissions. now extended to indirect Scope 2 emissions and activities operated by third parties (weight 12.5%), and a target on personnel safety (weight 12.5%) measured through the Severity Incident Rate (SIR) index, which aims to focus Eni's commitment on reducing the most serious incidents, as it calculates the frequency of total incidents that can be recorded with respect to the number of hours worked, attributing progressively increasing weights as the level of incident severity increases. From last year, within the operating results, the incremental installed capacity of renewable sources (weight 12.5%) replaced the indicator of exploratory resources, to support the energy transition. As a result, the overall weight of the annual sustainability objectives is 37.5% for the CEO, while for company management it takes into account individual objectives, in line with the perimeter of responsibility of the role covered and the provisions of the Company's Strategic Plan.

The following table shows, for the current and previous term-office of the CEO: (i) the percentage of variable remuneration linked to long term objectives with respect to total remuneration; (ii) the percentage of short-term and long-term variable remuneration linked to sustainability objectives with respect to total variable remuneration, calculated by target and maximum level of sustainability performance within an overall target level of performance.

Policy Mandate 2017-2020 Policy Mandate 2020-2023		
Maximum	Target	Maximum
65	55	65
30	36	55
	Maximum 65 30	65 55

(a) With reference to the percentage of variable remuneration of the CEO, it should be noted that the calculation method has been modified to give evidence of the sustainability objectives included in the Long-Term Plan, thus updating the data for the 2017-2020 Mandate.

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.). For Managers with strategic responsibilities, remuneration plans are also strictly aligned with those of the Chief Executive Officer and the Chief Operating Officers, and 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 Sustainability function is responsible for proposing and monitoring progress in Management Objectives on Sustainability issues, including human rights.

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 synthetized in 4 clusters: human rights (i) in the workplace, (ii) in the communities, (iii) in the supply chain and (iv) in security operations. In 2021, such objectives were assigned to all the 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 linked to several human rights targets are reviewed annually according to the Action Plan on human rights and the issues emerging from the due diligence. They cover the entire spectrum of Eni's salient human rights issues 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.



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. 79).

In 2019, the CEO signed the <u>"CEO</u> <u>Guide to Human Rights"</u> published 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.

In 2020, the CEO published a post on LinkedIn <u>"Let's come together</u>

to reflect on human rights. My thoughts on the Floyd case."

The CEO dedicated a post on his blog for Eni's workers to share and comment the important result of the adoption at the end of 2021 of the Eni's Zero Tolerance policy against violence and harassment at work.

Regarding the adoption by Eni of the United Nations Women's Empowerment Principles (WEPs), in December 2021, the CEO affirmed: "We believe that all dimensions of diversity are of utmost importance; in particular gender equality is paramount in view of women's fundamental role in the human development of every social group, from family to community to businesses. Furthermore, gender equality is deeply integrated into the United Nations Sustainable Development Goals to which Eni's current corporate commitments and future targets are aligned. By signing the WEPs, Eni will have access to new and interesting opportunities to further strengthen its support to gender equality and empowerment and make progress in its journey towards reaching these goals.

FOCUS ON

COMMUNICATING COMMITMENT TO BUSINESS PARTNERS

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

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

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

Embedding human rights: training activities

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

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.).
- Practical workshops for Security providers on security and human rights.

HOURS OF TRAINING OF HUMAN RIGHTS (Number of hours)



In 2021, the Human Rights program continued engaging along the year almost 5,000 people, in addition to those already participating in the massive campaign started in 2019, 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 2019-2021, colleagues from additional departments not included in the previous target were involved in these indepth thematic follow-ups after the peak reached in 2020.

In 2019 Eni launched a specific training module on human rights risks along the supply chain for the Eni's Procurement professionals that was progressively extended in 2020 and in 2021. 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.

COURSES ON BUSINESS AND HUMAN RIGHTS

TRAINING PROGRAM	ACTIVITIES		
BUSINESS AND HUMAN RIGHTS WORKSHOPS AND TRAINING SESSIONS	 Human Rights training sessions opened the Human Rights Assessments and relevant follow-ups held in Mexico (2019), 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. 		
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.		
	Торіс	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 PROGRAM	ACTIVITIES
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 Mexico (2021), Angola (2020), 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 Mexico on Security & Human Rights focused on the security forces (for details see p. 83). 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. In 2021 Eni collaborated with IPIECA and Building Responsibly Initiative to develop and review a training course for contractors and suppliers on labour rights, included modern slavery risks, associated with the construction of large projects. The training course was developed in partnership with Ergon, a specialist labour rights consultancy, with the aim to build up contractor capability and support them in addressing labour rights issues. The training has a modular approach focusing on core issues, among others freedom of association, fair recruitment, decent wages, working hours, and the availability of effective worker grievance mechanisms.

TRAINING INITIATIVES ON ISSUES CLOSELY LINKED WITH HUMAN RIGHTS

TRAINING PROGRAM	ACTIVITIES
ENI ACADEMY	 In 2017, the training project Eni Academy, dedicated to young graduates, was launched. The program consists of a 10-day induction divided into three modules and is aimed at reaching multiple goals including: facilitating general knowledge on the Company's business, vision, mission and culture; encouraging networking as an opportunity to develop new skills and build strategic relationships. Human Rights are integrated into this program. The programme was renewed in the format during the 2020 in order to face the challenges posed by the pandemic and allow participants to be engaged online.
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:
ENVIRUNMENT	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.

Key performance indicators

Training and security

		2017	2018	2019	2020	2021
Human rights training hours	(number)	7,805	10,653	25,845	33,112	23,893
In class		52	164	108	260	0
Distance		7,753	10,489	25,737	32,852	23,893
Attendances in human rights training courses		2,084	10,557	44,396	21,150	17,101
Employees trained on human rights		1,360	8,512	19,745	7,076	4,931
Employees trained on human rights ^(a)	(%)	74	91	97	92	94
Security contracts containing clauses on human rights		88	90	97	97	98
Countries with armed guards protecting sites	(number)	7	7	8	8	9
Security personnel trained on human rights ^(b)		308	73	696	32	88
Security personnel (professional area) trained on human rights ^(c)	(%)	88	96	92	91	90

(a) This percentage is calculated as the ratio between the number of registered employees who have completed a training course on the total number of registered employees. (b) The variations of the KPI Security personnel trained on human rights, in some cases even significant from one year and the next, are related to the different characteristics of the training projects and to the operating

(b) The variations of the KPI Security personnel trained on human rights, in some cases even significant from one year and the next, are related to the different characteristics of the training projects and to the operating contingencies.

(c) This is a cumulative percentage value. Starting in 2020, the figure is calculated considering only Eni employees, unlike the 2019 figure which also includes contractors. The Security Forces include both private security personnel working contractually for Eni and contractually works for Eni, as well as the personnel of the Public Security Forces, whether military or civilian, who carry out, even indirectly, security activities and/or operations to protect people and Eni's assets.



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 (<u>see p. 34</u>);
- the identification of salient human rights issues, resulted from the analysis of the internal human rights working group (see p. 37);
- the due diligence process applied to the functional areas which are most exposed to human rights risks, and namely workplace (see p. 39), relations with suppliers and other business partners (see p. 58), host community relations (see p. 71), security (see p. 82).
- In particular, an overview can be found of:
 - Eni's commitments and processes in place in relation to each function's human rights impact;
 - a description of the processes and tools in place to identify, prevent, mitigate and account for human rights risks and impacts associated with each function.

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



ADOPTION OF A COMMITMENT ON BUSINESS AND HUMAN RIGHTS

DUE DILIGENCE

INTRODUCTION COMMITMENT

S

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.

Multidisciplinary

The analysis considers the social, health, environmental and legal dimensions that could be impacted.

Multilevel

The analysis is carried out both at central level, taking into account the company as a whole, and at single department level, by focusing on business processes most exposed to human rights violations according to a risk-based approach.

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 process-

Integrated

Human rights are considered from the starting phase of each project by considering its specific features, both referred to its context (such as human rights challenges in the region) and complexity (nature of operations, workforce implied, etc.), which determine the associated level of criticality under a risk-based approach.

es 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 p. 37).

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).

FOCUS ON

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.

Moreover, in 2019 and 2020 respectively, two gap analysis were conducted at Corporate level on two specific business areas: refining and marketing (2019), and renewable energy (2020). Both the analysis were carried out in order to evaluate the completeness of the salient human rights issues mapped and to identify specific gaps and improvement areas related to these specific business in their evolution. According to the results of the gap analysis, no specific new salient human rights issues were added and gaps and improvement areas where included in two Human Rights Action Plans that have been implemented.

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.

The risk-model used to carry out the due diligence is described in the chapter dedicated to the human rights in host community relations

(<u>see p. 76</u>).

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 Human Rights Risk Analysis (HRRA) - according to a metodology developed in 2021. HRIA and HRRA are carried out for every industrial project. The HRIA is carried out to evaluate in depth project more at risk (■ see p. 76); in both cases, when a HRIA or HRRA 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.

FOCUS ON

A PRACTICAL EXAMPLE OF THE DUE DILIGENCE OF AN INDUSTRIAL PLAN

In 2019, Eni carried out a HRIA in Mexico of the "Area 1 Development Project" due to the risks and possible impacts connected with the characteristics of the project (see the findings Report available on Eni's website). Based on the results of the HRIA, Eni adopted an Action Plan (2019-2021) and specific management measures that have been monitored in the past two years to evaluate their effectiveness. As part of the monitoring and effectiveness evaluation process, in 2020 Eni's published a summary report of the Action Plan where progresses in implementation are described as well as challenges faced and lessons learned (see p. 78).



DUE DILIGENCE

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. Each model is described in the respective in-depth chapter (workplace \blacksquare see p. 40; supply chain \blacksquare see p. 61; security \blacksquare see p. 82).

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

FOCUS ON

A PRACTICAL EXAMPLE OF THE DUE DILIGENCE TOWARDS SUPPLIERS

In the chapter "Assessing and monitoring suppliers' risks" (\blacksquare see p. 66) a case studies about a social audit carried out on a contractor in Mexico. The audit was 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 claus-

es on human rights (responsible contracting clauses) are negotiated, as described in depth at the paragraph "Assessing and monitoring business partners' risks" (see p. 68).

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 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. 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



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 0&G industry (preparation phase, construction, etc.), without enjoying - in some circumstances - the same benefits guaranteed to workers hired by the Company directly;

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



- 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

Eni's solid management systems (e.g. health and safety; operational-level grievance mechanism).

The commitment to engage and work with business partners on specific issues and challenges.

Challenges to addressing human rights impacts

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.

In 2019 and 2020, the list of salient human rights issues has been assessed as part of two wider gap analysis conducted at Corporate level on two specific relevant business areas: refining and marketing (2019), and renewable energy (2020)

In 2019 and 2020, the list of salient human rights issues has been assessed as part of two wider gap analysis conducted at Corporate level on two specific relevant business areas: refining and marketing (2019), and renewable energy (2020).

These gap analysis were carried out taking into account the business areas characteristics and the first step was the identification of the most relevant risks and related impacts. The analysis were done through a desk analysis - using international relevant studies, research and benchmarks - as well as engaging two selected working groups composed by Eni's representatives with relevant expertise in these business areas and managing the related process. The gap analysis allowed to evaluate the completeness of the salient human rights issues mapped and to identify specific gaps and improvement areas related to these specific business in their evolution. According to the results of the gap analysis, no specific new salient human rights issues were added, due to the fact that the current list was considered exhaustive and inclusive of the specific risks associated with these business areas. Nevertheless, gaps on specific issues and improvement areas where identified and included in two Human Rights Action Plans that have been implemented. To date, all the actions of the Plans are on-track; these actions embrace a wide spectrum of activities: from mapping the origin of biomass used in green refinery to the specific safeguards for the fuel retailers' workers; from the screening of JV counterparties and the adoption of specific commitment and clauses to be included in JV agreements, to the on field audit and assessment of the contractors involved in developing wind or solar farms.

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

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Human rights in the workplace

ENI'S APPROACH TO HUMAN RIGHTS IN THE WORKPLACE

People are essential and fundamental to all of Eni's activities. Eni can only achieve its business goals thanks to its people's dedication, and Eni is profoundly aware of how important people are in creating value over time. Other than being "the right thing to do", respecting the rights of the people working at Eni and for Eni is fundamental to build mutually satisfactory and lasting relationships.

Prioritization of the areas for improvement was carried out on risk-based criteria, through labour assessment processes and gap analysis on both ratification and enforcement of ILO standards across operating Countries. These processes led to the adoption of rules and actions ranging from further integrating workers' rights into Eni's internal legal framework to launching specific measures, including training programs and a multifaceted strategy for combatting discrimination.

Increasing attention is paid to monitoring activities through the identification of effective KPIs and by tracking specific salient issues such as fair compensation and discrimination.

SPECIFIC POLICIES TO RESPECT HUMAN RIGHTS IN THE WORKPLACE

- Code of Ethics
- Eni's Statement on Respect for Human Rights
- Eni's Slavery and Human Trafficking Statement
- ▶ Eni's Our People Policy
- ▶ Eni's Sustainability Policy
- > Eni against violence and harassment in the workplace (Zero Tolerance Policy)

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 Conventions², 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.

Moreover, a company policy on violence and harassment in the workplace was also issued in 2021 to implement ILO Convention No. 190.

2 Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

Assessing respect for labour standards and monitoring salient issues

Respecting the rights of the people who work within Eni and for Eni is essential to build mutually satisfactory and long-lasting relations. Eni is aware that in some Countries where it operates there are relevant risks related to the violation of human rights. Therefore, Eni has adopted a structured framework of policies, management models, contractual clauses and programmes adopted by Eni's subsidiaries - in line with the commitments made by the parent company in the Code of Ethics and in Eni's Statement on Respect for Human Rights. This framework allows for the effective prevention of these risks in the direct management of the workforce.

In 2020, an evaluation model was established for monitoring human rights in the workplace. It is a "riskbased" model aimed at segmenting Eni companies on the basis of specific quantitative and qualitative parameters that capture the specific characteristics and risks of the Country/operating context and are linked to the human resources management process, including the contrasting all forms of discrimination, gender equality, working conditions, freedom of association and collective bargaining. This approach identifies possible risk areas or improvements, to be acknowledged and explained.

During 2021, the model was extended to all subsidiaries of the upstream business, expanding the assessment of human rights monitoring in the workplace. Findings of the Model are being discussed at headquarter level and will be investigated in different ways according to the ranking of subsidiaries through the scale of human rights caring. Subsidiaries will be asked then to implement corrective actions to be noticed to the parent company and monitored over the time.

Moreover, the Model is subject to assessment even in its structure in order to broad its assumptions and get information on other issues especially related to diversity and inclusion.

A central role in building the relationship with workers and protecting their rights is also played by Eni's industrial relations model, which is based on agreements identifying how to share information with organisations representing workers, defined at a national and international level.



FOCUS ON

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

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

Furthermore, the **Global Framework Agreement** on International Industrial Relations and Corporate Social Responsibility reiterates Eni's commitment "to finding suppliers and independent 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 **R** see p. 95.

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 establish that the process for consultation with Trade Unions and when how information should and 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.

Monitoring respect for labour standards

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 June 2022, Eni Industrial Relation Unit met representatives from Ghana, Mozambique, Nigeria and Tunisia in the presence of the Director for Energy Industry Just Transition at IndustriAll Global Union. A meeting, within the terms of the GFA, to present and comment the main performances achieved by the company in 2021, including those related to sustainability and human rights.

MAIN AGREEMENTS AND INITIATIVES IN THE TRADE UNION FIELD

Given the continuing pandemic situation linked to the spread of Sars-CoV-2, Industrial Relations were based on constant dialogue with trade unions through the organisation of Covid Committees, at various levels of the company organisation, to implement suitable measures to protect the health and safety of workers and guarantee the operational continuity of assets. Within the framework of the **Insieme Protocol** - a model of industrial relations in support of energy transition - and in order to support its ongoing transformation, Eni signed the **Expansion Contract** at government level on April 1st, 2021, which, also through the adoption of an early retirement plan, has allowed and will support generational change in line with the energy transition path, also through the implementation of a training and professional requalification programme to allow the adaptation of skills and the development of all human capital.

OCTOBER 2021

APRIL

2021

In line with the digital transformations underway, which also include the different ways of carrying out work, and in keeping with the technological and cultural evolution also induced by the pandemic, the **new Agreement on Smart Working** was signed on October 28, 2021.

DECEMBER 2021 At an international level, the industrial relations model continued with the constant updating of the pandemic situation in the various Countries of presence and the main business developments. In addition, on December 3rd, 2021, international industrial relations meetings were held at Eni's historical headquarters in Castel Gandolfo, namely the 24th meeting of the EWC of Eni employees, the European Observatory for Health, Safety and the Environment and the annual meeting provided for by the Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility. At the centre of the debate, with the aim of working together to find answers to the major issues of sustainability, decarbonisation and workers' health and safety, was the issue of Diversity & Inclusion, and in particular the theme of valuing diversity as an element of enrichment of experiences in the social and work context. During the meeting, the Agreement for integration into the GFA - Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility - of ILO Convention No.190 and ILO Recommendation No. 206 on eliminating violence and harassment in the world of work was also signed.

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MONITORING FAIR COMPENSATION

Remuneration policies for Eni's employees are defined according to a global integrated model and promote salary progression based exclusively on meritocratic criteria based on role related skills, performance achieved and local remuneration market benchmarks. In order to verify implementation of these policies, Enihas been monitoring on an annual basis the remuneration gap between women and men since 2011, finding a substantial alignment of remuneration. In calculating the pay ratio, Eni uses a methodology which compares salaries at the same level of role and seniority, according to the UN principle of "equal pay for equal work", which shows for the Italian and global population a substantial alignment between the salaries of women and men. This alignment is however confirmed in overall terms even when determining the pay ratio not at the same role level ("raw pay ratio", equal to 100% for fixed remuneration and 97% for total remuneration).

GENDER PAY RATIO BY ROLE LEVEL AND SENIORITY



In the various Countries in which Eni operates, Eni guarantees fair and competitive remuneration policies with respect to roles and professional skills, providing salaries that ensure a decent standard of living, above mere subsistence levels and/or legal or contractual minimums in force, as well as minimum remuneration levels found on the local market. For this purpose, Eni provides its business lines, for each Country, with policy salary references that are significantly higher than the 1st decile of the local salary market, as well as the legal/contractual minimums and annually checks the salaries of local staff in the main Countries where it operates, compared to the legal and market minimums.

RATIO BETWEEN ENI MINIMUM WAGE AND LAW MINIMUM WAGE (middle manager - senior staff - employee)



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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.

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 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.

TRAINING MODULE ON THE GLOBAL FRAMEWORK AGREEMENT

In 2018 and in 2019 around 300 colleagues enrolled in several open courses.

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.

ENI'S STRATEGY AGAINST DISCRIMINATION

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

DIVERSITY AND INCLUSION -THE CULTURE OF PLURALITY

Eni's approach to Diversity & Inclusion is based not only on the fundamental principles of non-discrimination and equal opportunities but on the active commitment to creating a working environment where personal and cultural diversity is considered a source of mutual enrichment and an indispensable element of business sustainability. Eni ensures that all its people are treated fairly regardless of any differences in gender, religion, nationality, political opinion, sexual orientation, social status, physical abilities, medical conditions, family circumstances and age and any other irrelevant aspects. These principles are affirmed in the body of regulations and corporate governance as well as in the Mission that inspires values. A company policy on violence and harassment in the workplace was also issued in 2021 to implement ILO Convention No. 190. D&I governance in Eni requires each unit to ensure, within the scope of its direct responsibilities, the achievement of activities and objectives with an inclusive approach and operating methods. To this end, a Diversity & Inclusion unit was set up in 2021 to develop the company's strategy, through a structured approach to identifying the company's objectives on the subject and defining a portfolio of initiatives to achieve them. This is also supported by a series of objectives and targets extended to the entire company population and linked to managerial remuneration (MBO).

A company policy on violence and harassment in the workplace was also issued in 2021 to implement ILO Conventio No. 190



PRIORITIES FOR ACTION					
Leadership	actions aimed at management and focused on increasing awareness of diversity and the ability to value it				
Engagement	actions aimed at consolidating individual commitment and making people responsible for valuing inclusion				
Listening	definition of a system for continuously listening to Eni people and external stakeholders to monitor their needs and the ability of the planned initiatives to meet them, thus guiding the development and implementation of the plan				
Communication	definition of an integrated internal and external communication strategy which, with a data-driven approach, enhances the effectiveness of the actions implemented and becomes a tool for engagement				
Focus on specific activities	actions aimed at enhancing specific uniqueness targets (Gender, Age, Sexual orientation, Disability, Interculturality)				

WOMEN'S EMPOWERMENT Eni pays particular attention to

the promotion of initiatives to attract female talents at a national and international level, and to the development of managerial and professional growth paths for the women in the Company. This commitment is pursued not only through awareness-raising and "active" monitoring of the presence of women throughout the internal development pipeline, but also through the support for

female role modelling as a lever for intergenerational alliance. There are about 150 Role Models at Eni, who testify, both externally and internally, to the concrete possibility of female professional achievement in areas still considered typically male.

	KEY INITIATIVES CONTINUED IN 2021 (AMONG OTHERS)
InspirinGirls	an initiative started four years ago, involving about 7,000 junior high school boys and girls, to help them overcome prejudices and become aware of their talents, also through the international social campaign #ThisLittleGirlIsMe, so that girls all over the world can learn about the stories of thousands of women and feel free to choose any profession
Fondazione Mondo Digitale (Digital World Foundation):	initiatives carried out in high schools to help young people discover professional areas and profiles in technology and artificial intelligence
Think About Tomorrow:	an event in high schools aimed at helping young people make an informed educational and professional choice beyond gender stereotypes, stimulating girls' interest in STEM studies and raising awareness of gender equality issues among the male audience
Women in Technical Roles:	an event taking place at universities in collaboration with Milan Polytechnic with a focus on gender equality
Participation in the work of the intercompany STEM Committee	promoted by Valore D with the aim of proposing an action plan to complement implementation of the Manifesto for Women's Employment, which Eni's CEO signed in 2016. More than 2,000 female colleagues in Italy with a STEM qualification and/or working in a STEM role were involved in the #ValoreD4STEM survey, a survey to get to know female professionals in the sector, to understand their motivational levers, expectations, context and difficulties, and to collect the necessary evidence to better address the cross-company action plan
Participation in specific initiatives	Eni is also active within the framework of the Italian G20 Presidency in various activities aimed at women's empowerment: the CEO's membership of G20 Empower, an alliance to support the growth of women in leadership roles, corporate representation in two task forces, and the participation of the Chairman in the Women's Forum

In 2021 Eni also signed the United Nations Women Empowerment Principles (WEPs) to reaffirm its commitment to promoting gender equality and female empowerment in the workplace, in business practices and in society, as outlined in the 2030 Agenda for Sustainable Development and in the 17 SDGs. Jointly established by the UN Global Compact and UN Women, WEPs are based on international labor and human rights standards and the recognition of the key role of businesses in promoting gender equality and empowering women. In line with this approach, Eni

is committed to integrating the gender perspective in its internal and external processes, as well as in its local development projects, also through the implementation of assessments, to ensure that all activities and initiatives are truly inclusive. Confirming the initiatives taken, in 2021 the number of female personnel increased by 1.6 percentage points vs. 2020 and the percentage of women in positions of responsibility increased to 27.34% (+0.7 p.p. vs. 2020), with women accounting for 26.22% of total employment. As confirmation of this trend, in recent years Eni has paid particular attention to growth processes and development paths for female staff, which has led to the average % of promotions for female staff being higher than the % of women in the company (31% average promotions vs. 24.4% female staff). At Eni, 33% of those reporting directly to the CEO are women.

For more information on diversity & inclusion and women empowerment: https://www.eni.com/en-IT/just-transition/diversity-and-inclusion.html

INTERNATIONALITY

Eni's strong international presence is characterised by solid alliances with host Countries aimed at creating value, also through knowledge transfer, while respecting local cultures.



EMPLOYEES BY GEOGRAPHICAL AREA IN 2021

The average presence of local staff abroad has remained substantially constant at around 84% over the last three years, confirming Eni's attention to local content through the involvement of local communities in operational activities in each Country. Use of expatriate personnel is limited to cases of specific expertise and competencies difficult to find in the Country in question, and cross-business professional exchange is also promoted through geographical mobility.

In the upstream sector, which accounts for about 50% of non-Italian employees, it can be seen that the percentage of local employees out of the entire workforce is higher in Eni's Countries of historical presence (90%) (e.g. Nigeria, Congo, Egypt, Libya and Kazakhstan) compared to more recent ones (e.g. Mexico, United Arab Emirates and Myanmar), where the transfer of know-how is still in progress.





WELFARE

The 2021 health emergency situation has had an impact on all personal services, making it necessary both to review the way

in which consolidated initiatives are organised with a view to maximum safety and compliance with regulations, and to identify areas of innovation for the design of new services capable of responding to the emerging needs arising from family and social complexity and new ways of working.

MAIN WELFARE INITIATIO		
FAMILY AND WORK-LIFE BALANCE	 Extension of Smart Working to about 90% of office staff and to all workers in conditions of frage evaluated by the competent doctor. Extension of Smart Working typologies in support of welfare. Application in offices of daily and multi-period flexible hours and paid leave for events such as bereavem serious family infirmities, marriages and civil unions, study permits and professional training courses Managed childcare services and summer camps by implementing all actions aimed at mitigating the of infection and protecting the safety of children, families and personnel. Vocational school guidance for employees' children, information programmes to support parent dealing with critical elements and caregiver services have been kept in place. More than 3,200 per signed up for the proposed initiatives. 	nent, s. e risk ts in
PARENTING	 Recognition in all Countries of presence of 10 working days paid 100% to fathers, as well as minin maternity leave of 14 weeks with payment of at least 2/3 of the salary received in the previous perio accordance with the standards set by the ILO Convention. Right of access to Smart Working, up to 12 days a month, for the child's first three years of age for para working in the main offices. 	od, in
HEALTH PREVENTION CAMPAIGNS AND WELL-BEING	Confirmed the gradual extension of prevention programmes and the addition to the medical protocol cardiovascular investigations, and launched a new initiative for the promotion of sporting activity.	ol of

MAIN WELFARE INITIATIVES

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Health and Safety

ENI'S HEALTH INITIATIVES

The extreme variability of working contexts requires constant updating of the health risk matrices of the Countries where Eni operates, based on international indicators and also following to expectional events such as epidemic/pandemic outbreaks with significant impacts on Country risk. This variability makes it particularly challenging to ensure health at every stage of the business cycle, which is why Eni has developed an operational platform to ensure specific services for its people. In 2021, all the companies continued to implement health management systems with the objective of promoting and maintaining people's health and well-being and ensuring adequate risk management in the workplace. In 2021, 379,481 health services were supported by Eni, including occupational medicine and health care services; the flu vaccination campaign was implemented and initiatives for early diagnosis of chronic diseases continued for Eni's employees in Italy. In addition to preventing, promoting and protecting the health of workers and communities, in 2021 specific initiatives were developed to address the three priority challenges: the COVID-19 health emergency and its short- and long-term effects on people's well-being, the impact on health of the energy transition and the role of companies in ensuring the resilience of the social health system.

ENI'S HEALTH MANAGEMENT STRATEGY: HEALTH OPERATIONAL PLATFORM

MEDICAL Assistance	Increasing access to health care for all Eni people, reinforcing community-based interventions and emergency shelters in support of situations of fragility created or aggravated by the pandemic.
CULTURE OF HEALTH	Disseminating a culture of health by implementing initiatives for workers, their families and communities identified as a results of the assessment of risks and evaluation of health impacts.
GLOBAL HEALTH	Promoting the health status of populations in Countries of presence as a prerequisite for socio-economic development through the implementation of specific programmes and assessing the health impacts of industrial activity.
OCCUPATIONAL MEDICINE	Implementing identified occupational health activities, while also considering risks inherent in new projects, industrial processes and the findings of industrial hygiene activities.
PROCESS DIGITALISATION	Promoting the digitalisation of health processes and services through the use of mobile information and communication technologies.





initiatives in 2021



379,481 Health services supported by Eni in 2021

10 Health Impact Assessments in 2021



INJURY RATES AND INTERVENTION ACTIONS

Severity Incident Rate (SIR) in the short-term incentive plan of the CEO In 2021, Eni has once again confirmed its commitment to zero incidents through the consolidation of the Severity Incident Rate (SIR), an internal index that measures the level of severity of incidents, and its inclusion in the short-term remuneration of the CEO and senior managers with strategic responsibilities. **7** For more information: Report on remuneration policy and remuneration paid 2021.

In 2021, the Total Recordable Injury Rate (TRIR) of the workforce fell by 4% compared to 2020, with a rise in the employee index and a decrease in the contractor index. The ratio for injuries at work with serious consequences is null, since there were no events falling into this category (i.e. no injuries with more than 180 days of absence or with consequences such as total or partial permanent disability). In addition, no fatal accidents were recorded. The identification and analysis of the causes of the events made it possible to implement immediate actions to prevent a recurrence:

- identification of basic operations for the safe execution of routine plant activities and preparation of the relevant operating procedures/ instructions to be made available to all plant operators, followed by training and checks on learning;
- training of managers to improve resource management and teamwork;
- training, with checks on learning, on the correct way to carry out work and on the work permit;
- coaching or leadership courses to reinforce safety messages and the application of "stop work authority";

- updating of specific operating instructions for the use of equipment and application of checklists to check the condition of equipment;
- intensification of checks on work permits.

In order to further reduce accidents Eni has committed to:

- enhance the capacity to analyse the data recorded in the HSE databases in order to take preventive and corrective action on potential accident risk situations;
- apply human factor methodologies on operational sites to analyse behavioural safety issues and identify intervention strategies which act on human barriers;
- introducing new, increasingly digitally intensive technologies to increase the level of safety for our operators.



TOTAL RECORDABLE INJURY RATE (TRIR) (injuries recordable/hours worked)x 1.000.000

PROCESS SAFETY

Fundamental to Eni is its commitment to process safety, with the aim of safeguarding people's safety, the environment, assets and the company's reputation. To this end, Eni has developed and implemented a Process Safety Management System, monitored through dedicated audits, with the aim of preventing and mitigating, through the application of high management and technical standards, the risks associated with uncontrolled releases of

hazardous substances that could evolve into major accidents. The application of the Process Safety Management System results in the correct and safe management of assets throughout their life cycle, from design to construction, from operation to decommissioning, from maintenance to change management. Since 2016, an overall improvement in Process Safety performance has been recorded. signalled by the downward trend in Tier 1 and Tier 2 events³, both in absolute numbers

and normalising the number of incidents for the hours worked in "process" activities⁴ (PSER). Focusing on the last 5 years, Tier 1 events decreased from 23 to 16 (-30%), Tier 2 events from 67 to 24 (-64%). Generally speaking, in recent years, there has been a downward trend in the total number of Tier 1 and Tier 2 events, and this trend has been confirmed by the relative ratios. This indicates an improvement across Eni's main business areas (exploration & production, refining, chemicals).

Process safety events more than halved vs. 2017

For more information: Eni for 2021 – Sustainability performance (pp. 28-29)



3 Levels ("Tier") 1 and 2 indicate the severity of the consequences of the accidental event (from the most serious to the least serious) in terms of quantities of dangerous substances released and damage caused to people or assets.

4 Including operational hours, excluding administrative hours.

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Key performance indicators

OCCUPATION

Equal opportunities		2017	2018	2019	2020	2021
Women employees in service	(%)	23.54	23.61	24.23	24.56	26.22
Women hired		24.70	29.11	32.29	34.60	32.47
Women in managerial positions (senior managers and middle managers)		24.86	25.28	26.05	26.64	27.34
Senior managers		14.14	14.88	15.57	16.27	16.67
Middle managers		26.03	26.42	27.19	27.74	28.48
White collars		30.11	29.36	29.79	29.87	30.10
Blue collars		1.58	1.82	2.02	2.07	14.74
Replacement rate by gender		0.76	1.00	1.55	0.46	0.43
Men		0.72	0.94	1.37	0.38	0.39
Women		0.90	1.16	2.15	0.76	0.51

Career opportunities		2017	2018	2019	2020	2021
Percentage of promotions from white collar to middle management and from middle management to executive by gender						
Women	(%)	32.46	33.49	31.64	23.38	29.79
Men		67.54	66.51	68.36	76.62	70.21



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FEMALE EMPLOYMENT

In 2021, the percentage of female personnel grew by 1.6% compared to 2020 and stood at 26.2%, divided as follows: 16.7% senior managers, 28.5% middle managers, 30.1% white collar, 14.7% blue collar. In 2021, the percentage of women in positions of responsibility increased to 27.3%, compared to 26.6% in 2020; in all, women accounted for 26.22% of the total workforce. The 2021 female turnover figure is 0.51 (vs. male turnover 0.39), down slightly compared to 2020, mainly due to the effect of the extraordinary operations to accelerate turnover. Career opportunities. In recent years, the

GENDER PAY RATIO

Emplo

Total

Senior Middle White Blue c All En Total

Senior Middle White company has paid particular attention to growth processes and development paths for female personnel, which has led to the average % of promotions for female personnel being higher than the % of women in the company (31% average promotions vs. 24.4% female staff). In 2020, due to a slowdown in development processes resulting from the health emergency, there was a slight drop in the trend of promotions of female personnel, which largely recovered the following year.

GENDER PAY RATIO

Eni monitors the gender pay gap on an annual basis and shares with the relevant functions the results of the verifications for each business line and company, in order to assess corrective actions. if necessary. Furthermore, the principle of equal pay is explicitly referred to in the remuneration policy implementation provisions sent to all Eni business lines. The table shows the gender pay ratio data for fixed and total remuneration, which generally show a substantial alignment between the remuneration of women and men, both for Italy and globally. with deviations mainly due to the level of female presence in some occupational categories.

Total remuneration

2021

Raw

98

97

Fixed remuneration

		Fixed remuneration				Total remuneration				
	2019	2020	2021	2021	2019	2020	2021			
loyees in Italy (women vs. men) (%)	At	equal role le	vel	Raw	At e	At equal role lev				
l pay ratio	99	98	99	101	99	99	100			
or Manager	96	97	98		96	97	98			
lle Manager & Senior Staff	97	97	98		97	97	98			
e collars	101	101	101		102	101	102			
collars	95	95	96		95	95	96			
imployees ^(a) (women vs. men) (%)										
l pay ratio	98	98	99	100	98	99	99			
or Manager	98	97	98		97	98	98			
lle Manager & Senior Staff	97	97	98		97	97	98			
e collars	100	100	100		100	100	100			
collars	96	96	96		96	96	96			

(a) The analysis for 2021 was carried out on more than 90% of Eni's employees.

In calculating the pay ratio, Eni uses a method that neutralises the effects deriving from differences in the level of role and seniority according to the United Nations principle of "equal pay for equal work" and which shows for the population Italy and the global population a substantial alignment between the salaries of the female population and the male population. This alignment is confirmed in overall terms, even when determining the pay ratio not at the same level of role and seniority ("raw pay ratio"). The following graphs show the global presence of women in the pay quartiles and in the ninth decile⁵, highlighting, in relative terms, a reduced presence of women in the lowest pay quartile (19%) and in the ninth decile (18%).

First quartile: 25% of salaries are below the benchmark.

⁵ The statistical benchmarks for remuneration practices are as follows:

Ninth decile: 90% of salaries are below the benchmark;

Third quartile: 75% of salaries are below the benchmark; Median: 50% of salaries are below the benchmark;



PERCENTAGE SHARE OF MEN AND WOMEN IN EACH PAY QUARTILE



MINIMUM WAGES

As described, Eni has policy remuneration standards well above the legal/ contractual minimums, as well as the 1st decile⁶ of the local remuneration market, for all Countries in which it operates. We annually check our positioning in terms of remuneration, adopting any necessary corrective actions. The table below shows, for the main countries in which Eni operates, a comparison of Eni's 1st decile with the 1st decile of the market and with the legal minimum for the main Countries where Eni is present.

PAY RATIO WITH STATUTORY AND MARKET MINIMUM WAGES

Ratio % between 1st Eni's decile and the minimum required by law(b) Ratio % between 1st Eni's decile Country and 1st market decile(a) women men total Italy Algeria Angola Austria Belgium China Egypt France Germany Ghana Indonesia Nigeria Tunisia Hungary United Kingdom United States

(a) The ratio was calculated with reference to the fixed and variable remuneration of blue-collar employees or, for countries where Eni has no blue-collar employees, white-collar level (for market data, source: Korn Ferry).

(b) Minimum wages defined by law in the various countries or, where not provided for, by the national collective agreement.

Legend

- Eni's minimum > 250% of the minimum reference.
- Eni's minimum between 201% and 250% of the minimum reference.
- Eni's minimum between 151% and 200% of the minimum reference.
- Eni's minimum between 110% and 150% of the minimum reference.

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Industrial relations

		2017	2018	2019	2020	2021
Employees covered by collective bargaining	(number)	27,325	25,841	26,832	26,378	26,328
Employees covered by collective bargaining	(%)	81.96	80.89	83.03	83.40	81.60
Italy		100	100	100	100	100
Abroad		44.54	35.33	40.91	41.78	41.60
Consultations, negotiations with trade unions on organizational changes	(number)	275	192	149	189	141
Employees in trade unions		12,166	11,444	11,369	11,342	11,064
Employees in trade unions	(%)	36.49	35.82	35.18	35.86	34.29

Employment disputes^(a)

		2017	2018	2019	2020	2021
Employee disputes	(number)	1,310	1,211	907	1,132	1,250
Prevention/disputes ratio		626/1,310	503/1,211	345/907	632/1,132	318/1,250
Disputes/employees ratio	(%)	4.05	3.89	2.9	3.68	4.19

(a) Figures not including Finproject group acquired during Q4 2021.

The number of disputes pending at the end of the year in 2021 was also affected by the slowdown in court times due to the COVID-19 emergency, which delayed the conclusion of many judgments and changed the normal turnover between new disputes and completed proceedings. As regards Italy, more than half of the 1,052 ongoing disputes still 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 later as a result of corporate transactions.



HEALTH

		2017	2018	2019	2020	2021
Health Impact Assessments carried out	(number)	13	20	14	4	10
Employees included in health surveillance programs		30,944	28,807	28,579	28,350	28,453
Number of health services provided		450,398	473,437	487,360	354,192	379,481
of which: to employees		297,480	320,933	312,490	242. 160	261,618
of which: to contractors		56,573	68,796	94,130	65,662	70,970
of which: to relatives		79,687	66,327	72,268	39,840	43,835
of which: to others		16,658	17,381	8,472	6,530	3,058
Number of registrations to health promotion initiative ^(a)		56,765	170,431	205,373 ^(b)	222,708	158,784
of which: to employees		34,458	75,938	97,493	99,758	85,776
of which: to contractors		11,739	46,930	78,330	86,357	58,031
of which: to relatives		10,568	47,563	29,550	36,593	14,977
OIFR Occupational Illness Frequency Rate ^(c) (Oc rec	cupational illnesses notifications eived/worked hours) x 1.000.000	0.13	0.16	0.16	0.13	0.13
Occupational illnesses notifications received	(number)	120	81	73	28	30
Employees		12	10	9	7	7
Former employees		108	71	64	21	23

(a) Data refer to companies significant from the point of view of health impacts, as detailed in the Reporting criteria p. 44. For this reason 2018 data differs 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, 2019, 2020 and 2021 data refer to fully consolidated entities only.

> In 2021, all the companies continued to implement 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. As confirmation of this, the business areas completed the planned health monitoring programmes. In 2021, in order to assess the potential impact of projects on the health of the communities involved, Eni completed 10 HIAs (Health Impact Assess

ments), of which 3 were integrated ESHIA studies (Environmental and Social Health Impact Assessment): 7 pre-ESHIAs, including 2 in Indonesia, 1 in Angola, 1 in Congo, 1 in Egypt, 1 in Italy and 1 in the UK; 3 ESHIA including 2 in Vietnam and 1 in Oman. In 2021, the number of health services supported by Eni was 379,481, of which 261,618 were for employees, 43,835 for family members, 70,970 for contractors and 3,058 for others (e.g. visitors and external patients). The number of participants in health promotion initiatives in 2021 was 158,784, of whom 85,776 were employees, 58,031 contractors and 14,977 family members. As concerns occupational illnesses, in 2021 there were 30 notifications, of which 7 related to employees and 23 related to former employees. Of the 30 occupational disease notifications submitted in 2021, 4 were submitted by heirs (all relating to former employees).

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SAFETY

		2017	2018	2019	2020	2021
TRIR (Total Recordable Injury Rate)	(total recordable injuries/worked hours) x 1.000.000	0.33	0.35	0.34	0.36	0.34
Employees		0.30	0.37	0.21	0.37	0.40
Contractors		0.34	0.34	0.39	0.35	0.32
Italy		0.64	0.62	0.53	0.43	0.55
Abroad		0.26	0.29	0.29	0.33	0.28
High-consequence work-related injuries rate (excluding fatalities)	(high-consequence work-related injuries/worked hours) x 1.000.000	0.00	0.01	0.01	0.00	0.00
Employees		0.01	0.00	0.00	0.00	0.00
Contractors		0.00	0.01	0.01	0.00	0.00
Lost Time Injury frequency rate (LTIF)	(injuries with days of absence/worked hours) x 1.000.000	0.21	0.23	0.19	0.21	0.23
Employees		0.27	0.28	0.17	0.26	0.37
Contractors		0.19	0.21	0.20	0.18	0.17
Italy		0.60	0.60	0.52	0.42	0.55
Abroad		0.12	0.14	0.11	0.14	0.13
Injuries severity index	(days of absence/worked hours) x 1.000	0.011	0.010	0.011	0.008	0.011
Employees		0.019	0.016	0.011	0.008	0.012
Contractors		0.008	0.007	0.012	0.008	0.011
Fatality index	(fatal injuries/worked hours) x 100.000.000	0.33	1.21	0.90	0.39	0.00
Employees		0.00	0.00	1.09	0.00	0.00
Contractors		0.47	1.67	0.83	0.58	0.00
Number of fatalities as a result of work-related injury	(number)	1	4	3	1	0
Employees		0	0	1	0	0
Contractors		1	4	2	1	0
Near miss		1,550	1,431	1,159	841	780
Worked hours	(millions of hours)	306.3	330.6	334.2	255.1	256.5
Employees		93.1	91.6	92.1	81.8	82.9
Contractors		213.3	239.0	242.1	173.3	173.6
Training hours on safety	(hours)	323,765	289,661	331,375	234,072	282,438
of which: to senior managers		9,567	4,945	4,399	3,399	3,515
of which: to middle managers		67,293	57,061	55,266	46,540	50,672
of which: to white collar		174,016	157,724	171,832	127,126	136,164
of which: to blue collar		72,889	69,931	99,878	57,007	92,087
Process safety events	(number)					
Tier 1		23	27	12	14	16
Tier 2		67	48	53	33	24

In 2021, the total recordable injury frequency ratio (TRIR) of the workforce improved compared to 2020 (-4%), thanks to the performance recorded by contractors (-10%), while the employee ratio deteriorated due to the increase in the number of accidents (33 compared to 30 in 2020). The ratio for injuries at work with serious consequences is null, since there were no events falling into this category (i.e. no injuries with more than 180 days of absence or with consequences such as total or partial permanent disability). In addition, no fatal accidents were recorded. In Italy, the number of injuries increased (35 events compared to 27 in 2020, including 21 employees and 14 contractors) and the total recordable injury frequency ratio (TRIR) worsened (+26%); abroad the number of injuries decreased (53 events compared to 64 in 2020, including 12 employees and 41 contractors), and the total recordable injury frequency ratio improved by 17%.



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

ENI'S APPROACH TO HUMAN RIGHTS IN ITS RELATIONS WITH SUPPLIERS

For Eni's Suppliers the respect of human rights is a mandatory condition considered in every step of the procurement process, with a riskbased model that ensures extensive verifications on relevant and risky categories in addition to minimum requirements applied in any case. Eni adopts a comprehensive approach to ensure a full commitment of the entire supply chain on respect for human rights, leveraging not only on specific assessments and contractual requirements but also engaging suppliers in dedicated initiatives to concretely obtain and monitor the level of awareness and attention towards supply chain.

This commitment to prevent and mitigate potential and actual impacts on human rights is outlined by the "Eni's Statement on Respect for Human Rights" and a specific "Supplier Code of Conduct" and, inspired by United Nations Guiding Principles on Business and Human Rights, represent Eni's commitment, which are a key reference point for suppliers and business partners in the relations with Eni.

POLICIES AND COMMITMENTS RELATED TO THE RELATIONSHIP WITH SUPPLIERS

- Code of Ethics
- Eni's Statement on Respect for Human Rights
- Suppliers Code of Conduct
- Slavery and Human Trafficking Statement
- Eni's position on conflict minerals
- Global Framework Agreement on International Relations and Corporate Social Responsibility (IndustriALL)

ENI'S COMMITMENT TO DEAL WITH RISKS ASSOCIATED WITH SUPPLIERS

The respect of human rights is a key value in the relationships between Eni and its Suppliers. Thanks to specific initiatives and various check-points along the procurement process, the importance of respecting human rights is continuously stressed, not only with reference to the direct contractual relationships but also requesting to Eni's Suppliers to check the same conditions in respect to sub-contractors achieving a supply chain perspective and coverage.

The involvement of Suppliers and level of Eni's engagement on human rights in the supply chain have been increasingly strengthened over the years following a comprehensive approach to cover all the relevant touchpoints. Regulatory and Contractual. Eni's suppliers are requested to accept a specific "Code of Conduct" that represents an official deal where suppliers commit to respect universal and sustainable values, with explicit references to human rights. Moreover, each contract required Suppliers to commit to respect the principles and international standards on human rights, including the Universal Declaration of Human Rights, the UN Global Compact, as well as the specific health, safety and ethical requirements that Eni adopts.

Process. Eni assesses Suppliers with a risk-based model that ensures extensive verifications on relevant and risky categories in addition to minimum requirements applied in any case. In case critical evidences may emerge, Eni requires the implementation of corrective actions and the provision of additional

tendering and contractual clauses and monitors compliance with the commitments undertaken by suppliers over time. In order to strengthen the achievement of sustainable supply chain goals, with a specific focus on people and human rights dimension, Eni continued to foster a fair and inclusive energy transition through **involvement of companies in the supply chain**⁷ in ESG performance measurement and UN SDGs promotion in every step of the procurement process.

• Communication and Awareness. Eni strongly believe on the importance of Suppliers involvement and best practices valorisation in order to concretely obtain a full commitment and awareness on the respect of human rights in Suppliers behaviours and programs, that go beyond a most traditional "only-compliance" approach. In order to do that Eni has launched a new communication portal named "eniSpace", dedicated to all the current or potential new Suppliers and with specific sections dedicated to the JUST program, Suppliers' Code of Conduct, gualification criteria and best practices valorisation. Furthermore, Eni organize various "Workshops" in which all the suppliers qualified in specific industrial sectors are involved in order to discuss and agree on improvement goals with reference to social and environment dimensions material for the specific category, including also the people and human rights topics. Awareness initiatives

dedicated to suppliers focused on the respect of human rights as far as internal training program have been promoted.

Suppliers Reporting and Development. The importance to have a reporting process that cover all the relevant human rights topics and the awareness on Company's strengths and weaknesses with reference to ESG dimension including human rights topics, are other key values for Eni's Suppliers. In order to inspire this attitude and concretely support the Suppliers in this direction, Eni has launched **"Open-es"**, a systemic initiative open to all the companies and supply chains from different industrial sectors, that through a digital platform allows companies to measure, monitor, improve and share sustainability performance data across their entire value chain. Moreover, financial initiatives, such as the "Sustainable Energy Basket Bond", are put in place in order to support supplier sustainable development with a particular focus on environmental, social and economic objectives.

In the following paragraphs each relevant initiative will be described more in-depth.

Eni's engagement on human rights in the supply chain

INVOLVEMENT OF COMPANIES IN THE SUPPLY CHAIN

The Sustainable Supply Chain Program of Eni is dedicated to its current and potential new suppliers in order to promote the achievement of sustainability goals, with specific reference to United Nations SDGs, and to introduce in all the procurement steps the evaluation of ESG material topics. The attention is addressed to all suppliers in order to involve them and reach a sustainable supply chain through environmental protection, economic development and social growth. The People dimension with a dedicated focus on the respect of human rights, is a key characteristic evaluated in every steps of the procurement with a risk-based and prioritization model. Suppliers are reguired to make a formal commitment to respect human rights, starting from the qualification phase. This commitment is constantly solicited and monitored to develop and consolidate a widespread culture of human rights and prevent any contrary action with concrete measures. Moreover suppliers, in particular those belonging to extended industry, are evaluated

on the respect of human rights along their entire supply chain.

The involvement of the supply chain players by the procurement is a key element of this challenge, through concrete and inclusive initiatives. Many of these represent a natural extension of Eni's commitment as a company towards respecting human rights and on others issues. Eni has also adopted ad hoc declarations derived from national laws and has joined private initiatives at a global level, which aim at full transparency in the supply chain with specific reference to human rights and assesses suppliers, in particular those belonging to extended industry, on the respect of human rights along their entire supply chain.

eniSpace and JUST Suppliers Workshop

The communication and involvement of suppliers represents a key leverage in Eni Suppliers Management Strategy, especially with reference to the Sustainable Development Goals with a specific focus on the respect for human rights. In particular, thanks to digital tools (like the introduction of eniSpace, the new Supplier Communication and Collaboration Portal) and live discussions (like the Suppliers Workshops) Eni's Suppliers can participate, fully understand and keep updated on sustainability initiatives.

eniSpace (Supplier Portal and Collaboration Environment – <u>https://</u> <u>enispace.eni.com</u>) is a portal that combine communication, collaboration channels and open innovation instruments with traditional procurement processes. The platform was created as a common space for Eni's suppliers to involve them in Eni's energy transition with a specific focus on JUST program and respecting human rights.

Innovation and sustainability are key words in the transformation that Eni is carrying out, and eni-Space's innovations are intended to be an example of constant and concrete renewal in relations with the supply chain. The aim is to promote further collaboration with the best companies in the market in the hope of protecting and strengthening our mutual commitment to the fundamental values of sustainability, integrity of behaviour, protection of human rights and collaboration, and confirming our willingness to set off together on a common path to creating sustainable value.

In order to do that, Eni has continued to involve Suppliers in Workshops. These JUST Workshops are initiatives organized by Eni's procurement department to involve all qualified suppliers, share sustainability objectives and targets, as well as activate an open discussion on the opportunities and constraints to be taken into consideration for achieving a just energy transition involving people and human rights dimensions.

They represent real working groups, where companies, together with Eni's procurement, technical functions and experts discuss ESG issues, share the limits and challenges that characterize their sector, in order to identify and develop indicators and define improvement plans.

Open-es

In order to tackle the challenges of the energy transition, to fight climate change and to grant a better future to the next generations, it is essential to involve the entire value chain system towards common and concrete goals. This is the philosophy at the basis of the systemic initiative Open-es, an open-access platform and a Global Alliance for Sustainability launched by Eni, in partnership with Boston Consulting Group and Google Cloud, that includes industrial players, financial and consulting partners such as Accenture, Autostrade per l'Italia, Baker Hughes, illimity bank, IVE-CO Group, KPMG, Saipem, SNAM, Techedge, WeBuild and others are currently joining this partnership.

The digital platform represents a unique one-stop comprehensive ESG solution for stakeholders' sustainable development and monitoring. A free, open and collaborative ecosystem that, through a simple and flexible approach, concretely supports the transition to sustainability by putting different companies in touch. With a simple registration, companies can undertake a sustainable development journey and gain free access to numerous benefits, designed to respond concretely to the needs that enterprises, and especially SMEs, face:

- obtain own ESG profile, through a guided path based on standard metrics based on the 4 pillars of the World Economic Forum's Stakeholder Capitalism Metrics (Planet, People, Prosperity and Governance Principles), and share it with authorized clients and stakeholders;
- access benchmarks to compare own performance with other like-minded businesses and obtain a personalised Development Plan to identify priority actions to grow and improve;
- collaborate with the community, asking and giving advice, and by sharing experiences, projects and success stories;
- have the opportunity to participate for free in recurring workshops held by experts and tailored to the specific topics of interest to spreading the culture of sustainability within companies.

The reliability of the information is furthermore strengthen thanks to the services offered by independent third parties (certification companies) that verify and validate the answers uploaded by the companies.

By using this platform, Eni is promoting the adoption of the Stakeholder Capitalism Metrics by its suppliers and in general by the industrial ecosystem, involving them in a path of growth and development based on the values of sustainability, in order to develop greater awareness throughout the value chain. It is also measuring its supply chain maturity, assessing weaknesses and providing concrete solutions to address them. One of the milestones of the People pillar is entirely dedicated to human rights and covers the main indicators (referenced to GRI, UN Guiding Principles and WDI metrics) to understand the level awareness and attention of companies with regard to respect and protection of human rights. In particular the questionnaire has the following structure.

- Has your company adopted policies and/or procedures to manage the risk of violation of human rights and Child labour and forced or compulsory labour risks?
- Please report the total number and percentage of activities that have been audited for human rights compliance or human rights impact assessment? (value and %).
- If relevant, can you also attach the details by country of the total number and percentage of activities that have been audited with regard to human rights or assessment of the impact on human rights?
- Please report the number and type of complaints received in relation to human rights issues? (value and %). For each type, also report the explanation and any quantification of the impact of this complaint.
- Provide an explanation of the operations and suppliers that are considered at risk of accidents related to child, forced or compulsory labor.

Other milestones inside the "People" pillar cover "Employee Wellbeing", "Health and Safety", "Dignity and Equality" and "Skills for the Future". In order to effectively involve suppliers on this initiative, during the qualification phase and the tender process suppliers are requested to update their own position in the Open-es platform and, following contractual provisions, they are asked to share evidences of the continuous improvement and growth process in their sustainability performances.

In order to tackle the challenges of the energy transition, to fight climate change and to grant a better future to the next generations, it is essential to involve the entire value chain system towards common and concrete goals

Sustainable Energy Basket Bond

Eni subscribed a Memorandum of Understanding with Elite and Illimity Bank with the aim to make available to all the firms operating along the energy supply chain the "Basket Bond Sustainable Energy" program, an innovative financial solution. Eligible companies will have access to financial resources – according to their current and expected sustainable profile – for projects and investments suitable to achieve one or more United Nations Sustainable Development Goals, with a specific focus on Environmental, Economic and Social aspects, included the promotion of the human rights respect.

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.

ASSESSING AND MANAGING RISKS ALONG THE SUPPLY CHAIN

The promotion and protection of human rights in the supply chain is ensured through the adoption of transparent, impartial, consistent and non-discriminatory behaviour by adopting a model for assessing and monitoring respect for human rights, developed according to a risk-based approach, in order to identify, prevent and mitigate the risks of violations of the rules on the protection of human rights throughout the procurement process⁸.

In 2020 Eni has implemented a risk-based model for assessing and managing the human rights risks along the supply chain: suppliers are monitored and assessed in order to promote and guarantee the respect of human rights by excluding any form of slavery, forced labour, child labour and encourage healthy and safe working conditions, freedom of association, and adequate wages.

This model makes it also possible to apply control measures differentiated on the basis of the level of risk, using criteria inspired by international standards, such as the SA 8000 standard.



8 Ref. Eni Operating Instruction "Assessment and monitoring model for respecting Human Rights in the Procurement process"







JUSIN A SUSTAINABLE TRANSITION

1) Supplier Code of Conduct:

published in 2020, it sets out the principles contained in the Code of Ethics for suppliers who are required to sign it during the self-application/ qualification or awarding of contracts, recognising and protecting the value of people and the prohibition of any kind of discrimination.

2) Due diligence:

introduction of keyword search strings dedicated to possible human rights violations in the reputational analysis of counterparties. To support due diligence on human rights, Eni has implemented a risk-based model to segment qualified suppliers according to a potential risk of human rights violations in consideration of the risks related to the Country and the activities carried out.

3) Qualification questionnaire:

verification of professionalism, technical-operational capacity, ethical, economic and financial reliability, health, safety, environmental protection, respect for human rights, by filling in a special section inspired by the SA8000 standard and cyber security to minimise the risks inherent in working with third parties.

4) Tender and award:

definition of any minimum human rights requirements necessary for the evaluation of bids (scoring model) and the subsequent award of the tender. Strengthening of contractual clauses guaranteeing respect for human rights, including the possibility of specific audits of the supplier's activities.

5) Handover:

transmission to the contract manager of all relevant information, including the indication of the contractual clauses protecting human rights, in order to allow actions aimed at the optimal management of the contract also in relation to the protection of human rights.

6) Feedback:

if critical issues are identified, improvement actions are requested or, if minimum standards of acceptability are not met, limitations or inhibitions are placed on the invitation to tender. Inclusion of dedicated tags in the system, in order to periodically detect which reports have led to action being taken against the supplier and in respect of which human rights violations. Through the model adopted, the risk evaluation is based on an objective and transparent methodology which leads to a suppliers' classification according to potential risk of human rights violations. Such risk is evaluated taking into account the Country of operations and type of activity performed. The geographical risk derives from external data providers and it is based on the evaluation of the occurrence probability of human rights violation in terms of forced labour, trafficking in persons and modern slavery also considering the legal and regulatory frameworks, government effectiveness and law enforcement. The risk associated to a specific activity, originated by internal evaluations, is based on the vulnerability and probability of incidence of non-compliance with human rights in working conditions such as level of workers, labour intensive work, percentage of low-skilled manpower required, HSE standards required.

ENI'S APPROACH TO ASSESS AND MENAGE RISKS ALONG THE SUPPLY CHAIN



In 2021 Eni has

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FOCUS ON HUMAN RIGHTS ASSESSMENT ON SUPPLIERS

To manage the identified risks, the model allows differentiated control approaches according to the different risk levels, always inspired by international standards such as SA8000: all suppliers are evaluated on respecting human rights with a growing level of detail according to the associated risk degree. Through the acceptance of the Code of Conduct, suppliers are required to comply with Eni's principles and policies on human rights in order to become or maintain the status of Eni's supplier. Moreover, all suppliers are subject to a continuous monitoring process through: (i) due diligence verifications; (ii) reinforced feedback processes with focus analysis on respecting human rights; (iii) periodic check-points with dedicated questionnaires - during the gualification stage; (iv) on field-surveys - during the execution of the contract, according to reinforced requirements and clauses on the protection of human rights in all contractual standards. In the tender evaluation process, as the human rights risk increases, minimum requirements

are adopted, evaluated and monitored along the contract duration not only for contractors but also for Eni's subcontractors with the aim of preventing any forms of modern slavery such as forced labour, child labour, discrimination or inequal wages. In addition to this, depending on the level of human rights risk, other specific requirements can be put in place along the assignment process and during the execution of the contract, for instance with dedicated contractual clauses.

Should any critical issues arise, suppliers are requested to implement improvement actions or, if they don't meet the minimum standards of acceptability, they are inhibited to participate in tenders or operate under a contract and consequently excluded from Eni vendor lists. According to the risk-based model, evaluation and monitoring of suppliers' performance in terms of respect of human rights can be performed with on-site audits or, when it is not possible, by a virtual audit.

The result is a comprehensive approach for risk identification, prevention, and mitigation in every stage of the procurement process, from the supplier selection to the tender evaluation and performance monitoring along the entire supply chain.

Eni has continued to improve and strength the attention to the respect of human rights by ensuring risk-based evaluation with focus on the riskiest geographical areas in which Eni operates (the countries with the highest number of suppliers at risk are Nigeria, Congo and Mozambique).

In 2021 Eni has reached the target of more than 6,000 suppliers assessed on social responsibility, included the respect of human rights, with the aim of prevent the risk of engage suppliers unable to guarantee the respect of human rights. According to the risk-based model, in depth evaluations on 24 suppliers and 11 audit according to SA8000 principles have been further performed. In contract execution phase more than 2000 feedback questionnaires have been evaluated with 60 of them related to potential violation of human rights. The in-depth assessment revealed that none of them were related to modern slavery issues.

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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.

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 for the Eni's procurement professionals, that has been progressively extended in 2020 and 2021. 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 passports retentions. Both case studies terminate with a description of Eni's expectations in terms of both remedy for abused workers and approach with the suppliers.

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 local industrial association meetings and a Safety Day dedicated to contractors during which rewards are assigned to suppliers who stand out for their commitment and safety performance and meetings with local suppliers organized in collaboration with trade associations or local authorities. Eni also organised specific initiatives and workshops focused on the respect of human rights, inviting almost 1200 suppliers operating in high risk activities and promoting a e-learning platform for supplier resources training.

Key performance indicators

Supplier assessment

		2017	2018	2019	2020	2021
Suppliers subject to assessment on social responsibility aspects	(number)	5,055	5,184	5,906	5,655	6,318
of which: suppliers with criticalities/areas for improvement		1,248	1,008	898	828	487
of which: suppliers with whom Eni has terminated the relations		65	95	96	124	34
New suppliers assessed using social criteria	(%)	100	100	100	100	100

During 2021, 6,318 suppliers were subject to checks and assessments with reference to environmental and social sustainability aspects (including health, safety, environment, human rights, anti-corruption and compliance). Potential critical issues and/or areas for improvement were identified for 8% (487) of the suppliers audited. The critical issues mainly refer to shortcomings in compliance with health and safety regulations and the principles established by the Code of Conduct and the Code of Ethics. The total number of suppliers involved decreased compared to 2020, the year in which the critical issues recorded concerned the numerous foreign branches of international suppliers. For the same reason, there was a reduction in the number of suppliers with whom relations were interrupted (34), due to a negative evaluation during the qualification phase or due to suspension or revocation of the qualification.

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FOCUS ON



SOCIAL AUDITS TO CONTRACTORS IN MEXICO

BACKGROUND

THE PILOT PROJECT

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



MAIN RESULTS

The contractor's 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:

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 Area1 Development Project. Among the findings of the HRIA, it was highlighted the

In August 2019, Eni designed and used a specific guestionnaire, 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 logis-

tics services. This experience has set the base for the implementation of regular social audits, included as such in the Human Rights

importance of monitoring the performance of contractors and subcontractors to ensure respect for human rights.

- 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 related 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 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;

Action Plan (2019-2021) in Mexico approved at the end of that year.

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 evidence of the measures that they had implemented to attend the observations made during the social audit. This evidence is 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 Eni Mexico to identify some opportunities for improvement regarding both how to provide support to contractors on human rights respect and how to monitor the 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, to allow a more systematic monitoring mechanism, even in a mid-term perspective.

FROM THE PILOT TO THE PRACTICE

Having tested the social audit methodology in 2019, as part of its commitment to promote and guarantee respect for human rights, Eni Mexico conducted three more social audits in 2020 and 2021.

The main objective of these social audits was to evaluate contractors' Corporate Social Responsibility (CSR) Management – taking as a reference the processes and practices established by ISO 26000 (Social Responsibility) as well as Eni Mexico's guidelines on social responsibility and human rights. Therefore, the scope of the assessments done embraced a wide range of iussues, such as: CRS governance and decision-making, adherence and commitment to CSR principles, human rights, labor practices, environmental practices, fair operating practices, community engagement and development.

This approach was proposed as the respect for human rights, including labor rights, is something that cannot be achieved without a robust and coherent organizational framework.

The contractors audited provided different services to Eni Mexico:

- drilling and Environmental Protection & Control (EPC) services, the contractor was dedicated to the construction of an industrial plants (in 2020);
- · drilling of oil wells, rental and sale of drilling equipment as well as related services (in 2020);
- provision and monitoring of electronic security systems, as well as the provision of personnel, including private security guards and executive drivers (in 2021).

Due to the specific security services provided, the last contractor was also assessed against the application of the normative principles of human rights to private security, including the Voluntary Principles on Security and Human Rights (VPSHR).

From the audits no major or relevant non-conformity emerged, nevertheless, some improvement areas or suggestions were addressed to the contractors to manage issues related to, among others, a clear definition of roles and responsibilities on managing CSR, transparency in communicating with stakeholders, management of initiatives related to community developments, the management of social impacts and risks (recommendation to implement a broader and more comprehensive approach including the social topics and stakeholders), recruiting process.

Also good practices were identified about, among others, the engagement of employees and their involvement in structured training courses (focused on health and safety, sexual harassment), the organization of an event to discuss the importance of diversity, the carrying out of regular webinars/conferences on mental well-being and stress management, the effectiveness of the process to monitor H&S issues (especially those related to the vehicle driving safety), and more in general solid commitments and management frameworks on sustainability topics.

Eni Mexico is monitoring the implementation of the suggestions received by the contractors.

All audits were carried out online due to the COVID-19 pandemic restrictions.

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DUE DILIGENCE

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

SPECIFIC POLICIES AND INITIATIVES TO DEAL WITH RISKS FROM BUSINESS PARTNERS

Eni's commitments to preventing and mitigating potential and actual human rights impacts deriving from the decisions and behaviours of Business partners, 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.

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 venture' 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 pro-

visions 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.

Assessing and monitoring business partners' risks

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

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 R

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.

In 2020, the Sustainability function and Negotiation function have undertaken a first review of the negotiating experiences of commercial colleagues working in both the head office and the subsidiaries. The exercise was conducted with the aim of having a first set of practical feedback from negotiations of this clause within contracts negotiated/concluded within the year, from which to draw possible improvements towards an updated model. As a result of this process, the clause was updated at the end of 2020 and spread across the Group at the beginning of 2021.

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 dil-

igence 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.

As a result of this process, the clause was updated at the end of 2020 and spread across the Group at the beginning of 2021

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

FOCUS ON

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.

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FOCUS ON



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 July 11, 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%)



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% participating interest, makes all the possible efforts to ensure that 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 exert leverage on the JV to share Eni's standards and ask for any clarification on SPDC operations in order to prevent and mitigate 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 Director's meetings to discuss relevant issues. Finally, in the event where NAOC representatives are not in agreement with the Operator, relationships with the partners in the JV are used in order to ensure that NAOC could gain the necessary support to further influence decision making, with the potential to trigger non-support of JV activity.

In light of this, concerning asset integrity, NAOC conducts regular assessments on facilities to verify 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 during the visit are addressed. For instance, in the last two years, NAOC visited the Bonny and Forcados Oil Terminals, Tunu flow station and the Field EA to verify the integrity status of the facilities and found no anomalies. In 2022, a follow-up visit to EA Field is planned by NAOC representatives to ensure that other planned works have been satisfactorily implemented. Further, during the Quarterly Management Review held in June 2022, NAOC used the opportunity to express concerns on HSE matters in the JV operations relative to other sites and requested SPDC to accelerate efforts to clean up spills and minimize any potential negative impact on the environment. NAOC, as a diligent and responsible JV partner, also exploits the opportunity to share intelligence on suspected spills (irrespective whether due to theft/sabotage or technical failure) in order to accelerate the response of the Operator for verification of the potential related damages and extends support for remediation if required.

As a further example, as to the exercise of leverage to strive the alignment of JV activities with Eni's model and UNGPs, NAOC representatives continue to lay emphasis on the importance of primarily protecting worker health (both employees and contractor personnel alike) who are involved in SPDC JV activities; emphasis which was reiterated at the onset of Coronavirus pandemic. The effectiveness of COVID protocols laid out by SPDC were indeed constantly monitored and NAOC urged the Operator to review their COVID protocols following an outbreak on one of the rig sites in 2021. Moreover, NAOC representatives continuously monitor Health, Safety, Security and Environment statistics and urge the Operator to engage and explain the improvement measures that have been put in place. As a form of feedback, SPDC has shown at various governance meetings the improvement of deployed measures. The efficacy of these improved measures is followed up regularly by NAOC.

NAOC is committed to exploit various formal events like the Operator's Committee Meeting of SPDC to present Eni's continuous commitment and approach on human rights due diligence with a focus on human rights in the workplace and relations with suppliers and business partners. NAOC has also formally requested feedback to SPDC on the 2018 public report by IndustryAll Global Union concerning alleged workers issues and offered all necessary support.
Human rights in host community relations

ENI'S APPROACH TO HUMAN RIGHTS IN HOST COMMUNITY RELATIONS

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

This approach is part of the distinctive Eni's cooperation model in Countries of presence, particularly in non-OECD Countries: the "Dual Flag" strategy. This approach translates into constant interactions with local institutions and stakeholders to identify the initiatives necessary to meet the needs of the communities and to lay the foundations for new growth opportunities for the Country and for Eni's business activities.

SPECIFIC POLICIES TO RESPECT HUMAN RIGHTS IN COMMUNITES RELATIONS

- Code of Ethics
- Eni's Statement on Respect for Human Rights
- ▶ Eni's Sustainability Policy
- Alaska Indigenous People Policy

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;
- distinctive rights of the indigenous people, attention to vulnerable groups and the role of human rights defenders;
- · 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.

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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

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.

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 indigenous periodically people potentially affected by Eni's operations worldwide.

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.

Consultations are also an opportunity for sharing and informing communities of Eni's approach to human rights and sustainability 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 2018 Eni developed the "Stakeholder Management System" (SMS). This tool is designed to support the management of relations with stakeholders in the territories where Eni operates.

- The SMS is a web-based platform that allows Eni to:
- map and evaluate stakeholders;
- map requests related to sustainability issues;
- identify the most relevant stakeholder and most requested issues;
- identify/map the appropriate responses to stakeholder pressure;
- store all data to give organized information for local stakeholder management.

The SMS is based on the international standard AA1000 and performs analysis based on the minutes of meetings and other documents related to stakeholders. The system has a special section dedicated to requests related to

human rights protection, which can be sorted by topic, territories or categories of stakeholders.

The SMS also allows Eni to monitor all the grievances related to Eni or its contractors which are sent by local communities, individuals or indigenous or vulnerable groups: each grievance as well as each request is registered and monitored from its receipt to its resolution.

Since 2020, the system has been in use on all the sites where Eni has industrial operations, monitoring the relationship with about 4,800 stakeholders. The SMS helps to understand the singularities of local contexts, any needs, critical issues and areas for improvement, the main topics of interest, potential impacts on human rights, and allows to identify the possible presence of vulnerable groups and any areas listed by UNESCO as sites of cultural and/or naturalistic interest (WHS -World Heritage Sites).

Around 770 communities are mapped in the SMS, including the identification of local governments and authorities, villages, indigenous peoples' groups, local NGOs and business partners.

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 <u>Myanmar</u>, <u>Angola</u> and <u>Mexico</u>. (For detail **see** p. 86) Around **770**

ACCESS TO REMEDY

> Communities are mapped in the SMS, including the identification of local governments and authorities, villages, indigenous peoples' groups, local NGOs and business partners







Ergon Associates is a specialist consultancy working on business and human rights. It was established 16 years ago and has subsequently built up a wide base of clients working across a range of different sectors from development finance to energy, from retail to sport. Steve Gibbons is a founding Director of Ergon Associates and has over 20 years' experience working with businesses, international organisations, governments and others to support the promotion

➤ Full interview on eni.com

rights.

of labour and human

PRESENT AND FUTURE ROLE OF BUSINESSES IN RESPECTING AND PROMOTING HUMAN RIGHTS IN COMMUNITIES

10 years after the adoption of the UN Guiding Principles on Business and Human Rights what has been the path done so far and what will be the role of companies in the next future? Are there new challenges?

There has been some significant progress in relation to the way in which companies understand their obligations and also the opportunities for them to both protect and promote human rights. While we have still some ways to go, there is increasing evidence that companies better know where they may impact on human rights and also better understand the actions they can take which will either reduce that impact or better support positive human rights impacts. Human rights impact assessments and other studies are important in this respect, and Eni have been at the forefront of developing such studies and being transparent about the outcomes. 10 years in, and in many ways the nature of the discussion on business and human rights is a long way away from where it was before the UNGPs were adopted. However, in other ways there are sectors and companies, many of them, who have really not progressed at all. With this in mind, an important factor in the future will be the way in which legislation requires companies to carry out both risk and impact assessments and, importantly, describe what they are going to do to either remediate negative impacts all prevent them. As a range of significant events is showing us, from the Russian invasion in Ukraine to the FIFA World Cup in Qatar later this year, there will be also changing expectations of companies in relation to how they do their business and where they do their business. This is going to have a particular impact on the issue of human rights and the expectations of business to "know, show and tell" what their approach is to some complex political situations.

What role can be played by companies in respecting and promoting the human rights of the hosting communities? What

are the strengths and the limits of a Human Rights Impact Assessment?

A human rights impact assessment can be a really strong tool if it is properly carried out. It allows the company to understand what it's doing, but it also should allow the company to understand either the limits of its responsibility or the opportunities for the company to support, collaborate or even lobby public organisations to carry out their duties under international human rights instruments. Understanding the needs, challenges and situation of the community which is both impacted by a project, but also provides services and workforce to the project is super important. As such, starting to understand that a human rights approach is nothing if it is not integrated into a full proper and transparent stakeholder engagement process is key.

Do you think the EU proposal for a Directive on corporate sustainability due diligence will help to raise companies' commitment and guide their engagement on most relevant issues affecting their direct activities and those within their supply chain?

This proposal, and equally importantly the way that national law implements the Directive, will be a central issue for the coming years in business and human rights. While there are some companies, and I would put Eni in this group, who already have significant commitments to carry out human rights activities across its direct activities and also within its supply chain, there are many that do not. As such, we can see the limitations of a voluntary approach to business and human rights. This is particularly the case for those companies who are less in the public eye or subject to either sectoral or other external pressures. Legislation, particularly where it places real and clear duties on the leadership and directors of companies, can have a significant impact and leads to step change. One consequence of new laws will be a rising tide of both expectation and understanding. Companies will be able to better resource and implement human rights programmes, based on what their competitors and comparators doing, but also use the skills and knowledge which

the labour market and professional services firms will start to provide. As one of the few specialist consultancies in this area out there, it's fair to say that there are very few specialised agencies and consultancies at the moment and in the long-term that can't be a good thing.

How companies should approach the requests of the Directive proposal?

There is still some way to go before the directive is approved, and even then its provisions will still require specific implementation by national law. The key thing to understand about the proposal is that the central provisions are those that will lead to changes in company law and, in particular, the duties of company directors. With this in mind, from a purely legal perspective companies should start to engage that own legal teams and senior leadership to understand the kind of change that is coming down the track and start to plan for the increase in resources and effort that will be needed under the legislation. What it actually looks like is still a little bit unclear. However, some things are certain: companies will have to have a better understanding of the impact of the whole of their business, including but not limited to supply chains, on human rights; they will have a deeper understanding on how they can remedy any known breaches; they will need to be clear on what remedy and grievance mechanisms are in place and develop and integrate their overall programmes.

Can respect and promotion of human rights play a crucial role in the just transition pathway?

Our view is that human rights are both central to just transition, but also an incredibly useful tool. Transition to a low carbon future can often be bound up, understandably, in technical concepts and language. Adding a human rights lens forces to look at what the social impacts of the change will be, both in terms of jobs, livelihoods and broader as yet unclear implications. Asking the simple question what transition means for people and how can we make sure that the positive elements for the planet of transition have minimal negative impacts for people is really important. 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.

Considering the industrial contexts in which it operates, Eni has direct contacts with indigenous populations and their representatives exclusively in Australia, Alaska and Norway. In these cases the relationship is managed in compliance with international and local regulations that define how to involve and consult them. In Australia, Eni operates in the Northern Territory, near the Wadeye community, and regularly engages local administrative bodies which protect the rights of Aboriginal populations, developing participatory projects concerning local development and environmental conservation.

In this regard, in 2007, Eni signed the Eni Australia Indigenous People Policy, and in 2013, the Eni Norge⁹

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".

On December 2021, Eni updated the Alaska Indigenous People Policy whose content and commitment are explained in the next box.

Considering the industrial contexts in which it operates, Eni has direct contacts with indigenous populations and their representatives exclusively in Australia, Alaska and Norway

FOCUS ON

POLICY FOR INDIGENOUS PEOPLES IN ALASKA

CONTEXT

In Alaska, Eni's Oil & Gas operations are concentrated in the northern end of the State (North Slope), where native peoples live on subsistence-based lifestyles (hunting and fishing); Eni's key stakeholders include representatives of the villages located close to Eni's operating activities, as well as cooperatives and corporations which supply goods and services to companies operating in the area, according to local regulations.

ADOPTION OF THE POLICY

Eni's commitment to these communities is the subject of a specific policy on respecting the rights of indigenous peoples in the conduct of its activities and operations in the State of Alaska, adopted by Eni's subsidiaries in US (Eni US Operating) in 2020 and in line with the Eni's statement on respect of human rights. The commitment includes to:

- · establish, in agreement with Indigenous People, an inclusive and effective framework to ensure the free and informed participation and consultation of indigenous peoples on Eni's activities, with appropriate communication open to dialogue, use of the local language, a continuative presence in the community and strategic participation in community events;
- in cooperation with Indigenous People, undertake an appropriate due diligence process in order to assess, anticipate, avoid, mitigate negative impacts. A mutually agreed plan or land use agreement (LUA) will take into account the results of these assessments; the definition of mitigation and compensation measures in case of identified impacts, based on the results of the consultation process;
- seek agreement (LUA), wherever possible, with the Indigenous People communities on activities that affect land rights. Where these activities include relocation or affect their critical cultural heritage, indigenous people prior consent will be sought and obtained;
- establish and ensure, including through cooperation, effective and culturally appropriate grievance mechanisms to contributing access to remedy and ensure company/contractor-wide stakeholder training.
- The policy also includes a commitment to periodic reporting on its implementation.

→ For more information: eni.com

Eni in 2020 has adopted a specific Policy on respecting the rights of indigenous peoples in the conduct of its activities and operations in the State of Alaska



Assessing and monitoring impacts on human rights of host communities

In 2018 Eni adopted a riskbased model to classify the business projects of the upstream activities based on the potential risk to human rights, extended in 2020 to the evaluation of renewable energy projects

Eni carried out these Human Rights Impact Assessments in its most challenging new projects from a human rights point of view

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 subcontractors) are consulted during dedicated meetinas

Eni's Statement on Respect for Human Rights 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.

Eni is engaged in preventing possible negative impacts on the human rights of individuals and host communities deriving from the implementation of industrial projects. For this purpose, in 2018 Eni adopted a risk-based model to classify the business projects of the upstream activities based on the potential risk to human rights, extended in 2020 to the evaluation of renewable energy projects. The highest risk projects are, therefore, specifically studied through "Human Rights Impact Assessments" (HRIA), which include also a preliminary analysis of the local context on human rights and a subsequent engagement with the main rightsholders. A final report provides the recommendations for the implementation of measures to prevent potential human rights impacts and to manage existing ones, followed by the adoption of a specific action plan identifying actions to be introduced and their timing. Using these models, 100% of the exploration and upstream development projects as well as renewable energy projects were analysed: a medium/high risk profile was found for 6 projects, which will be subject to dedicated in-depth studies in 2021-2022. In addition, a new analysis methodology - Human Rights Risk Analysis (HRRA) - was developed to be applied to medium risk projects. In 2021 four studies were conducted on seismic survey projects: HRIAs in Angola on Cabinda-Centro block and in Albania on Dumre block; and HRRAs in United Arab Emirates in Sharjah and in Oman on Block 47. For all of them, the implementation of Action Plans is underway, also through the involvement of contractors for seismic survey activities.

In previous years, Human Rights Impact Assessments have been carried out in the most challenging new projects from a human rights point of view in Mozambique in 2014, Myanmar in 2016, 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, followup 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.

The HRIA 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 HRIAs and HRRAs are finalized in Reports with recommendations authored by the third party consultants supporting Eni in the activity, 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 HRIAs.

During 2021, also continued the work on implementing, the actions foreseen in the analyses carried out in 2019 and 2018 in Mexico and Mozambique. Eni also published two Reports, one on the completion of the Action Plan related to the Cabinda North project in Angola and the other on the progress of the Action Plan related to the Area 1 development project in Mexico. Finally, a further progress report on the Action Plan for the Area 4 development project in Mozambique was published in early 2021 see p. 86.

With regard to the state of emergency declared in Myanmar on February 1st, 2021, Eni has adhered to the Statement by concerned businesses operating in Myanmar promoted on February 19, 2021 by the Myanmar Centre for Responsible Business.

For more information:

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Other HRIAs will be carried out in 2022 on new relevant business activities Eni will pursue in the coming years. The company has signed agreements in seven countries - Angola, Benin, Congo, Ivory Coast, Kenya, Mozambigue and Rwanda - and has started experiments and feasibility studies in other countries - including Italy and Kazakhstan - to develop socalled agri-feedstocks, i.e. plants from which vegetable oils can be extracted. These oils are the raw material needed for the production of biofuels, which will feed the bio-refining system.

The business model of the projects is virtuous for both small and large farmers as it will allow for significant growth in jobs, reaching up to one million households by 2030.

(For details see: ■ <u>https://www.eni.</u> com/en-IT/sustainable-mobility/ biofuels-vegetable-oils.html)

The first projects are under implementation in Kenya and in Congo; Eni will implement on each projects a Human Rights and Social Impact Assessment to minimize the risk of competition of crops for industrial use with food security and to identify potential negative human rights impacts linked to the project activities, allowing Eni to adopt appropriate measures to prevent such impacts, especially in relation to land rights and labour rights along the whole supply chain.

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.

DUE DILIGENCE

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

Negative impacts potentially caused by the activities and the criteria to qualifying people or categories of people eligible for the compensation measures are evaluated

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

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Engaging and responding to the affected rights-holders in Mexico



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

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:

- 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;
- 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;
- 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;
- workplace: in order to properly address limited, but potentially significant, labour issues (these includes working hours, rest periods, written contracts, ad hoc trainings);
- 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 Human Rights Action Plan has been done to allow stakeholders and communities to engage with Eni Mexico and to ensure follow-up on the findings. Most of the work has been focused on actions related to accountability and transparency, fishers and local communities.

Also, in line with its commitment on transparency, Eni has published the Human Rights Impact Assessment and the Human Rights Action Plan on its website, so allowing a broader knowledge to external stakeholders.

Jointly to the previous documents, each year of activity, a summary report on the implementation of the measures was also published. As all activities foreseen in the HRAP have been completed in 2021, a final report will be published within 2022.

One of the most critical challenge related to the implementation of activities is linked to the COVID-19 pandemic that led to some difficulties in terms of work organizations and relations with stakeholders, in particular on day-to-day dialogue with local communities. On the other side, pandemic has yet shown that no one was prepared for such a contingency and that the emergence of new virus is a global risk given the rapid population growth, urbanization and loss of biodiversity. In this sense, a pandemic represents a challenge for the safeguard of human rights and the achievement of sustainable development, therefore an external factor to be considered within risk assessment. Among other challenges were identified the internal staff changes, lack of similar experiences regarding human rights due diligence processes within the oil and gas sector, as well as the pre-existing condition characterized by informality and vulnerability at the local context.

REPORTING

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 <u>CEO Water Mandate</u>. 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. To firmly demonstrate the Company's commitment, Eni decided to be the first oil and gas company to comply with the CEO Water Mandate









FAO AND ENI PROMOTE ACCESS TO WATER IN NIGERIA

CONTEXT

Socio-economic problems, exposure to climate change and internal conflicts are factors that have fuelled the Country's crisis in recent years. The crisis has triggered important migratory flows and informal settlements have grown both in the north-east and in the Abuja Federal Capital Territory (FCT), to which many people are fleeing.

PROJECT AND OBJECTIVES

Access to clean water is ever more important, as hygiene is the first line of defence in this pandemic On February 26, 2018, Eni and FAO signed a Collaboration Agreement for the improvement of access to water in the Country. The Access to Water Project contributes to the achievement of SDG 6 "Clean water and sanitation" and SDG 13 "Fight against climate change", intervening beyond the perimeter of the operational areas. The project – aligned with the "Rebuilding the North East-The Buhari Plan" – responds to the invitation addressed to the energy companies by the Federal Government to counter the suffering of the population in the North-East of the Country threatened by the violence of Boko Haram and the water crisis of Lake Chad.

RESULTS

In the 3 years of activity, the synergy with FAO has made it possible to build 22 wells powered by photovoltaic systems: 5 in the federal territory of the capital Abuja and 17 in the North-East of the Country (5 in the state of Borno, 5 in Adamawa state and 7 in Yobe state), reaching over 67,000 beneficiaries.

→ For more information: eni.com

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.

Key Performance Indicators

INVESTMENTS IN LOCAL DEVELOPMENT

		0017	0010	0010	0000	0001
		2017	2018	2019	2020	2021
Local development investments by sector of intervention	(€ million)	70.7	94,8	95,3	96,1	105.3
Access to off-grid energy		1.1	1.7	4.2	8.1	5.6
Economic diversification		33.4	28.1	39.9	33.1	33.6
Education and vocational training		17.3	23.3	16.9	13.3	16.2
Access to water and sanitation		0.7	0.8	1.8	3.9	4.8
Life on land ^(a)		3.7	17.7	5.3	12.2	27.5
Health		7.0	3.3	8.6	13.3	11.6
Compensation and resettlement		7.5	19.9	18.6	12.2	5.9
Local development investments by geographic area						
Africa		22.9	46.7	53.3	44.2	37.1
Americas		4.9	3.8	3.9	5.0	5.7
Asia		34.3	21.9	28.1	28.2	28.0
Italy		7.0	20.6	8.2	16.9	32.6
Rest of Europe		1.4	1.5	1.5	1.8	1.8
Oceania		0.2	0.3	0.3	0.02	0.002

(a) In Eni for 2018 this item was included in the item Economic diversification.

In 2021, investments for local development amounted to around €105.3¹⁰ million (Eni share), about 95% of which were in the area of upstream activities. In Africa, a total of €37.1 million was spent, of which €28.8 million in the Sub-Saharan area, mainly for the development and maintenance of infrastructure, particularly school buildings. In Asia, approximately €28 million was spent, mainly on economic diversification, in particular for the development and maintenance of infrastructure. In Italy, €32.6 million was spent. Overall, approximately €39.8 million was invested in infrastructure development activities, of which €20.5 million in Asia, €14.3 million in Africa, and €5.0 million in Central and South America.

The main projects implemented in 2021 include initiatives to promote: (i) access to water through the construction of a water treatment plant in Iraq; the maintenance of 10 wells powered by photovoltaic systems in north-east Nigeria, the installation of seven water points in Ghana, the maintenance of existing water points and awareness-raising activities on the use of clean drinking water in Angola; (ii) access to electricity in Libya through support for the Libyan General Electricity Company

(GECOL) in terms of spare parts and training; and in Angola through maintenance of solar energy systems installed in schools and medical centres; activities were also carried out to promote access to clean cooking in Mozambigue, Ghana and Angola through awareness-raising campaigns and the distribution of improved cooking systems; (iii) economic diversification both in the agricultural sector in Angola, Congo and Nigeria and to support local and youth entrepreneurship in Ghana and Egypt; (iv) access to education with activities for both students and trainers in Angola, Egypt, Mozambique, Ghana, Irag and Mexico.

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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.

SPECIFIC POLICIES AND REGULATORY DOCUMENTS TO ENSURE RESPECT FOR HUMAN RIGHTS IN ENI'S SECURITY OPERATIONS

- Code of Ethics
- Eni's Statement on Respect for Human Rights
- Supplier Code of Conduct
- Sustainability Policy
- The Integrity of our Operations Policy
- The Security Regulations 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 Security Regulations Consolidation Act

ENI'S COMMITMENTS

Eni manages its security activities in accordance with international principles, including the UN Basic Principles for the Use of Force and Firearms¹¹ by Law Enforcement Officials and the Voluntary Principles on Security & Human Rights12, 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.

ASSESSING RISKS AND MONITORING PERFORMANCES

The "Security and Human Rights Risk Based Model" is a tool developed in 2020, aimed at identifying, analysing and prioritising the risk of negative impact on human rights in security activities and assessing, accordingly, the use of appropriate preventive or remedial measures. In 2021, a revision of the model was carried out with the division into two macro-components: Country context and Eni's presence in the Country. The implementation of the model, structured in this way, has led to the definition of a "Security & human rights Action Plan 2021", which provided for: (i) random review of the security contracts in place in the first 10 Countries resulting from the Risk-Based Model to verify the presence or absence in them of human rights clauses; (ii) verification of the allocation/use of Security goods and services made available to the Public and Private Security Forces operating in the first 10 Countries resulting from the model; (iii) implementation of a training and information workshop on Security & Human Rights in Mexico.

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. 85).

¹¹ For more information, please see: https://www.ohchr.org/en/professionalinterest/pages/useofforceandfirearms.aspx

¹² For more information, please see: https://www.voluntaryprinciples.org/

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, Eni has been continuously working at developing processes and practices aimed at managing human rights risks by addressing the risks' causes.

Eni cooperates 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 training initiative in Mexico in 2021 is a good example of Eni's approach to relations with Security forces.

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.

SECURITY AND HUMAN RIGHTS TRAINING PROGRAMME

On November 25, 2021, a training workshop on Security & Human Rights was held in Mexico, with over 200 participants, both in person and remotely, including top management of the Armed Forces (Army Special Forces, Navy), the Mexican Police and representatives of other energy companies present in the Country, personnel from security companies operating at Eni sites, and members of civil society. The initiative is part of the training project launched in 2009 to promote corporate best practices that incorporate the international principles established by the United Nations in the Universal Declaration of Human Rights and referred to in the Voluntary Principles Initiative which underlie Eni's statement on respect for human rights in all the Countries in which the company operates. To date, 20 training courses have been carried out in 15 Countries around the world, with a total of more than 1,300 Security Forces trained on Security & Human Rights over the past 7 years.

FOCUS ON

ENI AND THE VOLUNTARY PRINCIPLES ON SECURITY & HUMAN RIGHTS

CONTEXT: The Voluntary Principles Initiative (VPI) is a multi-stakeholder initiative, established in 2000, dedicated to respect of human rights in the management of Security operations that involves governments, companies and NGOs. Eni manages its security operations in accordance with international principles, including the Voluntary Principles on Security & Human Rights promoted by the VPI, which Eni joined in 2020 as an "Engaged Corporate Participant". The VPI established a set of principles for the promotion and protection of human rights in security activities, bringing together governments, businesses and NGOs.

ENI ACTIVITIES: In line with its commitment, Eni has designed a coherent system of rules and instruments to assure that: (i) contractual terms comprise provisions on respect for human rights; (ii) security force providers are selected also on the basis of human rights criteria; (iii) security operators and supervisors receive adequate training on the respect for human rights; and (iv) the events considered most at risk are managed in accordance with international standards. Among the activities carried out by Eni in 2021 there are: (i) the presentation of Eni's Security and Human Rights activities during the "Verification Presentation" event, held in May 2021; (ii) the preparation of the Annual Report, for VPI, describing the activities carried out during the year to implement the Voluntary Principles; (iii) carrying out of the implementation Plan and forwarding to the Secretariat of progress reports on the relative activities.

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ENI ACTIVITIES WITHIN THE VPI

- Verification Presentation: during this event, Eni explained its commitment, mission and vision on respect and promotion of human rights, focusing on Security and Respect for Human Rights;
- > Elaboration of the VPI Annual Report which describes all the activities carried out during the year to implement the Voluntary Principles;
- Fulfilment of the activities required by the VPI in the Implementation Plan: in 2021, the VPI Steering Committee approved the Eni Voluntary Principles Implementation Plan, consisting of 5 different actions. All the requested activities were carried out and reported in detail by Eni through detailed reports;
- Update of the risk assessment procedure and of the "Security and Human Rights Risk Model" in 2021 Eni has reviewed, implemented and updated the "Security and Human Rights Risk-Based Model", receiving requests for changes and improvements, expressed in the VPI Implementation Plan;
- Participation to the works for the establishment/launch of the In country Working Group in Mozambique the "First Technical Meeting of the Working Group on Voluntary Principles on Security and Human Rights (VPSHR) in Mozambique" took place in February 2022; in 2021 Technical Committees and a Roundtable of the National Working Group took place attended by several authorities and institutions;
- Exchange of information and cooperation with the VPI Secretariat;
- > Participation in 2020 and 2021 Annual Plenary Meetings and in several webinars and events organized by the VPI.

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 reguired 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 reguested 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 ENGAGEMENTS

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.

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SECURITY REQUIREMENTS FOR CONTRACTORS PARTICIPATING IN TENDER

Contractors are requested to conduct security activities according to specific requirements in line with Eni standards. In these Security Appendixes are also included references to respect for human rights and Voluntary Principles on 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. An entire chapter dedicated to the explanation of the VPSHRs has been included in the pocket guide. In addition, the full text of the VPSHRs in English and Italian has been included in the appendix of this document. 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 Mexico (2021), in Angola (2020), 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 mangers 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 recog-

nized 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.

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 maps the kinds of goods and services made available to security forces and the frequency of transfers.

Key performance indicators

Training and security

		2017	2018	2019	2020	2021
Security contracts containing clauses on human rights		88	90	97	97	98
Countries with armed guards protecting sites	(number)	7	7	8	8	9
Security personnel trained on human rights ^(a)		308	73	696	32	88
Security personnel (professional area) trained on human rights ^(b)	(%)	88	96	92	91	90

(a) The variations of the KPI Security personnel trained on human rights, in some cases even significant from one year and the next, are related to the different characteristics of the training projects and to the operating continuencies.

(b) This is a cumulative percentage value. Starting in 2020, the figure is calculated considering only Eni employees, unlike the 2019 figure which also includes contractors. The Security Forces include both private security personnel working contractually for Eni and contractually works for Eni, as well as the personnel of the Public Security Forces, whether military or civilian, who carry out, even indirectly, security activities and/or operations to protect people and Eni's assets.

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

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. specific communication This 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 (n see p. 76). The HRIA methodology aims at assessing potential impacts and identifying measures likely to prevent and manage such impacts with a timely fashion.

The HRIAs conducted so far involved the Danish Institute for Human Rights (DIHR), Ergon Associates, and Community Insight Group, 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 specific Reports with findings and recommendations have been drafted, 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.

The reports and related Actions Plans about the HRIAs and HR-RAs carried out in 2021 have not been yet published, nevertheless Eni mantain a commitment to transparency and reporting back to stakeholders and rightsholders.

HRA/HRIA REPORTS AND RELATED ACTION PLANS AVAILABLE ON ENI'S WEBSITE

- Angola Human Rights Assessment Cabinda North Project
- Angola <u>Report on the implementation of the Human Rights Assessment Action Plan Cabinda</u> <u>North</u>
- Mexico <u>Human Rights Impact Assessment, Area 1 development project</u>, the report is also available in spanish
- Mexico <u>Human Rights Action Plan</u> (available also in spanish)
- Mexico <u>Summary report on the implementation of the Human Rights Action Plan on Area 1</u> <u>update 2019-2020</u> (available also in spanish)
- Myanmar <u>Human Rights Impact Assessment, Seismic Acquisition Block RSF5</u>
- Mozambique Eni Rovuma Basin (ERB): Area 4 Human Rights Plan Interim Report 2019-2020





RESPONDING TO CONCERNS ADDRESSED THROUGH THE GRIEVANCE MECHANISM

As described in detail at <u>p. 91</u>, 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 Ghana 🜉 see p. 93

The Community Liaison Officers are Eni's representatives in charge for building positive and trustbased relations with communities and stakeholders through direct and continuous listening

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

THE ROLE OF THE COMMUNITY LIAISON OFFICERS

The Community Liaison Officers are Eni's representatives in charge for building positive and trustbased 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.

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.

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.



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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 remediation (<u>see p. 90</u>);
- How to engage in remediation (<u>see p. 91</u>);
- 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 (
 see p. 91);
- Whistleblowing reporting management system, including a description of the reporting system and data and figures about investigations and report received (see p. 96).



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 opera-

tions, 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.

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.

FOCUS ON

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

UPDATE

THE AGGAH COMMUNITY RESIDES IN THE STATE OF RIVERS IN NIGERIA, IN AN AREA THAT IS REGULARLY PRONE TO FLOODING, DUE TO SEASONAL RAINS AND FLOODING OF THE NIGER RIVER.

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. 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. 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. While always reaffirming its position, Eni has chosen to comply with and participate in good faith in the procedure at the NCP and to actively contribute to its proper implementation. Following the signing of the Terms of Settlement (ToS), Eni in Nigeria (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. The work is currently being completed. On March 4, 2021, the NCP, having heard the parties, published a follow-up report on its website with the following final considerations: "During conversations with the NCP, both parties recognised that there has been progress on the implementation of the ToS and confirmed their willingness to continue the dialogue to reap the benefits of the agreement reached. The NCP reiterates the enormous value of the agreement of the July 8, 2019 and welcomes the progress made up to now in its implementation. The NCP invites the Parties to continue to cooperate in good faith and with the utmost commitment for the implementation of the Terms of Settlement and to follow the final recommendations formulated by the Conciliator in the ToS." On May 31, 2021, a joint NAOC-EVF visit agreed on minimal additional actions to finalise the project. An external consultant was contracted in September 2021 to carry out monitoring of the functioning of the drainage works in order to assess their effectiveness during the flooding season.



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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 Enterprises¹³. 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 justice¹⁴. 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

Since 2016, Eni makes use of 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. 88 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.).

During the entire examination phase, Company keeps the complainant updated on the developments of the case. In particular, Company should indicate to the complainant: the activities planned for the management of grievance where possible and appropriate, and the timeframe that can reasonably be expected for the conclusion of the grievance management process.

At the end of the analysis, the feedback about the grievance received is notified to the complainant. 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 ex-

plicitly 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.

The feedback about the grievance received is notified and discussed between 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

①



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.



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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.





245 Complaints received

53% Resolved and closed 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.

In Ghana, the Offshore Cape Three

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 2021, Eni received 245 grievances (107 in 2020) from 7 subsidiaries/districts/plants, of which 53%, i.e. 129 cases, were resolved and closed. Most of the grievances came from Nigeria (NAOC 89%), followed by Italy, Angola, Congo, Ghana and mainly concerned: relationship management and community aspects, environmental aspects, land management, employment.

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

- 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 <u>Supplier Code of Conduct</u>).
- 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.



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Whistleblowing reporting management system

Eni uses a Whistleblowing reporting management system that enables anyone – whether Eni's people¹⁵, 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.

Between 2018 and 2019, Eni carried out a specific gap analysis of the grievance mechanisms and the whistleblowing system to evaluate their effectiveness against the 8 criteria of the UNGPs' principle 31. From the analysis emerged some improvement areas included the needs to gathering feedbacks from users and measures to improve the knowledge of the systems and promote the use of them. On the basis of the suggestions made, the whistleblowing system has been improved and at the same time the internal regulation "Whistleblowing Reports received (including anonymously) by Eni SpA and its subsidiaries in Italy and abroad" has been updated.

FACTS AND FIGURES ON WHISTLEBLOWING REPORTING

With regard to whistleblowing reports, in 2021 investigations were completed on 74 files¹⁶, of which 30¹⁷ included human rights aspects, mainly concerning potential impacts

on workers' rights and occupational health and safety. Among these, 40 assertions were verified with the following results: for 5 of them the reported facts were confirmed, at least in part, and corrective actions were taken to mitigate and/or minimise their impacts, including: (i) actions on the Internal Control and Risk Management System, relating to the implementation and strengthening of existing controls; (ii) actions against suppliers; (iii) actions against employees, including disciplinary measures, in accordance with the collective labour agreement and other applicable national laws. At the end of the year, 15 files were still open, 5 of which referred to human rights aspects, mainly concerning 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 <u>Privacy Information</u> <u>Notice Regarding Whistleblow-ing</u> 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;

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

50 Reports received

in 2021 concerning human rights

¹⁵ Eni personnel and any natural or legal persons, who operate on its behalf.

¹⁶ Whistleblowing File: a summary document of the investigations carried out on the Whistleblowing report(s) (which may contain one or more detailed and verifiable

assertions) and that contains a summary of the investigation carried out on the reported facts, the result of the investigations and any action plans identified. 17 Of which 2 relating to subsidiaries not fully consolidated.



 more importantly, Eni is committed to ensuring that no one may suffer any retaliation whatsoever for having provided information regarding possible violations of the Code or reference procedures.

On this issue, the Rules on Whistleblowing Reports received by Eni, including those received anonymously, clarify that in order to protect the image and reputation of people who were unjustly reported, Eni will guarantee the application of disciplinary sanctions, also for the whistleblower, in the event of an Illicit Report. Such reports, which could potentially lead to actions, are defined as "any whistleblowing report that is revealed as unfounded based on objective is 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 p. 42

Key Performance Indicators

Grievances by topic^(a)

		2019	2020	2021
Access to energy	(%)	14	5	1
Land Management		6	8	12
Education		6	3	1
Employment		16	21	8
Infrastructure		10	4	3
Community management		8	7	25
Suppliers managament/Agreements		9	8	9
Partnerships		7	-	3
Social and economic impacts		6	3	2
Economic diversification		3	2	1
Environmental management		-	31	18
Other		15	8	17

(a) The grievances received by Eni's subsidiaries are classified into over 200 sustainability themes, within the corporate management system (SMS - Stakeholder Management System). The consistency of the various grievance themes may vary from one year to the next, both in terms of type and number, especially for particular years such as 2020 and 2021 characterized by the pandemic, also involving high percentage variations for some categories. In particular, the category "Community management" presents the most significant value in 2021.

Whistleblowing files on human rights violations

		2017	2018	2019	2020	2021
Whistleblowing files (assertions) on human rights violations closed during the year and categorized by results of the investigations and typology:	(number)	29 (32)	31 (34)	20 (26)	25 (28)	30 (40)
Founded assertions		3	9	7	11	2
Potential socio-economic impacts on local communities ^(a)		0	0	0	0	0
Potential impacts on health, safety and/or well-being of local communities ^(b)		0	0	0	1	0
Potential impacts on worker rights ^(c)		3	6	5	6	2
Potential impacts on workplace health and safety ^(d)		0	3	2	4	0
Partially founded assertions ^(e)		-	-	-	-	3
Potential socio-economic impacts on local communities		-	-	-	-	0
Potential impacts on health, safety and/or well-being of local communities		-	-	-	-	1
Potential impacts on worker rights		-	-	-	-	2
Potential impacts on workplace health and safety		-	-	-	-	0
Unfounded assertions, with the adoption of corrective/improvement measures		9	9	8	9	7
Potential socio-economic impacts on local communities		0	0	1	0	1
Potential impacts on health, safety and/or well-being of local communities		0	0	0	0	0
Potential impacts on worker rights		8	8	5	7	3
Potential impacts on workplace health and safety		1	1	2	2	3
Unfounded/Not ascertainable ^(f) / Not applicable ^(g) assertions		20	16	11	8	28
Potential socio-economic impacts on local communities		0	0	0	0	1
Potential impacts on health, safety and/or well-being of local communities		2	2	1	0	3
Potential impacts on worker rights		15	12	10	8	14
Potential impacts on workplace health and safety		3	2	0	0	10

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

(b) Including the requirements for the management of polluting products.
 (c) Including delays in the recognition of due wages, discrimination, harassment, bullying and mobbing.
 (d) Including unhealthy and/or insecure workplace environments

(e) Assertions whose verifications have revealed partial elements confirming the validity of the facts reported in them (classification introduced from October 1[#], 2021). (f) Allegations that do not contain any circumstantial, precise and/or sufficiently detailed elements and/or, for which, on the basis of the investigative tools available, it is not possible to confirm or exclude the validity of the facts reported in them.

(g) Allegations in which the facts reported coincide with the subject of pre-litigation, disputes and investigations in progress by public authorities (for example, ordinary and special judicial authorities, administrative bodies and independent authorities with supervisory and control functions). The assessment is carried out subject to the opinion of the legal affairs function or other competent functions.



International relations for human rights



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.

ipieca

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, Just Transition, 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 (ITCILO), 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.



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. In September 2020 Eni was confirmed again as Global Compact Lead company. Currently, Eni is participating in the Action Platforms "Sustainable Finance" and "Decent work in global supply chains".



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 Participant" to the Voluntary Principles Initiative, the multistakeholder 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. Eni continues its active participation in the initiative's works.

"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 has been working with Ergon Associates since 2020. Ergon is a leading independent consultancy focused on business and human rights issues globally. It provides strategic and project-based advisory services on a range of human rights challenges along with research services, labour and human rights impact assessments and training and capacity-building. Ergon is supporting Eni in implementing a series of human rights impact assessments (HRIAs) associated with exploration activities in three countries.

Community Insights Group (CIG) is a social impact management consultancy which helps clients in their efforts to respect people's rights and make a difference in their communities. CIG has many years of experience in helping organisations identify the social and human rights issues relevant to their organisation and associated operations. CIG began working with Eni in 2020 and it has supported in the development of the Human Rights Risk Analysis methodology to identify human rights risks for industrial projects in the early stages of development. This methodology is being pilot tested in 2021, with plans for it to become a company guideline for assessing future projects into support its human rights due diligence and alignment with the UN Guiding Principles on Business and 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 <u>Eni for 2021 - A just transition (p. 92).</u>

INTRODUCTIO

INTRODUCTION COMMITMENT DUE

ACCESS TO REPORTING REMEDY FRAMEWORN

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PRINCIPLES

THE DANISH NSTITUTE FOR HUMAN RIGHTS

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