



# **Model 231**

## **of Eni Trade & Biofuels SpA**

*Approved by the Board of Directors of Eni Global Energy Markets SpA on 15/12/2020*



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## CHAPTER 1

### MODEL 231

#### 1.1. Introduction

The organisation, management and control model pursuant to Legislative Decree no. 231 of 08 June 2001 (hereinafter **Model 231**) is adopted by Eni Trade & Biofuels SpA (hereinafter also the **Company**), in order to prevent the commission – in the interest or for the benefit of the same – of certain offences<sup>1</sup>, by:

- individuals who are representatives, directors or executives of the entity or of one of its organisational units that has financial and functional autonomy, or by individuals who are responsible for managing or controlling the entity, also *de facto* (top management);
- individuals who are managed or supervised by any of the above (individuals subject to management by others).

In particular, Model 231 is also adopted as an extenuating circumstance under the Italian law on “*liability of entities for administrative offences resulting from criminal acts*” contained in Legislative Decree no. 231 of 08 June 2001 (hereinafter **Legislative Decree no. 231 of 2001**), which provides that companies may adopt organisational, management and control models to prevent such offences. The guiding principles of Model 231 can be found in the guidelines drawn up by Confindustria.

#### 1.2. Model 231 of Eni Trade & Biofuels SpA

At the meeting of 10 June 2020, the Company’s Board of Directors resolved the adoption for the first time of its own Model 231. In a logic of continuous improvement and following specific projects, Model 231 is subject to updates that take into account:

- legislative amendments regarding the scope of application of Legislative Decree no. 231 of 2001, the evolution of the regulatory framework in the areas of interest and the principles expressed by the regulations relating to the Sarbanes-Oxley Act, the Foreign Corrupt Practices Act and the UK Bribery Act;
- organisational changes at the Company;
- evolution of case law and doctrine;
- considerations deriving from the application of Model 231, including the experiences deriving from criminal litigation;
- practice of Italian and foreign companies regarding compliance models;
- results of supervisory activities and results of internal audit activities.

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<sup>1</sup> Model 231 is designed to prevent predicate offences, i.e. offences the commission of which is relevant for the direct punishability of the entity under Legislative Decree no. 231 of 2001 and the laws related to it.



Model 231 of the Company consists of this document and the document *Sensitive activities and specific control standards of Model 231* referred to in paragraph 6.3, which dictates the controls that must be set out in the corporate regulatory instruments.

Eni Code of Ethics, which identifies, among others, ethical values of essential relevance for the purpose of preventing the predicate offences of administrative liability pursuant to Legislative Decree no. 231 of 2001, constitutes a fundamental reference principle of Model 231.



## CHAPTER 2

### RISK ANALYSIS METHODOLOGY

#### 2.1. Risk analysis and internal control system

The identification of the business activities which may entail the risk of committing predicate offences of the liability of entities under Legislative Decree no. 231 of 2001 (hereinafter **Sensitive Activities**) is achieved through the detailed analysis of business processes and the possible ways of commission attributable to the types of predicate offences that are relevant for the Company.

Each Sensitive Activity is associated with a reference person for each corporate process (Key Officer)<sup>2</sup>, as well as with the existing operating and management methods and existing controls.

A comparative analysis is then carried out between the existing internal control system and the principles and contents of Model 231 (in particular control tools).

According to the document issued by the Committee of Sponsoring Organizations (CoSO) entitled *Internal Control – Integrated Framework*<sup>3</sup>, the internal control system can be defined as a set of facilities, procedures and tools arranged by management in order to ensure the achievement of the objectives of corporate efficiency, financial information reliability, compliance with laws and regulations, and protection of corporate assets.

According to the CoSO Report, *Internal Control – Integrated Framework*, the internal control system is made up of the elements below:

#### Control environment:

It reflects the attitudes and actions of Top Management with reference to internal control within the organisation. The control environment includes the following elements:

- integrity and ethical values;
- management philosophy and style;
- organisational structure;
- granting authority and assigning responsibility;
- personnel policies and practices;
- personnel skills.

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<sup>2</sup> The term Key Officer refers to a person who, in accordance with the responsibilities assigned, is part of the process attributable to a Sensitive Activity and, as such, has the best information for the evaluation of the related internal control system, with particular reference to (i) the operating methods to manage the process and (ii) the internal rules and organisational and regulatory instruments that govern it.

<sup>3</sup> Committee of Sponsoring Organizations of the Treadway Commission (1992), *Internal Control Integrated Framework*, AICPA, [www.coso.org](http://www.coso.org), updated May 2013.



Risk Assessment:

Definition of processes aimed at identifying and managing the most relevant risks that may prevent the achievement of corporate objectives.

Information and communication:

Definition of an information system (computer system, reporting flow, system of process/activity indicators) that allows both top management and operational personnel to perform the tasks assigned to them.

Control activity:

Definition of corporate regulations ensuring an organised management of risks and corporate processes, and allowing to achieve the objectives set.

Monitoring:

It is the process that checks the quality and results of the internal controls over time.

The aforementioned components of the internal control system are taken into consideration in assessing the risk of committing any offences under Legislative Decree no. 231 of 2001.

In particular, the assessment activity focusses on (i) identifying any Sensitive Activities at the Company that may potentially lead to the risk of committing the offences provided for by Legislative Decree no. 231 of 2001, the potential methods of commission of which have been previously identified, (ii) detecting control standards appropriate to prevent commission.

The activity objective is to ensure maintenance and updating of the system for identification, mapping and classification of business activities at significant risk also for the purposes of supervisory activities.



## CHAPTER 3

### SUPERVISORY BODY

#### **3.1. Supervisory Body of Eni Trade & Biofuels SpA**

##### **3.1.1. Collective operating process**

The Supervisory Body of the Company (hereinafter Supervisory Body) defines and carries out its duties in accordance with the rule of collective operating process and is entrusted with “independent powers of initiatives and control”, pursuant to article 6, paragraph 1, letter b) of Legislative Decree no. 231 of 2001. The Supervisory Body acts in accordance with its own dedicated regulation.

The autonomy and independence of the Supervisory Body are guaranteed by the position recognized to it within the organizational structure of the company, and by the necessary requirements of independence, good reputation and professionalism of its members, as well as by the reporting lines towards top management assigned to it.

The structures of the Integrated Compliance Department of Eni SpA ensure that technical support activities are carried out in favor of the Company's Supervisory Body, in order to assist in the definition and performance of its activities and to allow maximum compliance with the requirements of professionalism and continuity of action and legal duties.

The Supervisory Body also relies on the Company's resources, and, where necessary, on external specialist resources and/or specialised companies linked to Eni SpA by specific framework agreements.

##### **3.1.2. Composition and appointment**

The Supervisory Body is collegial and is composed, as a rule, of a number of members not exceeding three, one of which acts as Chair.

The composition of the Supervisory Body is defined as indicated by the regulatory instruments issued by Eni SpA and implemented by the Company.

The appointment of the Supervisory Body, also in the event of replacement or integration, is approved by the Board of Directors, upon proposal of Chief Executive Officer and in agreement with Chair.

The term of office of the members of the Supervisory Body is three years. Each member may be confirmed in the position for no more than three consecutive terms.

The members will continue performing their functions ad interim until new Supervisory Body members are appointed.

Reasons for ineligibility and/or removal of members of the Supervisory Body are:

- (i) conflicts of interest, even potential, with the Company, with Eni SpA or with a company directly or indirectly controlled by it, jeopardising independence thereof;
- (ii) direct or indirect shareholdings of such an amount that allow having great influence with respect to the Company, Eni SpA or a company directly or indirectly controlled by it;





- (iii) submission to bankruptcy proceedings (meaning to this end the performance of the functions of a chief executive, up to the three years before appointment as member of the Supervisory Body, in companies subject to bankruptcy, compulsory liquidation or similar procedures) and the occurrence of the other circumstances set forth in Article 2382 of the Italian Civil Code;
- (iv) (unless as otherwise determined by the Board of Directors) civil service in central or local government during the three years before appointment as member of the Supervisory Body;
- (v) judgement, even not final, or application of the sanction on request of the parties (plea bargaining), in Italy or abroad, for violations relevant to administrative liability of legal entities pursuant to Legislative Decree no. 231 of 2001;
- (vi) judgement, even not final, or plea bargaining for a sentence implying disqualification of legal persons and undertakings, even temporary, from holding public office, or temporary disqualification from holding management office;
- (vii) relations of kinship, marriage, cohabitation or kinship in law within the fourth degree with members of the Board of Directors of the Company, Eni SpA or a company directly or indirectly controlled by it, as well as with people who are representatives, directors or executives of the Company or a related organisational structure with financial and functional autonomy, as well as people who exercise the management and control of the Company, also *de facto*, auditors of the Company and independent auditors.

Moreover, those who are linked to the Company, Eni SpA or a company directly or indirectly controlled by it, or to directors of said Companies, as well as to spouses, family members and relatives in law, up to the fourth degree, of the directors of the same companies, by employment or self-employment or other relations of economic or professional nature that could jeopardise their independence, may not act as external members of the Supervisory Body and, if appointed, shall be removed from office; the above without prejudice to any positions held in the control bodies of group companies.

The grounds for replacement and resulting integration of the Supervisory Body are as follows:

- (with reference to internal members<sup>4</sup>) granting of tasks, roles and/or responsibilities, within the corporate organisational structure, which are not in line with the requirements of autonomy and independence and/or continuity of action of the Supervisory Body;
- termination or waiver of the corporate function and/or office of any internal member of the Supervisory Body;
- termination or waiver of any Supervisory Body member because of personal reasons.

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<sup>4</sup> Employees of Eni SpA and/or of its Italian Subsidiaries.



Should one of the aforementioned reasons for replacement of ineligibility and/or removal be applicable to one member, the latter shall immediately inform the other members of the Supervisory Body in writing, and automatically be removed from office. The Supervisory Body shall inform the Chair and the Chief Executive Officer about this, for the submittal of the replacement proposal to the Board of Directors pursuant to this paragraph.

The occurrence of reasons for replacement of ineligibility and/or removal of members of the Supervisory Body shall not result in the removal of the entire body, even if it regards the majority of the members in office, except, in any case: (i) the obligation to promptly replace the same, pursuant to the provisions of this paragraph and (ii) (if the aforementioned reasons for replacement or integration or ineligibility and/or removal applies to all members of the Supervisory Body) the continuation in office on an interim basis and until integration of the members with the necessary requirements, of the last member that notified the reason for replacement or integration or ineligibility and/or removal.

Notwithstanding the foregoing, the Board of Directors, after hearing the opinion of the Board of Statutory Auditors, may order the suspension or removal from office of a member of the Supervisory Body in the event of:

- omitted or insufficient supervision attested - even indirectly - in a sentence (although not final) issued by a Criminal court pursuant to Legislative Decree no. 231 of 2001 against the Company or any other body in which said member acts, or has acted, as Supervisory Body, or attested, even indirectly, in a provision of application of the sanction upon request of the parties (plea agreement) issued against the Company;
- serious failure to perform the functions of the Supervisory Body.

### **3.1.3. Functions, powers and budget of the Supervisory Body**

The tasks of the Supervisory Body are as follows:

- (i) supervision on effectiveness of Model 231 and monitoring of Model 231 implementation and updating activities;
- (ii) review of the adequacy of Model 231, i.e. its actual (and not merely formal) ability to prevent unlawful conduct under Legislative Decree no. 231 of 2001;
- (iii) analysis of the retention, over time, of the soundness and functionality of Model 231;
- (iv) promotion of the necessary updating of Model 231 in a dynamic sense;
- (v) approval of the annual program of supervisory activities within the Company's structures and functions (hereinafter **Supervisory Program**), in compliance with the principles and contents of Model 231 as well as with the plan of checks and controls of the internal control system; coordination between the implementation of the Supervisory Program and the implementation of scheduled and unscheduled control interventions; examination of the results of the activities carried out and of the relevant reports; drawing up of directives for corporate functions;
- (vi) taking care of the information flows of competence with corporate functions;
- (vii) any other task assigned according to law or to Model 231.



In carrying out its duties, the Supervisory Body has unrestricted access to corporate information for its investigations, analyses and monitoring performed directly or through other internal corporate functions.

The Supervisory Body, for the execution of supervisory activities, where necessary, may resort to external support: (i) of Eni SpA Internal Audit unit and/or (ii) of professionals and/or specialised companies linked to Eni by specific framework agreements.



Any corporate function, employee and/or member of corporate bodies is subject to an information obligation in case of any request by the Supervisory Body, or in case of events or circumstances relevant to the performance of the activities falling within the area of competence of the Supervisory Body.

The Supervisory Body can arrange meetings, even on a regular basis, with the heads of the corporate functions, to be informed on issues, events or circumstances relevant to the carrying out the activities of its competence and exchange related data and assessments.

The Supervisory Body is granted:

- the power to enter into, modify and/or terminate professional contracts, also by means of the relevant business units, with third parties having the specific expertise necessary for the best execution of the task concerned;
- the availability of the financial resources necessary for the performance of the activities falling within the area of competence.

The Supervisory Body annually informs the Chief Executive Officer of the amount of costs it expects to incur in the framework of its activities. Against this forecast, a budget is defined for the activities under the responsibility of the Supervisory Body. In case amounts in excess of the budget are required, the Chair and Chief Executive Officer of the Company is informed.

### **3.2. Information flows**

#### **3.2.1. Information flows of the Supervisory Body to top management**

The Supervisory Body reports on the implementation of Model 231, and on any critical aspects emerged, and communicates the result of the activities carried out while performing its tasks. There are the following lines of reporting:

- (i) continuous, to the Chief Executive Officer, who informs the Board of Directors through the disclosures regarding the implementation of the powers granted;
- (ii) every six months, to the Board of Directors and the Board of Statutory Auditors; in this regard, there is a semi-annual report on the activities carried out, disclosing the outcome of the supervisory activities performed and any new laws relating to the administrative liability of entities in the period; on that occasion, meetings are organised with the Board of Directors and the Board of Statutory Auditors to discuss the topics covered in the report and any additional issues of common interest;
- (iii) immediate, if facts of particular materiality or significance are ascertained, to the Board of Statutory Auditors, after informing the Chair and Chief Executive Officer.



### **3.2.2. Information flows to the Supervisory Body: required information**

The Supervisory Body shall be informed by the parties required to comply with Model 231 about any events that may cause responsibilities of the Company pursuant to Legislative Decree no. 231 of 2001. In this regard:

- The Head of Management and Control meets with the Supervisory Body at least every six months to inform and update it on any matter of his/her competence which are relevant for the purposes of the Body's monitoring/supervision activities;
- the Chief Executive Officer sends to the Supervisory Body, on a continuous or at least quarterly basis, the communications sent to Eni Legal Events Oversight Team as well as the audit reports prepared by Eni Internal Audit function.
- the Employer (or anyone appointed by the same) reports regularly to the Supervisory Body, at least every six months, with regard to the data and indicators collected on health, workplace safety and the environment under the existing regulatory instruments;
- the Head of the Human Resources function reports regularly to the Supervisory Body regarding disciplinary actions taken as a result of the preliminary investigations conducted following receipt of reports, even anonymous ones (whistleblowing), or arising from audit activities, as well as any other disciplinary sanction imposed in connection with unlawful conduct relevant to Model 231;

It is still possible for the Supervisory Body to establish at any time, even on a regular basis, information channels dedicated to the discussion of important issues with the heads of the relevant functions and business units.

In any case, all the Addressees of Model 231 (as defined in paragraph 4.2 below) are required to report any significant unlawful conduct pursuant to Legislative Decree no. 231 of 2001 and intentional/fraudulent violations of Model 231, via the channels provided for by the corporate regulatory instruments on the management of reports, even anonymous ones (whistleblowing), or directly to the Supervisory Body via e-mail: [odv.enitrade&biofuels@eni.com](mailto:odv.enitrade&biofuels@eni.com).

The reporting parties in good faith are protected against any form of retaliation, discrimination or penalisation and in any case confidentiality of their identity shall be ensured, without prejudice to the obligations according to law and the protection of the rights of the Company or of the individuals wrongly accused or accused in bad faith.

### **3.3. Relations between the Supervisory Body of the Company, of Eni SpA, and the equivalent bodies set up by Parent Companies**

In order to share any improvement ideas arising from the experience gained in applying the organisational models across group companies, the Company's Supervisory Body informs the Supervisory Body of Eni SpA regarding:

- (a) relevant facts identified as a result of supervisory activities carried out, and
- (b) disciplinary sanctions applied,



that have shown the need to modify/integrate this Model 231.

Upon request of the Supervisory Body of Eni SpA, and in case of events or circumstances relevant to the performance of the activities falling within the area of competence of the Supervisory Body of Eni SpA, the Supervisory Body of the Company shall also be required to report.

A copy of the report is also sent to either the CEO, the HC&P, the CFO or the head of the business line or staff area of Eni SpA, to whom the Company reports within the organisation, according to the normal communication flows in place between the Company and the competent structures of Eni.

The Supervisory Body of the Company promptly identifies any request for information received from the Supervisory Body of Eni SpA, also informing it of any significant circumstance identified, which is relevant for the purposes of carrying out the activities of competence of the Supervisory Body of Eni SpA.

In any case, the Supervisory Body of the Company submits to the Supervisory Body of Eni SpA, no later than by the first of February and first of August of each year, a statement with which it attests to the successful planning and execution of the supervisory activities of competence. Such report also highlights any critical issues detected for the purpose of proper and effective planning and execution of activities and any action taken as remedy, without prejudice, in this regard, to the sole responsibility of the Company, its management and the control and supervisory bodies established by it, which are responsible for any assessment and resulting action.

#### **3.4. Collection and retention of information**

All information, reports and relations envisaged in Model 231 are retained by the Supervisory Body in a special paper and/or computerized archive, the retention of which is also ensured with the support of the competent functions of the Integrated Compliance unit of Eni SpA. Without prejudice to legitimate orders of Authorities, any data and information contained in the archive are made available to parties outside the Supervisory Body only with the prior authorisation of the Supervisory Body.



## CHAPTER 4

### ADDRESSEES OF MODEL 231 AND EXTENSION THEREOF

#### **4.1. Introduction**

The principles and contents of Model 231 are widely publicised both inside and outside the Company.

The Supervisory Body of the Company monitors the initiatives aimed at promoting communication and training regarding Model 231.

The adoption of Model 231, and the related updates, are communicated by Chief Executive Officer of the Company to the top management of Eni SpA, to whom the Company reports within the organisation, according to the normal communication flows in place between the Company and the competent structures of Eni.

#### **4.2. Addressees of Model 231**

The principles and contents of Model 231 concern the members of corporate bodies, of management, and the employees of the Company as well as all those who work in Italy and abroad for the achievement of the Company's objectives (hereinafter **Addressees**).

#### **4.3. Training and communication**

Communication and staff training are important requirements for the implementation of Model 231. The Company undertakes to facilitate and promote the knowledge of Model 231 by management and employees, with different knowledge degrees depending on position and role, encouraging active participation for in-depth understanding of its principles and content.

##### **4.3.1. Communication to the members of corporate bodies**

With the resolution that provides for the adoption of Model 231 (and its updates), each member of the resolving corporate body is also personally committed to complying with the provisions contained therein. The directors that – also as a result of replacements or renewals of offices – have not participated in the decision on the adoption of Model 231 (and its updates) sign a declaration of knowledge and adherence to the principles and contents of the same. The declaration is filed and retained by the Supervisory Body.

##### **4.3.2. Training and communication to executives and heads of units**

Model 231 is communicated by the competent corporate functions to all executives (with a role and/or in service at the Company) and the heads of organisational units.

The principles and contents of Legislative Decree no. 231 of 2001 and of Model 231 are also explained in training courses. Attendance to courses is mandatory. The Supervisory Body monitors the planning and execution of the courses.



#### **4.3.3. Training and communication for middle managers, employees and workers (not heads of units)**

Model 231 is displayed on company notice boards and notified to each employee of the company. Targeted training initiatives are also defined for middle managers, employees and workers (not heads of units), subject in each case to the mandatory participation in training initiatives related to Eni Code of Ethics.

#### **4.3.4. Training and communication by means of IT tools**

Model 231 is made available to all Company employees and is also made available to all users – even that are not Company employees. Targeted training and information initiatives may also be performed remotely and through the use of IT resources.

#### **4.4. Communication to third parties and the market**

In accordance with Eni Code of Ethics, the principles and contents of Model 231 are brought to the attention of all those with whom the Company maintains contractual relationships. The commitment of any third parties that have a contractual relationship with the Company to comply with the law and principles of Model 231 is set out by a dedicated clause in the relevant contract and is subject to acceptance by the third-party contracting party.

In this regard, through internal regulations, clauses have been standardised that, depending on the activity governed by the contract, bound the counterparties to comply with Model 231 and the Code of Ethics, also providing appropriate contractual remedies (such as the right to terminate and/or suspend performance of the contract and/or penalty clauses) for the case of non-compliance.





## CHAPTER 5

### DISCIPLINARY SYSTEM

#### **5.1. Function of the disciplinary system**

The definition of sanctions commensurate with the violations and applicable in case of violation of Model 231 has the purpose of contributing: (i) to the effectiveness of Model 231 itself and (ii) to the effectiveness of the control action of the Supervisory Body.

In this regard, a disciplinary system is in place that is suitable for sanctioning non-compliance with the provisions indicated in Model 231, with reference both to top management and persons subject to management by others. The application of the disciplinary system is independent from the development and outcome of any proceedings initiated by the relevant judicial Authorities.

The Supervisory Body reports any violation of Model 231 to the relevant functions, and monitors, along with the Human Resources Manager, the application of disciplinary measures.

#### **5.2. Violation of Model 231**

The following constitute a violation of Model 231, by way of example:

- (i) the implementation of actions or conduct not in compliance with the provisions of Model 231, or the omission of actions or conduct prescribed by Model 231, in the performance of Sensitive Activities or related activities, or non-compliance with the information obligations to the Supervisory Body envisaged by Model 231, which:
  - (a) expose the Company to situations characterised by an objective risk of committing one of the offences referred to in Legislative Decree no. 231 of 2001;  
and/or
  - (b) are unambiguously aimed at committing one or more of the offences contemplated by Legislative Decree no. 231 of 2001;  
and/or
  - (c) are such to determine the application of sanctions under Legislative Decree no. 231 of 2001 against the Company;
- (ii) with particular reference to corporate regulations on reporting, also anonymous reporting (whistleblowing):
  - (a) the implementation of actions or conduct in violation of the measures taken to protect the reporting party;
  - (b) the adoption of direct or indirect acts of retaliation or discrimination against the reporting party for reasons connected directly or indirectly to the report;
  - (c) reporting in bad faith or with serious negligence, which proves to be groundless.

It is noted that, in any case, violation of Model 231 is any non-compliance – in carrying out Sensitive Activities – with the corporate regulatory instruments of reference that set out the



control measures outlined in the document *Sensitive Activities and specific control standards of Model 231*.

### **5.3. Measures with regard to middle managers, employees and workers**

Upon each violation of Model 231 reported by the Supervisory Body, the procedure is initiated to ascertain the alleged unlawful conduct of the Company's employees, under the existing internal regulatory instruments:

- (i) when, following ascertainment of a failure based on the relevant contract, a violation of Model 231 is ascertained, the disciplinary measure provided for by the applicable contract is identified pursuant to the aforementioned regulatory instruments, and applied by the relevant Human Resources Manager to the defaulting party;
- (ii) the sanction imposed is proportionate to the seriousness of the violation. The following will be considered: intentionality of the behaviour or relevance of negligence; overall behaviour of the employee with particular reference to previous disciplinary records, if any; level of responsibility and autonomy of the employee who has breached disciplinary rules; seriousness of the effects of the violation, i.e. level of the risk that the Company may reasonably be exposed to – pursuant to Legislative Decree no. 231 of 2001 – because of the employee's behaviour; any other particular circumstances relating to the committed violation of disciplinary rules.

The disciplinary sanctions are those provided for in the collective bargaining contract applied to the employment of the employee concerned, as well as those resulting from the application of general provisions of law on termination (with or without notice) of the employment contract.

The relevant Human Resources Manager is responsible for informing the Supervisory Body about the disciplinary sanctions that have been applied or about any provision of closure of the procedure and the reasons thereof.

All legal and contractual procedural obligations concerning the application of disciplinary sanctions are also complied with.

Employment relationships with employees who work abroad, even following secondment, are governed, according to the rules of the Rome Convention of 19 June 1980 on the law applicable to contractual obligations made executive by the law no. 975 of 18 December 1984 within the Contracting States and outside of said scope, by the provisions that in the specific case are alternatively applicable.

### **5.4. Measures with regard to executives**

When the Supervisory Body indicates that there has been a violation of Model 231, if the violation has been committed by one or more executives and has been ascertained pursuant to paragraph 5.3 letter (i) above, the Company adopts the relevant regulations and sanctions towards the defaulting party as provided for by law and the applicable contract, making reference to the criteria laid down in paragraph 5.3 letter (ii).

If the violation of Model 231 causes the relationship of trust to cease, the sanction is identified in the notice of dismissal for cause.



#### **5.5. Measures with regard to Directors**

The Supervisory Body communicates to the Board of Statutory Auditors, the Chair of the Board of Directors and CEO any notice of violation of Model 231 committed by one or more members of the Board of Directors. The Board of Directors, with the abstention of the person involved, carries out the necessary checks and, after consulting the Board of Statutory Auditors, takes the appropriate measures, which may include the precautionary revocation of any delegated powers, as well as the convocation of the Shareholders' Meeting to order any replacement.

#### **5.6. Measures with regard to Auditors**

The Supervisory Body communicates to the Chair of the Board of Statutory Auditors and to the Board of Directors the notice of a violation of Model 231 committed by one or more Statutory Auditors. The Board of Statutory Auditors, with the abstention of the party concerned, subsequently proceeds with all necessary investigations, and after consulting with the Board of Directors, takes the appropriate measures.



## CHAPTER 6

### CONTROL TOOLS

#### 6.1. Structure of control tools

The measures aimed at preventing the risk of committing the offences envisaged by Legislative Decree no. 231 of 2001 are structured on two levels of control:

- 1) general standards of transparency of the activities, which must always be present in all Sensitive Activities taken into consideration by Model 231;
- 2) specific control standards, which contain special provisions designed to regulate specific aspects of Sensitive Activities and which must be contained in the corporate regulatory instruments of reference. These instruments include the indication, among the reference standards, of Model 231.

#### 6.2. General standards of transparency

General standards of transparency of Sensitive Activities pursuant to Model 231 are:

- a) **Segregation of duties:** there must be segregation of duties between executing parties, controlling parties and authorising parties<sup>5</sup>;
- b) **Regulations:** there must be company regulations that are capable of providing at least general reference principles for governing sensitive activities;
- c) **Powers of signature and authorisation:** there must be formal rules for the exercise of powers of signature and internal powers of authorisation also suitable to ensure that the assignment of the aforementioned powers is in accordance with the organisational responsibilities assigned;
- d) **Traceability:** the parties, functions concerned and/or information system used must ensure the identification and traceability of sources, of information and of the checks carried out supporting formation and implementation of the Company's decisions, as well as financial resources management modalities.

General standards of transparency are implemented by the competent functions in the framework of the internal regulatory instruments relating to Sensitive Activities. These regulatory instruments are communicated and disseminated by the relevant functions in accordance with the applicable laws and contracts and are binding on the management and employees of the Company.

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<sup>5</sup> The following qualification is assigned to the standard:

- The principle of segregation must apply by taking the Sensitive Activity into account in the framework of the relevant process;
- The segregation applies in the presence of codified, complex and structured systems, whose single steps are identified and governed consistently in the management, thus limiting the discretion of application, and traced in the decisions made.



### **6.3. Sensitive Activities and specific control standards**

The document *Sensitive Activities and specific control standards of Model 231* was approved for the first time by the Board of Directors, and by Chief Executive Officer on the occasion of subsequent updates thereof in the manner indicated in the following chapter 7, and provides special provisions aimed at regulating the specific aspects of Sensitive Activities and the related control tools adopted by the Company, taking into account all the elements useful for better characterisation of control tools in the light of their organisational and business peculiarities.

The document: (i) is kept by the Supervisory Body, (ii) is communicated by the Supervisory Body to the first report persons of the Chair and Chief Executive Officer. Specific control standards are implemented by the competent functions into the internal regulatory instruments relating to Sensitive Activities. The Company's Supervisory Body also promotes knowledge and dissemination thereof to the structures and bodies concerned, also by means of internal regulatory tools.

The instruments that make up the Company's regulatory system are communicated and disseminated by the competent corporate functions in compliance with the applicable laws and contracts and are binding on the management and employees of the Company.



## CHAPTER 7

### RULES FOR UPDATING MODEL 231

#### **7.1. Introduction**

Because of the complexity of the organisational structure of the Company, the updating of Model 231 is based on a program of implementation of amendments (hereinafter the **Implementation Program**).

#### **7.2. Implementation Program drafting criteria**

It is necessary to draft the Implementation Program (that is, the proposed changes and/or integrations to Model 231 and/or to the document *Sensitive Activities and specific control standards of Model 231* with evidence of any improvement actions identified) in case of: (a) legislative amendments with reference to the regulations on the liability of entities for administrative offences resulting from criminal acts, (b) regular review of Model 231 also in connection with significant changes in the organisational structure or business activities of the Company, (c) significant violations of Model 231 and/or relating outcomes of checks on Model effectiveness, or of experience in the public domain within the sector concerned.

The task of providing for the update of Model 231 is entrusted to the Chief Executive Officer, already responsible for implementation thereof, according to the methodology and the principles provided for in Model 231. In particular:

- (i) the Supervisory Body communicates to the Chair and to the Chief Executive Officer any information of which it is aware that results in the opportunity to proceed with updating and/or corrective actions of Model 231 following the checks carried out;
- (ii) the Chief Executive Officer timely launches the Implementation Program, by informing the Board of Directors;
- (iii) the Implementation Program is prepared and implemented with the contribution of the relevant corporate departments and with the possible support of the Integrated Compliance unit of Eni SpA; the Implementation Program identifies the activities necessary to carry out the updating of Model 231 with the definition of responsibilities, timing and methods of execution. In particular, the competent corporate functions deal with the identification of the legal and statutory requirements for the proper updating of Model 231, as well as the modification and/or integration of Sensitive Activities and control standards.

#### **7.3. Approval of updates to Model 231**

The results of the Implementation Program are submitted to the Chief Executive Officer of the Company, who approves the results and actions to be taken to the extent applicable. After approval by the Chief Executive Officer:

- any changes and/or integrations in the Implementation Program, which concern the document *Sensitive Activities and specific control standards*, are immediately effective and submitted to the Board of Directors for validation at the first subsequent meeting,



after informing the Board of Statutory Auditors. However, the Board of Directors has the power to propose further amendments and/or integrations;

- the updates of this document are approved by resolution of the Board of Directors, after informing the Board of Statutory Auditors.

The Chief Executive Officer of the Company, after reporting to the Supervisory Body, may independently make purely formal changes to Model 231 and the document *Sensitive Activities and specific control standards of Model 231*. Purely formal changes include revisions and/or integrations that have no substantial impact on the contents of the documents concerned and, in particular, in cases where they relate to Sensitive Activities, general standards of transparency and specific control standards, they do not result in the reduction or extension, even partial, of their content and scope of application. For example, this includes the corrections of typographical and clerical errors, updating or correction of references to articles of the law and the mere names of internal units and functions.

The Supervisory Body, also with the support of the competent corporate functions, retains and disseminates the document *Sensitive Activities and specific control Standards of Model 231* to internal corporate functions, following each update.

The Supervisory Body monitors the progress and results of the Implementation Program as well as the fulfilment of the measures taken.