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Eni Mexico Area 1

Human Rights Action Plan Summary Report 2019-2020

December 2020

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1. INTRODUCTION

This Summary Report (SR) describes the main advances for the implementation of the Eni Mexico Area 1 Human Rights Action Plan (HRAP), during the period covering the years 2019 and 2020. Its preparation follows the observance of the principles of accountability and transparency adopted by Eni globally and its main objective is to evaluate the Eni Mexico performance, through Mizamtec Operating Company, concerning due diligence on human rights at the project level. In this sense, the Report presents the progress of actions outlined to mitigate impacts on human rights due to the A1 Development Project activities, based on the recommendations of the Human Rights Impact Assessment (HRIA) carried out by the Danish Institute of Human Rights (DIHR). The Report presents also the main implementation challenges and lessons learned, as well as the actions to follow for the next year.

2. BACKGROUND

2.1. AREA 1 (A1) PROJECT OUTLINE

At the end of 2015, as result of its participation in the tender CNH-R01-L02/2015, the National Hydrocarbons Commission (CNH) awarded Eni Mexico with a Production Sharing Agreement (PSA) - valid for 25 years - for the exploration, development and exploitation of Area 1 (A1) Block, located in shallow waters of the southeast of the Gulf of Mexico. A1 is estimated to hold 2.1 billion of oil equivalent in place (90% oil) in world-class reservoirs. A total investment of more than 7 billion dollars is estimated during the term of the contract. A1 production plateau will be 90,000 bopd from 2021. Total development capex is estimated at 1.9 billion dollars.

Figure 1. Area 1 Block



Source: Website Rondas Mexico, Contract Administration (CNH-R01-L02-A1/2015), General Data Section: Tender Results¹

This area covers 67 km² and includes three offshore fields (Amoca, Mizton, and Tecoailli), discovery wells, an offshore sealine (10 km), an onshore pipeline (7 km) and an ORF (Onshore Receiving Facility). Apart from the mentioned facilities, Eni Mexico maintains an operational office in Villahermosa, in the state of Tabasco, a logistics base in Dos Bocas in the state of Tabasco, a jacket construction site in the state of Tampico and its main office in Mexico City. There is also ongoing work in Shanghai, China, where a vessel

¹ Available online: <https://rondasmexico.gob.mx/media/1673/1.pdf>

is being stripped, refurbished and turned into a Floating Production Storage and Offloading unit (FPSO) for full field production activities in the A1 Development Project. The Project is located approximately 3 to 9 km away from the coastal line of the Municipality of Cardenas, in the State of Tabasco

Highlights of major advances in A1 Development Phase:

- a) In July 2018, Mexico's National Hydrocarbon Commission (CNH) approved the Plan of Development (PoD) for the discoveries of Amoca, Mizton and Tecoalli, located in A1;
- b) In December 2018, CNH approved the Work Programme and Budget for A1 activities;
- c) Mexico has executed from 2018 to 2020 the construction of infrastructures for the exploitation of the Mizton field, as well as the drilling of several wells, achieving the commissioning of the facilities mentioned below:
 - Installation of a Well Head Platform (WHP) on the Mizton field;
 - Installation of an Onshore Receiving Facility (ORF);
 - Fiber optic cable installation from Mizton to ORF (25.6 km);
 - Offshore and shoreline pipeline installation.



In 2019, Mizamtec Operating Company S. de RL de CV was created as part of the Eni Group Company, through which Eni Mexico carries out its exploration and production activities.

2.1.1. EARLY PRODUCTION PHASE

Early production phase started up on June 30, 2019. Production is sent from the Well Head Platform (WHP) in Mizton to onshore through a 10" multiphase line, then treated at an on shore Receiving Facility, and sent to an existing Pemex facility. Early production plateau is about 20,000 barrels of oil per day (bopd). During this phase, Area 1 Project activities has affected particularly the small fishing town and port Coronel Andres Sanchez Magallanes and the surrounding towns of Paylebot and Ejido Ley de la Reforma Agraria. Part of the budget corresponding to 9.826 K USD has been deployed for sustainability initiatives to be mainly implemented in the Municipality of Cardenas.

2.1.2. FULL FIELD PRODUCTION

Full field production will start in 2021 utilizing the FPSO restored in China with a treatment capacity of 90,000 bopd. To reach this goal, the installation of an additional Well Head Platform (Amoca WHP-1) in the Amoca field is expected in 2Q-2021, and the arrival and start-up of the FPSO in 4Q-2021. In this way, the construction of the following infrastructure is planned for 2021:

- Connection of new wells in the Mizton Platform and modifications
- Completion of the Construction and Installation of the Amoca WHP1 Platform.
- Installation and start-up of the Floating Storage and Unloading Production Unit (FPSO) - Reconversion/Integration.
- Installation and commissioning of pipelines between Amoca WHP1 Platform and FPSO.
- Installation and commissioning of pipelines between the Mizton WHP Platform and the FPSO.
- Installation and commissioning of Composite Submarine Cables (Power and Control) between both platforms and the FPSO.
- Construction of a gas line between Trampa-21 and ECO San Ramón (traps area)

- Completion of Basic Engineering for the Design of Amoca WHP2 and Tecoalli platforms

2.2. DUE DILIGENCE AT THE PROJECT LEVEL

Human Rights Due Diligence is an integral part of the measures put in place by the company to implement its commitment to respect for human rights in its activities. This implies multilevel responsibilities at the central level, at the function level and at the project level. In this last level, due diligence aims to²:

- Identify and assess the possible impacts that these projects may have on the human rights of individuals and communities;
- Identify the most appropriate mitigation actions; and
- Monitoring their effectiveness.

2.2.1. A1 HUMAN RIGHTS IMPACT ASSESSMENT

Eni Mexico is committed to ensuring respect for internationally recognized human rights in its activities and to promoting respect in the context of activities entrusted to or conducted with partners, in line with the UN “Guiding Principles for Businesses and Human Rights” (UNGPs) approved in 2011, as reaffirmed by the Eni Global Statement on Human Rights approved in December 2018. The responsibility to respect human rights requires that “*business enterprises avoid causing or contributing to adverse human rights impacts through their own activities and address such impacts when occur.*” In order to meet this responsibility, “*companies should first of all undertake human rights due diligence process to identify and prevent, mitigate and account for how they address their impacts on human rights*”.

To fulfill this responsibility, Eni Mexico required the Danish Institute of Human Rights to undertake a Human Rights Impact Assessment, including engagement with affected right holders, to examine potential and actual human rights impacts of the activities of Area 1 Development Project, regarding:

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

The HRIA identified five different priority impact areas:

- General, with special reference to rights of participation and to access to information.
- Human rights and local communities, which covered issues associated with engagement with fishers and communities.
- Human rights at the workplace, which covered issues and observations related with work conditions for Eni Mexico, contractors and subcontractors.
- Human rights and gender.
- Human rights and security.



Human Rights Impact Assessment, 2019.
Photo: Eni Mexico

2.2.2. A1 HUMAN RIGHTS ACTION PLAN

Acting on these HRIA findings and on main recommendations addressing the identified human rights potential and actual impacts, Eni Mexico designed a specific Human Rights Action Plan related with the AC1 Development Project Activities (2019-2020). This HRAP retakes most of the topics proposed

² MSG Annex F. Respect and Promotion of Human Rights in Eni's Activities

in the HRIA and distribute actions into four components, each one aligned with one or more Eni human rights expressed commitments and defining the overall strategy framework of Eni Mexico on this regard.

3. PROGRESS OF THE HUMAN RIGHTS ACTION PLAN

3.1. OVERVIEW OF THE PROGRESS OF THE ACTION PLAN

The implementation of the HRAP is carried out by Eni Mexico, through Mizamtec Operating Company. The HRAP is under execution and at good stage of implementation, considering that all (100%) actions foreseen in 2019 and 70% of the actions foreseen in 2020 have been completed. This leads to an overall implementation rate of more than 60%. Most of the work has been focused on actions related to accountability and transparency, fishers and local communities.

3.1.1. ACCOUNTABILITY AND TRANSPARENCY

Actions within this component are aimed at guaranteeing access to information, as well as at promoting the efforts made by the company concerning human rights encouragement and protection. Most of the outlined actions for this component were achieved during 2020. Highlights, per action, are described below:

A1. Sharing assessment and findings of the HRIA report with main right holders. Right holders are those people whose human rights are directly impacted by the Area 1 Project hydrocarbon exploitation activities (people from local communities, employees). The strategy defined to share the HRIA findings, as well as the Eni Mexico HRAP involved informative sessions in the field. However, due to the Covid-19 pandemic situation, these informative sessions were postponed until the next year.

A2. Sharing assessment and findings of the HRIA report with main external stakeholders. External stakeholders are those people directly or indirectly related to the Area 1 Project right holders. Such is the case of contractors, civil society associations, members of the academy and national/local institutions. To share the assessment findings and planned actions with these stakeholders, it was agreed with the DIHR that Eni Mexico would address contractors and national/local institutions. Among these ones were included the Human Rights National Commission (CNDH), the Human Rights State Commission, the State Ministry for Energy Development (SEDENER), the Port Captaincy of Sanchez Magallanes, the State Institute for Women, the Municipal Delegate of Sanchez Magallanes and the State and local Fisheries Institutions. In this sense, the Sustainability Function sent a mail to these stakeholders, attaching both documents and requesting their feedback. Since there was not much participation by mail, online meetings were requested and some of them will be carried out until the next year. Comments received are being included in different internal planning and programming documents.

A3. Publication on Eni website and DIHR website of a summary version of the HRIA report and of the planned actions. The publication was made in March 2020 and it is available at the following link: <https://www.eni.com/en-IT/just-transition/respect-for-human-rights.html>

A4. Start engagement with the local EITI Multistakeholder Group. There were requested and carried out meetings with the representative from AMEXHI, which is one of the focal points from the

EITI Local Multi Stakeholder Group (LMSG), to discuss how Eni Mexico by means of its operating company could join the EITI discussion at national level on rules and procedures in place concerning open and accountable management of extractive resources. Different options were proposed, but Eni Mexico decided that its participation within this initiative would be done through the EITI technical working groups' forum discussions³.

A.5. Promote the sharing of experiences between peers on HSE and sustainability topics through dedicated forums or similar.

In September 2020, Eni Mexico participated into the V Regional Forum on Business and Human Rights for Latin America and the Caribbean. This forum was online and the participation of Eni Mexico had as main objective to share its experience with human rights due



V Regional Forum on Business and Human Rights for Latin America and the Caribbean, 2020. Photo: Eni Mexico.

diligence at the project level. In this sense, Eni Mexico exposed the differences between a human rights impact assessment and a social impact assessment in Mexico, their scopes, methodologies and the experience during the field visits. One of the main conclusions of all the session was the need to promote the responsibility of companies concerning human rights, but also it was underlined the importance of the State having a clear regulatory framework, and guiding the companies on the meaning of their responsibility

A.6. Promote regular engagement with relevant experts on Business and Human Rights in the oil and gas sector in Mexico.

During 2020, meetings (3) were held with the UN Global Compact Mexican Network to present Eni Mexico activities in the field on human rights, as well as to explore possible collaborations. In fact, Eni Mexico was proposed to be part of the Network. For this, it is necessary to pay a fee and to sign a commitment to comply with the 10 principles promoted by the UN Global Compact. The adherence process is still ongoing as it is necessary to obtain several approvals. Added to this, Eni Mexico sought to schedule a meeting with the CNDH. However, there were constant staff changes in the Commission, which made follow-up difficult. Attempts will be made to resume talks next year, not only with the CNDH, but also with other human rights experts already identified.

3.1.2. FISHERS

The main objectives of this component focus on guaranteeing fishers and fishing communities their right to adequate information, their right to participate in decisions concerning their livelihoods and their right to a healthy environment and equitable socio-economic development. During this reporting period, main implemented actions were focused to:

- Develop sustainable development projects.
- Evaluate the internal criteria, procedures and documents to provide information and promote the participation of fishers in local development projects.

Highlights, per action, are described below:

A7. Explore how to engage for the future project phases with possible opposing fishermen considering lessons learnt and past experience. To avoid possible conflicts with fishing communities

³ As established in the EITI Mexico Local Multistakeholder Group Operating Rules: https://eiti.org/files/documents/4.-reglas_de_operacion_del_gmn_eiti_mexico.pdf

for the future installation of platforms and the arrival of the FPSO in 2021, the Sustainability Function prepared a review of Eni Mexico experiences with fishers during the first stage of the A1 Development Project. This review included the preparation of reports covering the Fishers Compensation Process implemented in 2018 and the identification of critical issues related to communication and engagement. These reports have been the basis for the preparation of the A1 Stakeholder Engagement Plan.

A8. Acquire in depth and third party technical/expert understanding of the specific impacts on fisheries and lagoon bodies in relation to the present and future operational activities (i.e. UJAT, ECOSUR, FAO, etc). Since 2018, Eni Mexico has contracted the services of the Universidad Juarez Autonoma de Tabasco (UJAT) to perform the following studies and activities:

- Study regarding the status of local fishing industry and the impact of the A1 Project (development phase). This study calculated the possible economic effects on the fishing activity, consequence of the installation of the Mizton Platform and the related pipeline, covering the fishing capture area in front of the Sanchez Magallanes village. To calculate the impacts of the Mizton Platform, the study took into account a restriction to the maneuvering polygon, considering two scenarios: 2500 meters and 500 meters.
 - Restriction of 2500 meters: it was determined that the installation of the Mizton Platform will have an impact on the reduction of the fishing capture area of 0.23%. This implies a fishing area of 19.7 km² to which corresponds an average production of 267.8 kg/km² and 5275.6 kg/year, equivalent to a value of \$ 142,442.8 per year.
 - Restriction of 500 meters: it was determined that the installation of the Mizton Platform will have an impact on the reduction of the fishing area of 0.0094%. This implies a fishing area of 0.81 km² to which corresponds an average production of 267.8 kg/km² and a 216.9 kg/year, representing an average value of \$ 5,856.78 per year.

Regarding the possible impact due to the installation of 20 km of pipelines (offshore), it was determined that these works will result in a daily decrease of 0.74 kg/km² and a monthly decrease of 220.15 kg / km² in fishing production. During a month of works, the cost of the total value of the impact is of \$5,944.21, taking as reference the production of 2017 and an average cost of \$27.00/kg of the different species that are caught. This information has made it possible to design a strategy for the fisheries sector in order to address these identified impacts.

- Feasibility study regarding ostrich activity and alternatives to improve the productivity of the fishing sector in the Carmen-Pajonal-Machona lagoons. This study describes the different oyster farming techniques and equipment used in the area, including its advantages and disadvantages (in terms of production). As one of the main findings, it is described that these are neither efficient nor convenient. Therefore, it proposes to introduce a new technique based on the use of Australian baskets, in order to generate farming alternatives, which are more efficient with regard to the workforce and which at the same time are the friendliest with the environment. This new technique can contribute to develop the crops of the *American Oyster Crassostrea virginica*, as it is estimated that there are conditions in these lagoons to reach a production of more than 45 thousand tons per year.



Lagoons on-site visit. Oyster Pilot Project. Mizamtec-UJAT, 2020. Photo Eni Mexico.

- Regular lagoons (Carmen-Pajonal-Machona) environmental monitoring and diagnosis. These monitoring and diagnosis are carried out to know what are the levels of organic and inorganic pollutants that may be prevailing in these ecosystems, as consequence of the different anthropogenic activities along the lagoon bodies. Some water quality indicator parameters monitored are: a) the presence of dangerous substances in water and sediment (CRIT); b) Inorganic pollutants (Heavy Metals), heavy fraction hydrocarbons and c) Bacteriological Quality (Coliforms) of the Lagoon System.

In 2021, the UJAT will carry out an update on the study of the A1 Project impacts to the local fishing activities, considering the installation of the new Platform and the arrival of the FPSO (full production). It will also participate as implementer of the oyster farming pilot project using Australian baskets and will continue to carry out the semi-annual lagoon monitoring and environmental diagnoses.

A9. Develop possible long term and sustainable alternatives for fishers. To promote sustainable development, Eni Mexico is exploring alternatives for the fisheries sector, which are contemplated to encompass measures beyond gasoline compensations. The definition of local development projects aimed at diversifying fishing activity and promoting safe, efficient and sustainable fishing management is one of these alternatives. These are based on relevant international principles, guidelines and standards on fisheries, feasibility studies and considering feedback from fishing communities through community forums, informative sessions and other mechanism defined in the Stakeholder Engagement Plan. Some projects that will be implemented in 2021 include a pilot for sustainable farming of oysters and a pilot for the installation of artificial reefs.



Meeting with fishers leaders at the ORF, 2019. Photo: Eni Mexico.

A10. Implement engagement and sharing information session with main fishermen and their leaders included in the relevant part of the Stakeholder Engagement Plan, considering also relevant institutions. Regular meetings are carried out with fishers and their leaders to hear their concerns about the A1 Project activities, as well as to attend their requests regarding fishing activities. Only in 2019 and 2020, there were carried out more than 25 meetings with fishers, fishers' leaders and fishing associations. In the same way, regular meetings are held with local institutions, as for example: the State Office of the National Aquaculture and Fisheries Commission (CONAPESCA), SEDENER and UJAT, with

the objective to consult their opinions about fishing projects and its feasibility. These institutions support Eni Mexico to disseminate its activities and provide accompaniment with the fishing communities. In 2019 and 2020, there were carried out about eight meetings with these institutions. Other expert fisheries organizations have been already been mapped to explore collaborations.

A11. Explore the opportunity and feasibility to create a multi stakeholder platform to address concern of local fishermen. A first step toward the fulfillment of this action has been the identification of relevant stakeholders with convening power that can potentially participate in this platform. Next year this initiative will be spread among government institutions, organizations and the academic sector.

A13. Strengthen Eni's presence and availability of contact points for communities at local level

This has been achieved through the hiring of a Social Projects Coordinator and a Community Liaison Officer in 2019. The main roles and responsibilities of the Social Project Coordinator involve:

- Maintaining and monitoring project plans, project schedules, work hours, budgets and expenditures;
- Organizing, attending and participating in stakeholder meetings;
- Documenting and following up on important actions and decisions from meetings;
- Ensuring project deadlines are met;
- Determining project changes;
- Providing administrative support as needed;
- Undertaking project tasks as required;
- Developing project strategies;
- Ensuring projects adhere to frameworks and all documentation is maintained appropriately for each project;
- Assessing project risks and issues and provide solutions where applicable;
- Ensuring stakeholder views are managed towards the best solution;
- Chairing and facilitating meetings where appropriate and distributing minutes to all project team members.

Concerning the main roles and responsibilities of the Community Liaison Officer, these will be described in detail in the next section (A18).

3.1.3. LOCAL COMMUNITIES

Actions within this component seek to ensure rights of local communities in terms of biodiversity, property, information, education, health, development, use of land and natural resources. Main actions implemented in 2019 and 2020 were related to promoting openly, transparently and inclusively relations with communities, as well as promoting inclusive growth, paying attention to the development of local communities and specific needs. Highlights per action are described as follows:

A14. Define and implement the broad and general communication and engagement strategy with communities, having regard to information and consultation needs on project activities and its impacts, and taking into due account vulnerable groups (women, etc.).

Meetings and informative sessions with local communities are carried out on a regular basis, covering mainly social investment topics (education and health). During 2019 and 2020, more than 40 meetings were held



Distribution of Covid-19 coloring books, 2020.
Photo: Eni Mexico.

with local communities. However, in 2020, most of these sessions were

reduced due to the Covid-19 pandemic. Instead, it was possible to carry out a communication campaign related to the coronavirus disease, which included the printing and distribution of brochures, the printing and distribution of coloring books (focused on primary school children), the dissemination of a prevention campaign on a state radio station and the placement of banners with information on prevention measures. Concerning the next steps, it is necessary to integrate guidelines on communication concerning A1 Development Project activities and impacts into the Stakeholder Management Plan. This year we started the definition



Meeting with local community (Paylebot) Education Project, 2019.
Photo: Eni Mexico.

of information disclosure in this regard, as well as the definition of modalities of disclosure. These include the use of eni.com website, informative forums among others.

A15. Duly inform and make aware the local communities of emergency protocols and procedures

In 2020, the following emergency protocols and procedures established by HSE were reviewed:

- HSE Manual
- Emergency Response Strategy
- Oil Spill Contingency Plan
- Emergency Response Plan
- Community Medical Emergency Crisis Response

It was identified that communication criteria for communities are missing. These are being incorporated into the Stakeholder Management Plan and Communication Strategy.

A16. Ensure that contractors respect speed limits and other measures for the safety of children first, when passing through the villages.

All Mizamtec vehicles have GPS Trackers and Speed Monitoring devices, so the Security Department is informed at all time of the speed of the vehicles. If they detect that a car is exceeding the speed limit, they send an alarm to indicate this. If the situation is repeated more than once, drivers must attend a talk. Concerning contractors and subcontractors, the obligation to respect speed limits is implicit in the contract, particularly when it refers to general compliance with applicable laws, regulations and policies. Moreover, this issue is monitored through the HSE Golden Rules Evaluation Checklists (Driving Safety) and the Social Audit Checklist. In this last one, contractors are required to monitor speed limits, both of their vehicles and those of their contractors and subcontractors.

A17. Implement a community grievance mechanism. The Eni Mexico Community Grievance Mechanism is already in place and operating. It offers four communication channels that include telephone, email, mailboxes and face-to-face. The mailboxes are installed in the ORF and in the



Mail boxes in Sanchez Magallanes Municipal Delegation, 2020 Photo: Eni Mexico.

Sanchez Magallanes Municipal Delegation. The mechanism procedure picked up the best international practices in the oil and gas sector. Even though the communities did not participate directly in the design of the Grievance Mechanism, the experiences in this matter derived from the past oil activity in charge of the state industry (PEMEX) were considered. During 2019, 31 information requests and grievances were received. Requests were related to support infrastructure works and donation of medical equipment. Grievances were focused on onshore and offshore impacts (for example: damages to land and properties, noise and dust generated by works, displacement of fishing activities). To mitigate these impacts, actions were implemented to increase the monitoring on contractors activities, to propose productive alternatives to fishers and to repair damages to properties. Until December of 2020 34 information requests and grievances were received. Most of them were requests asking for support to face the Covid- 19 contingency, which were attended through a Covid-19 Plan Response (See A19).

A18 Appoint a community local officer, also with responsibilities for receiving grievances, according to the procedure established, and other concerns. This has been achieved through the hiring of a

Community Liason officer in 2019. The main roles and responsibilities of the Social Project Coordinator involve:

- Receive, file and follow up on complaints and requests for information from local communities and other relevant stakeholders;
- Provide support in monitoring the activities of the Stakeholder Management Plan;
- Provide attention to the localities when there are disagreements that lead to road closures and access blocks to the facilities;
- Manage and maintain the relationship with local communities and other relevant local stakeholders;
- Support the definition, in conjunction with the communities, actions for the prevention and mitigation of social conflicts.

A19. Implement strict and transparent criteria (including the results of need assessment) for identification and management of social projects, and include provision of alternative livelihood opportunities (i.e training, education development of existing oyster farming sector). Informative sessions with HQs were held to share findings and define criteria for the design and management of projects. These criteria are based on methodologies used in international cooperation for the implementation of development projects, including the Logical Framework Approach. Based on this, a Local Development Plan was updated and implemented, covering the following sectors: education, community health, socioeconomic development and employment. Until the date of this report, ongoing projects attend education and community health needs:

- Education Project: its main objective is to contribute to guarantee a quality, effective and inclusive primary education in the long term to boys and girls between 6 and 14 years of age in the 13 schools of School Zone 46 in the municipality of Cardenas. This Project includes infrastructure rehabilitation (hard component) and the development of capacity building and soft skills related to diversity and inclusion, child participation, community participation, training to school staff, involvement of parents and school nutrition (soft components). For the implementation of the soft components a local cooperation agreement has been signed with Avsi Mexico,
- Nutrition project: its main objective is to improve nutrition for children between three and five years old in three preschools in the Municipality of Cardenas. The implementation of this Project includes the measurements of weight and height and of boys and girls, the taking of labs, the medical attention to children with diseases and the design of a nutrition plan.



Refurbishment of schools, Education Project, 2020. Photo Eni Mexico.



Taking of labs, Nutrition Project, 2020. Photo Eni Mexico.

For 2021, we expect to implement other two projects focused on the fisheries sector: a pilot for sustainable farming of oysters and a pilot for the installation of artificial reefs.

In addition, given the Covid-19 pandemic, a response plan was approved to support local communities and authorities facing the Covid-19 health contingency, covering the right to health and to adequate food. This Plan included the following actions:

- Donation of 3,600 food baskets and cleaning kits to vulnerable families from local coastal communities;
- Carrying out of an awareness campaign to prevent Covid-19;
- Donation of masks and antibacterial gel to local workers' union and local authorities from Villa y Puerto Andres Sanchez Magallanes and Villa Benito Juarez;
- Donation of 10 ventilators to the Covid-19 Hospital in Villahermosa.



Delivery of food packages, Covid-19 Response, 2020. Photo Eni Mexico.

These actions were implemented following the same criteria of local development projects.

A20. Conduct needs assessments for definition of social investment projects in the Project area.

From 2018 to 2020, three assessments were conducted:

- Education need assessment. The Sustainability Function prepared this assessment to understand the main education problems in the area. Its methodology included the documentation through secondary sources, as well as the conduction of interviews in field. Main problems identified were absences, school dropouts and low academic performance. The following factors were identified as the main causes: lack of adequate infrastructure and equipment, lack of qualified teaching and administrative staff, little awareness in the community on the importance of education, poor involvement of parents in their children's education. This information was used to prepare the Education Project Concept Note. In 2021, a specific education baseline and diagnosis will be carried out by Avsi Mexico, which will allow to obtain more precise data on some of the findings of this assessment.
- Community health need assessment. The Health Advisor carried out this assessment in order to prepare the Community Health Plan. The methodology included documentation through secondary sources, as well as field interviews. Some of the main problems identified were the existence of barriers to accessing health care, unintended pregnancies, overweight and obesity, non-communicable diseases, lack of water and sanitation and treatment and food hygiene and sexually transmitted diseases. As a result, the following areas of intervention were proposed:
 - Rehabilitation of infrastructure and improvement of equipment in six health centers;
 - Donation of contraceptives;
 - Family planning and sexual reproductive health campaigns;
 - Promotion of family and community participation in health issues;
 - Support the local government in the reduction of morbidity and mortality rates;
 - Improve treatment and decrease malnutrition rate among children from one to five years of age (preschool nutrition).
- Socioeconomic need assessment. The Sustainability Function commissioned two socioeconomic baseline studies, to get a general perspective of the needs and problems of communities. Independent contractors prepared these studies. One of these studies was carried out within the framework of the requirements for obtaining permits from the authorities (Social Impact Assessment) and the other study was carried out through a contract with the UJAT:

- The Social Impact Assessment is a document whose methodology includes both documentation through secondary sources, as well as conducting interviews in the field. The objective of this study was oriented towards the identification of impacts to the communities by the activities of the A1 Project and their mitigation, considering the socio-economic context.
- The UJAT studies had the same methodology, although the objective in this case was to identify areas for the diversification of the economy. The University, in addition to conducting interviews, held workshops which resulted in the identification of opportunities for the implementation of some productive projects related to sustainable forest use, agriculture, livestock, and sustainable tourism.

In 2021, other socioeconomic studies will be addressed but focusing on specific sectors.

3.1.4. WORKPLACE

Through this component, the Human Rights Action Plan seeks to ensure the right to just and favorable conditions of work, both for Eni employees and for contractor employees, as well as to encourage the knowledge, respect and promotion of international human rights within the subsidiary, its operators and its contractors. The main actions implemented in 2019 and 2020 were more focused on monitoring the performance of contractors concerning human rights and good working conditions. Highlights, per action are described as follows:

A21. Design and carry out social audit(s) of each contractor and sub-contractor working on the Project (at least once a year).



Social Audit to Rediesca at the Eni Logistics base, 2019. Photo: Eni Mexico.

In 2019 and 2020, the Sustainability Department carried out jointly with the HSE Department three HSE and social audits. The first one covered criteria to identify and ensure good working conditions. The other two extended their scope to include Corporate Social Responsibility (CSR) Management criteria (CRS governance and decision-making, adherence and commitment to CSR principles, human rights, labor practices, environment, fair operating practices, community development, etc.). This approach was proposed as the respect for human rights, including labor rights, is not something that can be achieved in isolation, without a robust and coherent organizational framework. Something to be pointed out is that the last two audits were carried out online. For the next year,

the Sustainability Department will continue collaborating with the HSE Department, but it will also perform separate audits for contractors that are not under the HSE Function scope (for example, security contractors)

A24. Start engagement with labor rights local experts (i.e IndustryAll Mexico). Concerning this action, mapping of labor rights experts and collection of contact information has started. Meetings with these experts will be arranged during the next year.

3.1.5. SECURITY

This component seeks to contribute to guaranteeing the peace and security of the local communities where the AC1 project operates. To this end, the Human Rights Action Plan has outlined actions focused on two areas. First, actions aimed at ensuring that the security contractors employed by the subsidiary and its operating company act within the framework of human rights. Second, actions in

order to promote collaboration with the Government (national and local), other oil and gas companies and civil associations aimed at guaranteeing respect for human rights. During this reporting period, main implemented actions were focused to attend the intern criteria, procedures and checklists to verify that security contractors comply with the minimum requirements of conduct and adherence to human rights. Highlights per action are described as follows:

A.26. Ensure that employee of contractors and subcontractors respect behavior indications around living and working in community. Through the examination of existing contracts, it was confirmed that behavior indications around living and working in community are already included in contracts, as they include clauses that refer to general compliance with applicable laws, regulations and policies. Furthermore, the Sustainability Department included into the Social Audit Checklist the requirement to have code of conduct and other CSR policies or, if they do not have them, to elaborate them. For the particular contractors of the Sustainability Department, a CSR Questionnaire during the procurement process is applied to verify the existence of these codes and policies before hiring.

In addition, the Sustainability Department began to impart induction and onboarding trainings to contractor's employees, including topics related to good behavior practices. Until February 2020, more than 140 contractors' employees registered their attendance. Among the contractors that participated in these trainings were security contractors, with 14 participants registered. Given the Covid-19 pandemic, these trainings were postponed.



Induction an onboard training to contractors' employees at the ORF, 2020.
Photo: Eni Mexico.

A27. Promote the discussion at regional level the issues of security issue management. Security and human rights topics are being discussed within AMEXHI. At the beginning of 2020, AMEXHI and the International Petroleum Industry Environmental Conservation Association (IPIECA) held a joint workshop to promote the implementation of best operational practices in security and human rights⁴. However, it is not a regular topic in the agenda of the technical committee. The Sustainability Department will look to promote these topics too through the AMEXHI social subcommittee. Concerning the collaboration with Government, the Security Manager commented that his Department carries out meetings with the Government of Tabasco and the Marine Secretary every month.

A28. Ensure that the security staff is trained on human rights approach. two kind of trainings were identified: a) Trainings for Eni Mexico and Mizamtec Operating Company security staff, which are provided through the Eni Campus online platform. Until September 2020, the HR Department reported an attendance of seven people, b) Trainings/workshops for contractors, which are provided by external providers. In 2019, staff from security and driver supplier took the workshop "Constitutional principles of human rights in the public service" provided by the CNDH, carried out from November 11 to December 7. The contractor reported 38 participants. For 2020, the Security Department did not report the participation of contractors in workshops related to human rights.

⁴ See more information of this workshop at: <https://www.amexhi.org/comunicados/amexhi-e-ipieca-realizaron-un-taller-sobre-seguridad-y-derechos-humanos-en-mexico/>

A29. Ensure that background checks of all security staff are conducted and that security personnel and security companies have not been involved in past human rights violations. Procurement process for security contractors follows the appropriate due diligence concerning human rights. These procedures were requested and reviewed. Moreover, to monitor that contractors verify that their security personnel and security contractors have not been involved in past human rights violations, human rights background checks have been included as a requirement into the Social Audit Checklist.

3.2. IMPLEMENTATION CHALLENGES

The following challenges regarding the implementation of activities were identified:

- COVID-19 pandemic. It affected in different ways:
 - Individually, as it radically changed the work routine. Employees had to adapt and work from home, which although it has its benefits, it also presented certain difficulties in terms of organization, working with available resources, reconciliation of family and work life, etc.
 - Concerning the activities of the Sustainability Department, the most critical affectation was related to the relation with stakeholders, particularly the day-to-day dialogue with local communities. This has meant to change the usual forms of communication and engagement. Additionally, the Covid-19 contingency implied a delay in our projects and activities.
- Internal staff changes. Several internal staff changes took place during this year including people from other Functions that were directly related to the HRAP implementation. Such is the case of the Health Advisor and the HSE Manager.
- Staff changes in government institutions. Particularly within the CNDH. The person responsible for the Business and Human Rights Program changed twice in the year, making it difficult to follow up activities.
- Lack of communication among some internal Functions. As consequence, there is no follow up and the difficulty of carrying out joint actions persists.
- Poor participation through mail concerning the sharing of the HRIA and the HRAP. The mail was lost in the institutions mail inbox or priority was not given to answer.
- Lack of sex-disaggregated data for monitoring and implementing of the gender perspective.

3.3. LESSONS LEARNT

General main lessons learned from the implementation of the HRAP are listed below:

- It is important to start considering pandemics as an external factor within risk assessments. Covid-19 has shown that no one was prepared for such a contingency. However, the emergence of a new virus is a constant risk given the rapid population growth, urbanization and loss of biodiversity. In this sense, it becomes a challenge for the safeguard of human rights and the achievement of sustainable development. This matters to Eni, as sustainability is at the core of its business model.
- Adaptation of the team in field as well as the engagement carried out to provide a complete and adequate response.

- It is necessary to incorporate strategic planning to anticipate and identify some of the most relevant topics in local communities.
- Leveraging resources is an option to maximize efforts and results concerning social development projects.
- Finally, the importance of monitoring and follow up human rights trainings has been identified. In the case of the Eni Mexico and Mizamtec Operating Company employees, this monitoring is done through information of the Eni Campus online platform. From 2018 to 2020, the HR Department reported an attendance of 172 people to the following available trainings; Human Rights and Security (7), Human rights in the workplace (39), Human rights in host communities' relations (12), Human rights in the supply chain (19), Business and Human rights (87). On the other hand, monitoring of human rights trainings carried out by contractors has been incorporated as part of the Social Audit Questionnaire.

4. 2021 ACTIVITIES

For the next year, efforts will continue to complete the activities outlined in the HRAP. Some of them are listed below, by component.

Component	2021 Activities
Accountability and transparency	<ul style="list-style-type: none"> • Sharing of assessment findings and planned actions with the list of right holders on the HRIA report • Carry out an HSSE Forum (i.e. working conditions, safety measures, occupational health, emergency protocol, etc.) noted in this assessment.
Fishers	<ul style="list-style-type: none"> • Implementation and monitoring of the strategy included in the Stakeholder Engagement Plan • Define and include lagoon monitoring and environmental diagnosis – which is being carried out by the UJAT - in some Eni environmental plan • Look for feedback on the issues from other parties and experts (ECOSUR, FAO) • Present collective management of impacts to the AMEXHI social subcommittee meetings by sharing potential cumulative impacts as emerged in Eni relevant studies (EIA, EVIS, HRIA, etc.) and others
Local communities	<ul style="list-style-type: none"> • Development of a communication strategy for sharing of information with communities, including training session options
Workplace	<ul style="list-style-type: none"> • Design a M&E mechanism, based on social audit results and sharing of evidences from contractors, to verify that contractors and subcontractors ensure good conditions at work • Monitoring contractors and subcontractors through the M&E mechanism • Verify with Human Resources Department the mechanisms used for sharing job opportunities, especially in communities, and explore

Component	2021 Activities
	<p>areas of opportunity (for example, evaluate the use of official/local job sites)</p> <ul style="list-style-type: none"> • Provide recommendations to contractors and sub-contractors about promotion of local employment and sharing job opportunities. • Promotion and development, jointly with Human Resources Department, of non-discrimination and equal opportunity measures at the workplace (Gender Policy, Workplace Diversity & Equal Employment Opportunity Policy). Monitoring and evaluation of these measures should be implemented on a second phase.
Security	<ul style="list-style-type: none"> • Carry out and monitoring regular trainings.