



Eni S.p.A.

Statement Modern  
Slavery Act 2017

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## Eni Modern Slavery Statement 2017

*This statement refers to Eni Group<sup>1</sup> (herein referred to as "Eni", "we", "us", or "our") in accordance with the Modern Slavery Act 2015 and describes the steps taken by Eni during year ending 31 December 2017 to prevent slavery and human trafficking in its supply chain or in any part of its own business*

### Introduction

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

### About Eni



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

We believe in the value of long term partnerships with the countries and communities where we operate. Since it was founded, Eni has been inspired by principles that guide its every move – and make its modus operandi unique. Eni is committed to promote these ideals through trust, reciprocal exchange of knowledge and the sharing of values and objectives. Our actions are always aimed at safeguarding and promoting human rights, respecting safe and fair working standards, protecting the environment and countering corruption.

Eni employs almost 33,000 people in 71 Countries around the world.

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

#### Upstream

Eni engages in oil and natural gas exploration, field development and production, mainly in Italy, Algeria, Angola, Congo, Egypt, Ghana, Libya, Mozambique, Nigeria, Norway, Kazakhstan, the United Kingdom, the United States and Venezuela, overall in 46 countries.

#### Mid-Downstream

Eni sells gas, electricity, LNG and oil products in the European and extra-European markets, also leveraging on trading activities. Products availability is ensured by oil and gas production in the upstream business, long-term gas supply contracts, CCGT power plants, Eni's refinery system as well as by Versalis'



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

chemical plants. The supply of commodities is optimized through trading activity. Integrated business units enable the company to capture synergies in operations and reach cost efficiencies.

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

### Our Supply chain

Our operations are supported by a global supply chain that includes suppliers of goods, works and services from a wide range of geographical areas all over the world. For the management of local procurement needs, each Eni subsidiary abroad has its own procurement department, which, according to Eni's direction, coordination and control model, operates in compliance with Eni's procurement management system guidelines.

In FY 2017, more than 9,000 suppliers have been awarded contracts globally.

## Corporate Governance, Values and Policies

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

Starting from 2014, the company's commitment to sustainability issues was further strengthened by the creation of the **Sustainability and Scenarios Committee**, within the Board, who advises the Board on scenarios and sustainability issues, anticipating the suggestion introduced in the Corporate Governance Code in July 2015. On May 9, 2017 the Board updated the Rules of the Sustainability and Scenarios Committee, making explicit reference to human rights within the sustainability issues for which the Committee offers recommendations and advice to the Board.

### Sustainability is in our DNA

#### Our commitment

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

framework of the United Nations Universal Declaration of Human Rights, the Fundamental Conventions of the ILO – International Labor Organization – and the OECD Guidelines for Multinational Enterprises. This Code of Ethics forms an integral part of the model of organization, management and control, in order to prevent the commission - in the interest or to the benefit of the Company - of offences punished by the Italian Legislative Decree no. 231 of 8 June 2001. The Code of Ethics applies to all direct or indirect subsidiaries, both in Italy and abroad and has been lastly updated on November 23, 2017.

#### Our responsible model

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

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

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

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

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



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

Further commitments to respect Human Rights are included in the Human Rights section of Eni’s Sustainability Policy and in the **Global Framework Agreement** on International Industrial Relations and Corporate Social Responsibility, signed by Eni, the IndustriALL Global Union and the FILCTEM CGIL, FEMCA CISL and UILTEC UIL trade unions in July 2016.

Furthermore, in 2017 the internal “**Human Rights and Business**” working group was appointed. The strategic mission of this inter-departmental body is the development of the company’s Human Rights agenda for the future, taking due account of the evolution of the Business and Human Rights framework in terms of both international standards and national laws and the consequent risks for Eni.

During 2017, continuing the process of integrating financial and non-financial disclosure in the Annual Report (so-called integrated reporting), the report on operations in the 2017 Annual Report was supplemented with a specific section entitled “Consolidated Non-Financial Information” as provided for under Legislative Decree no. 254/2016. The non-financial information presented in that statement is also provided through references to other reports required under other provisions of law. All the reports are available on Eni’s website.

We encourage Eni’s people and third parties to report any wrongdoing which extends to human rights violations as described in the ruling “**Reports, including anonymous, received by Eni SpA and its subsidiary companies in Italy and abroad**”, in full confidence and without fear of retaliation. All whistleblowing reports received are fully investigated and appropriate remedial actions taken. Annual information about whistleblowing reports received and actions taken are published on our website, annually, at the following [link](#).

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

### Human Rights in the supply chain

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

Eni adopts criteria for the qualification and selection of suppliers in order to assess 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 tender.

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

Social and environmental standards that govern selection and inclusion in the list of approved suppliers;

Regulatory and contractual instruments to regulate employment relationships;

Specific monitoring tools to verify and update the status of compliance and conduct.

Eni requires suppliers to make a formal commitment to respect principles contained in Eni's **Code of Ethics** and in the **"Eni Guidelines on the Protection and Promotion of Human Rights"**; in addition, contracts signed by Eni with suppliers provide for human rights clauses and relevant sanctions in the event of non-compliance.

Eni carries out selection and management processes aimed at:

- analyzing the reliability of the operational and compliance levels of potential and actual suppliers;
- beyond assessing technical capacity, assessing also sustainability aspects and compliance with suppliers' HSEQ requirements, defining appropriate action plans geared to the development and continuous improvement of suppliers' performances and aimed at remedying any shortcomings identified;
- performing a gap analysis against the main international Human Rights standards by assessing them based on the evaluation parameters inspired by the Social Accountability Standard SA8000 (**Human Rights Assessments** are especially aimed at understanding **suppliers'** strengths and weaknesses and increasing awareness on issues regarding workers' rights, such as minimum age of workers, prohibition of forced labour, prohibition of discrimination, safety and working conditions, freedom of association and rights to collective bargaining, working hours, remuneration, etc.).

This management model guarantees Eni's constant monitoring over its suppliers, up to the suspension of relationships if suppliers do not meet the minimum standards set by Eni.

In 2017, the Eni headquarter assessed and monitored more than 5,000 suppliers on issues that include potential implications relating to respect for Human Rights; in particular, Eni carried out 16 Human Rights Assessments on suppliers and 7 follow-ups.

Eni is committed to preventing the trade and exploitation of minerals that support, contributes to or is associated with regional conflicts and human rights violations. In 2014, we established a "Conflict Minerals Compliance Program" to review any use of Conflict Minerals in our products or in the manufacturing of our products. Further information are available on our website at the following [link](#).

### Assessing and Managing risks

Eni has been developing and implementing different approaches and processes aimed at identifying, preventing, mitigating and accounting for how it addresses its impacts on Human Rights, in line with the UN Guiding Principles on Business and Human Rights.

Details on these methodologies and tools are available in the section **"Assessing and monitoring the Human Rights Impacts of our activities"** of our website.

Relating to activity of Human Rights Assessment on suppliers, in 2017 Eni implemented a risk-based model; this model makes it possible to define a yearly assessment plan for suppliers identified as "critical" on the basis of factors such as country risk and sector risk (high-risk countries in terms of violation of human rights as well as critical sectors in terms of workers' rights abuses).

Furthermore, we are working to develop a similar model to be applied in an integrated way to the other due diligence processes and map our supply chain on the basis of potential risk of human rights violations.

### Training

Training plays a fundamental role in Eni's Human Rights Due Diligence: by communicating the company's expectations in terms of respect for international standards to Eni's Peoples, it ensures our commitment to respecting Human Rights. In the last years Eni has been developing a wide range of training courses on Business and Human Rights, differing in terms of format and content, in order to offer our colleagues and Business Partners the learning opportunities that best suit their needs.

In order to maximize the number of Eni employees and Managers with access to training on Business and Human Rights, in 2016 Eni launched a massive e-learning program on companies' responsibilities to respect Human Rights. So far, more than 20,000 people have participated to these remote courses. Following the first module on general



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issues, in 2017 Eni developed courses focusing on specific issues and functional areas. A module dedicated to Human Rights risks in the supply chain will be developed by the end of 2018, in order to be launched in 2019 to Eni's Procurement professionals. Moreover, in order to develop in-house expertise on Human Rights Assessments, every year selected resources of the procurement departments of headquarters and foreign affiliates participate to SA8000 Auditor courses.

Another of Eni's relevant initiatives concerning the supply chain is the **Program on Human Rights and Security**, which has been addressed to public Security forces and Security specialists. The above mentioned Program has been running since 2009 with the participation of Security provider, in Italy and abroad, and will continue to involve Countries in which Eni operates. In particular, up to now training sessions have been held in 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 and 2013).

Details on Eni's Human Rights training program are available at the [dedicated page](#) of Eni's website.

## Performance indicators

KPIs are used as a mean to monitor Eni's efforts to prevent human rights violation, also in terms of Modern Slavery practices. For FY2017, relevant KPIs related to staff training, suppliers' audits performed, whistleblowing events and screening of the supply chain have been updated with a dedicated new set specifically oriented on protection of human rights, which is available in the "Consolidated Non-Financial Information" Report included in the 2017 Integrated Annual Report.

## Next steps

We will continue to develop and enhance our risk assessment process to improve our ability to identify the sectors and locations where slavery and human trafficking risk is higher and to improve our methodologies and processes aimed at preventing and mitigating potential and actual human rights risks and impacts.

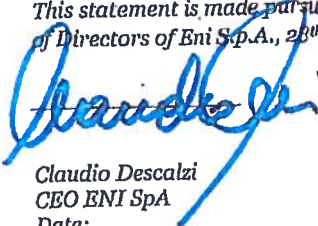
For this purpose, in 2017 Eni established the **Human Rights and Business Working Group** with the aim to assess the most relevant business lines and support functions, including the Procurement Department, to identify areas of improvement in our processes and to strengthen their coherence with the United Nations Guiding Principles. The Working Group has approved an Action Plan for the adoption of the most appropriate operational methodologies and tools, whose implementation is currently on-going.

### An inclusive and participatory approach

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

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

*This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and was approved by the Board of Directors of Eni S.p.A., 28<sup>th</sup> June 2018*

  
Claudio Descalzi  
CEO ENI SpA  
Date:

*This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and was approved by the Board of Directors of Eni Trading & Shipping S.p.A., 2<sup>nd</sup> July 2018.*

  
Massimo Mantovani  
Presidente e Amministratore delegato Attività Gas, LNG e Power di Eni Trading & Shipping S.p.A.