

# Integrating Human Rights in our Organization

## 1.Managing Human Rights starting from the top

Human Rights are integrated into the governance of Eni's sustainability, which is based on:

- The central role of the **Board of Directors** and the **CEO**: the Board approves - after the CEO's proposal - the Company's strategy and objectives, including those related to sustainability. The CEO ensures the implementation of the Board's resolutions, reporting the results to the Board periodically.

The Board of Directors is also responsible for approving the most important internal policies, including Eni's Statement on respect for Human Rights and the Code of Ethics, an integral part of the Company's Compliance Model (Model 231), which sets out rules of behaviour in the Company's activities, including respect for Human Rights. Sustainability issues play a key role in the Board's agenda, and among these Human Rights are a focus of attention. In 2018, the Board addressed the following issues, which directly concern Human Rights or are particularly relevant to the topic:

- Eni's Statement on respect for Human Rights, which presents Eni's approach and the Company's specific commitments to ensure respect for Human Rights, consistent with the United Nations' Guiding Principles on Business and Human Rights;
- 2017 Annual Report, which includes the consolidated disclosure of non-financial information;
- Remuneration Report, which includes sustainability objectives in the determination of performance incentives, including those for health and safety;
- 2017 Sustainability Reporting;
- HSE Performance in 2017, which examines issues with a direct impact on respect for Human Rights by Eni, such as, for example, the right to safe and healthy working conditions, the right to the highest attainable standards of physical and mental health, which applies not only to workers but also to local communities;
- Sustainability scenario, which sets out emerging issues – including those connected with respect for human rights – and the initiatives Eni has planned in this area;
- Updating of the [UK "Modern Slavery Act" Statement 2017](#), which illustrates the measures taken to counter the adverse impact of modern slavery and human trafficking on workers both within Eni's operations and in the supply chain, with specific focus measures adopted to identify, prevent and mitigate risks on forced labour, contemporary slavery and human trafficking;

- Memorandum of Understanding with UNDP - United Nations Development Program, aimed at expanding the access of local communities to social and economic rights. In 2018 the CEO has also informed the Board of specific sustainability initiatives, including those involving human rights.
- The [Sustainability and Scenarios Committee](#) has played a critical supporting role to the Board since 2014. The Committee provides, among other things, recommendations and advice to the Board on the respect and protection of Human Rights,. The Committee is appointed by the Board and consists of four non-executive directors, mostly independent, in line with current legislation and Corporate Governance Code, including the Chairman.
- Specific [training for Board members](#) on sustainability issues, complemented by visits to operational sites.
- The [integration of Human Rights](#) in all the Company's systems, rules and processes. Further information on this can be found in the description of Human Rights provisions included in specific policies governing risk-exposed functional areas. These functional areas are connected with the Human Rights Salient Issues of Eni, and include [Human Resources](#), [Security](#), [Host communities](#) and commitments relating to respect for Human Rights from [Business Partners](#), including [Suppliers](#).
- Activities carried out by the Control and Risk Committee, which among other functions is also responsible for i) examining the main risks presented to the Eni SpA Board of Directors and issuing opinions on specific aspects concerning the identification of the main risks; ii) examining specific internal control and risk management issues, including topics managed by the Health, Safety, Environment & Quality Department, Security Unit and the Sustainability Department.
- **Transparent [communication with stakeholders](#)**, on issues concerning corporate governance and ESG.

## 2.Ensuring respect for Human Rights using Management Objectives

Eni Managers working in Departments which carry out activities that may impact Human Rights have objectives linked to the integration of the Human Rights perspective in their analysis and activities, together with operational and economic-financial targets. These objectives can be assigned to

Managers with various degrees of responsibility (i.e.: Directors, Vice Presidents, Global Heads or Managing Directors, Commercial Managers of Eni subsidiaries, etc).

As per the CEO's 2018 performance indicators, for instance, particular relevance has been assigned to the environmental sustainability and human capital objective, with an overall weight of 25% in terms of reduction of CO2 emissions and the Severity Incident Rate (SIR). SIR measures the frequency of total injuries recordable over the number of hours worked, considering both employees and third parties' staff, assigning them increasing weights depending on the severity of the incident. For Managers with strategic responsibilities, remuneration plans are also strictly aligned with those of the Chief Executive Officer and General Manager, to better guide and align managerial action with the objectives set out in the Company's Strategic Plan.

In addition, Eni's variable remuneration schemes maintain a strong link with Eni's sustainability goals, including those relating to Human Rights, with a weighted percentage ranging between 10% and 25%.

The Board of Directors approves the policy for the remuneration of the Directors and other Managers with strategic responsibilities, which is described in the [Remuneration Report](#). The Remuneration Policy is also subject to the Annual General Meeting non-binding vote.

The Sustainability Department is responsible for proposing and monitoring progress in Management Objectives on Sustainability issues, including Human Rights.

When specific activities and issues require special attention due to their potential impact on Human Rights, regardless of whether positive or negative, Management Objectives are also assigned to Eni's subsidiaries at all levels, including Managing Directors.

In 2018 Management Objectives directly linked to the implementation of the Company's Human Rights policy commitment were assigned to 8 Directors (out of 16 in the first reporting line of the CEO), over 30 senior managers and 5 Managing Directors of Eni's subsidiaries, in addition to their operational and economic-financial targets.

These Management Objectives, assigned to senior management in charge of business departments that may produce potential impacts on Human Rights (such as Security, Procurement, Human Resources, Exploration and Production), have been linked to several Human Rights targets. The execution of Human Rights workshops for security forces, the update of the methodology in use to assess the social performances of suppliers, the development of specific training initiatives are examples of the criteria that have been in place for assigning and measuring Management Objectives. In specific circumstances, Eni's business partners were interested by this process, for example within the drafting, negotiation and application of a Human Rights clause to be reflected into commercial

agreements. The objective to apply Management Objectives were also related to the execution of Human Rights studies, aimed at understanding the impacts of specific business projects on communities and individuals.

### 3.Ensuring respect for the Code of Ethics

Eni's [Code of Ethics](#) reflects the Company's values and establishes the **regulations governing the Company's and contractors' behaviour in operations, including respect for Human Rights**. The Code of Ethics is approved by the Board of Directors and Eni Watch Structure serves as the **Guarantor of the Code of Ethics**, with the duty of promoting and verifying its implementation.

The Guarantor of the Code of Ethics is also responsible for presenting a **report every six months** on the Code's implementation and any necessary updates to the Control and Risk Committee, the Board of Statutory Auditors and to Chairman and Chief Executive Officer ("CEO") of Eni, who reports to the Board.

### 4.The role of the Sustainability function

The Sustainability function is in charge of coordinating the overall approach of Eni to Human Rights and supporting Eni's business/support functions to ensure respect for Human Rights (in the Business and Human Rights sphere known as [Due Diligence](#)). Clearly, such an ambitious role can only be interpreted as a leading and coordination effort aimed at engaging and creating synergies with all Eni's functions who play a role in ensuring the Company's respect for Human Rights. According to Eni's [Human Rights Salient Issues](#), the main support functions involved are Human Resources, Procurement, Security and HSE.

Eni's internal legal framework mirrors this organizational structure: the Management System Guidelines and other internal procedures governing the activities of different functions in Eni include Human Rights principles and requirements, also relating to Business Partners. Information are available on the scope and contents of specific policy commitments on Eni's website in relation to:

- [Human Rights in the Workplace](#);
- [Security and Human Rights](#);
- [Human Rights of Host Communities and individuals](#) and
- [Relations with Business Partners, including suppliers](#).

The Sustainability function is also in charge of:

1. cooperating with all the Company's functions in finding day-to-day solutions if Human Rights issues arise
2. providing technical assistance to the Sustainability and Scenarios Committee;
3. proposing Human Rights Objectives to the Company's management and monitoring

their achievement.

The competent local sustainability functions support those in charge of industrial projects and ensure the implementation of Eni's Human Rights Due Diligence at the local level, including context-specific Human Rights issues such as respect for indigenous peoples' special rights and the responsible acquisition of land, making use of the technical assistance provided by the Sustainability function.

For the Sustainability Department chart, see the [relevant page](#).