

**ENI SpA**

**ANNUAL REPORT ON VOLUNTARY PRINCIPLES ON  
SECURITY AND HUMAN RIGHTS 2020**

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## ***Introduction***

This report provides an overview of Eni's implementation on Voluntary Principles and Human Rights accordingly with Corporate Pillar Reporting Guidelines as well as with the Corporate Pillar Verification Framework.

The following Sections deal with the efforts and challenges Eni undertook in 2020 in enhancing its commitment in Voluntary Principles and Human Rights path.

## SECTION A

### ***Commitment to the Voluntary Principles***

#### ***Public statement of commitment or endorsement of the Voluntary Principles, engagement in the Voluntary Principles Initiative, and transparency***

The 2020 Voluntary Principles Initiative (hereinafter VPI) Annual Plenary Meeting has unanimously approved the entrance of Eni as “Engaged Corporate Participant”<sup>1</sup>. Since VPI’s birth Eni has constantly monitored the Initiative developments and has increasingly integrated the Voluntary Principles on Security and Human Rights (hereinafter VPSHRs) in its regulatory system. In 2019, submitting a Company application and Action Plan, Eni confirmed its commitment to adhere to VPI, pursuing a process bound to implement a human rights and security approach consistent with the Voluntary Principles on Security and Human Rights.

Eni’s commitment to VPs is further reflected in two of the main documents of the company, the Eni’s Statement<sup>2</sup> on respect for human rights and the Eni Code of Ethics<sup>3</sup>. This commitment is also outlined in the “Eni For”, “Consolidated Disclosure of Non-Financial Information” and in MyEni website, where all these documents are displayed. Eni is fully aware of the path ahead and it’s going to undertake the necessary activities to earn the “member status” of the Initiative.

Eni’s respect for Human Rights is embedded in Eni’s Code of Ethics.

Eni operates with respect for human dignity and is committed to ensuring respect for internationally recognized Human Rights in all its activities and those of its commercial partners, in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs), with the OECD Guidelines for Multinational Enterprises and with International Human Rights Treaties and Standards. The main document embedding this dedication is the Eni’s Statement on Respect for Human Rights, which is integrated into other fundamental documents of the company’s internal regulatory system, such as the Eni’s Code of Ethics.

Eni’s approach to human rights is further confirmed in the Global Framework Agreement on International Industrial Relations and on Corporate Social Responsibility renewed in 2019.

Eni operates with respect for human dignity and Human Rights and requires the same commitment from all its partners. Eni insures an inclusive work environment that values uniqueness and diversity as fundamental resources for the development of humanity.

Eni is committed to ensuring legality, transparency, fairness and honesty in all its activities and creating long-term value for all its stakeholders. Therefore, Eni expects its

<sup>1</sup><https://www.eni.com/en-IT/media/press-release/2020/06/eni-joins-the-voluntary-principles-initiative.html>

<sup>2</sup>[https://www.eni.com/en\\_CH/attachments/pdf/Enis-Statement-on-respect-for-Human-Rights.pdf](https://www.eni.com/en_CH/attachments/pdf/Enis-Statement-on-respect-for-Human-Rights.pdf)

<sup>3</sup><https://www.eni.com/assets/documents/governance/eni-code-of-ethics.pdf>

stakeholders to equally adopt socially responsible behavior and develop adequate ethical programs and safeguards, consistent with the principles and behaviors presented in its Code of Ethics.

Eni reserves the right to take appropriate measures against those who do not meet the above expectations and do not act in accordance with its Code's principles.

### Transparency

Eni is attentive to the needs and expectations of its stakeholders. It is committed to be engaged in continuous dialogue with its counterparts providing them clear, complete and truthful information, being aware that sharing objectives and results is essential to maximize value and reduce business risk.

Every year Eni publishes its sustainability report that describes the company's commitments in its Long-Term Strategic Plan to 2050 - which combines financial, environmental and social sustainability - and the last achievements on that. To these reports, in 2020 was added an ad hoc Report on respect for human rights, which outlines Eni's strategy on promoting and respecting human rights and describes the main activities conducted and the performance indicators.

### ***Examples of promoting awareness of the Voluntary Principles throughout the organization (Internal Stakeholders) or Government including within the value chain***

Eni kept pursuing Voluntary Principles on Security and Human Rights (VPSHRs) compliance aiming to complete the full membership Initiative process through info exchange and cooperation with VPI Secretariat, attending Verification Presentation on VPSHRs Implementation, webinars and meetings and joining most of the VPI's invitations. In line with this, Eni has promoted the awareness of the VPs within the company at several levels, from training to dedicated sections hosted on the internal company website "My Eni", where Eni has on many occasions explained the meaning of the commitment to VPs, described the activities and the internal regulatory initiatives undertaken, and the events on this topic promoted by the company.

The awareness on VPs throughout the organization was promoted also through the periodic meetings that the Sustainability function organizes with the subsidiaries to have mutual update on sustainability and human rights activities. During the meetings occurred in 2020, subsidiaries have been informed of the VPSHRs and VP Initiative and of the participation of Eni as Engaged Corporate Participant. Moreover, with the goal to support Subsidiaries commitment in fulfill Eni's expectations on Human Rights in Security activities, during 2020 the following actions were carried out:

- A new release of the Code of Ethics was forwarded to Regional Security Advisors<sup>4</sup>;
- The complete report on Eni's Human Rights commitment - "Eni for Human Rights" was forwarded to Regional Security Advisors;

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<sup>4</sup> Regional Security Advisor: a key figure in Security Dept. with high seniority on the field of Security who guarantees, for a specific geographical area (e.g. North Africa, Americas, etc.), operational support to local security managers and overall supervision of security process.

- Announcement to Regional Security Advisors about Eni's admission to Voluntary Principles Initiative as Engaged Corporate Participant;
- A new release of "Eni For Human Rights" was forwarded to Regional Security Advisors;
- A quarterly newsletter on Business and Human Rights was forwarded to Regional Security Advisors.

A Knowledge Package bound for Security operators was also set up and shipped to Regional Security Advisors to share and use in their local work environment.

The Knowledge Package kit includes: PPT Presentation focusing on what Human Rights are, a Pocket Guide to support Security Operators and a Law & Rules aid including two United Nations issues. An entire chapter dedicated to the explanation of the VPSHRs has been included in the pocket guide. In addition, the full text of the VPSHRs in English and Italian has been included in the appendix of this document.

Always at company level, in 2020, Eni has conducted an internal analysis with the aim of aligning the projects of forestry where it is involved with its standards and policies on human rights. To this purpose, Eni has set up an instrument of screening to evaluate project developers and business partners considering their potential human rights records and raise awareness of partners on human rights issues, also with particular focus on security and human rights.

*Describe senior management's understanding of and commitment to the Voluntary Principles*

On the 2020 World Human Rights Day, Eni's CEO, Mr. Claudio Descalzi, has intervened on his blog with the following words<sup>5</sup>:

***"World Human Rights Day: our ongoing commitment to the preservation of these rights***

*On 10th December 1948 the Universal Declaration of Human Rights was made by the United Nations. Today we recall that moment with a day devoted to human rights although respect for these rights must not be framed in a single moment, it really means struggling each day so that all individuals are recognized as being equal in dignity and rights. It means fighting the scourge of racism; it means fighting poverty, the enemy of equality and it means opposing all forms of violence and discrimination against human beings, including gender discrimination. As Eni, we want to take a firm stand on all of these and for a good number of years we have followed a path that involves each one of us, also through appropriate training initiatives. We have set out a number of concrete actions to reinforce a shared culture at company level, actions which have strengthened our internal procedures, and over recent years we have adopted a new Code of Ethics and Supplier Code of Conduct.*

*These numerous initiatives, along with your valuable commitment, have permitted us to gain major recognition - from out a pool of 200 companies - on the Corporate Human Rights Benchmark index, Eni came*

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<sup>5</sup> <https://blogceo.eni.com/Lists/Posts/Post.aspx?ID=265>

*first, confirming our role as a global leader in the approach to human rights.*

*This recognition is reward for the respect for human rights and ongoing commitment that we have in recent years fully integrated into our path for a just transition, a transition that gives fair access to energy to all whilst protecting the environment and helping to reduce gaps between countries.*

*I would like to invite you all to keep working together to proudly support these values which distinguish us and make our everyday work as professionals and people ever better”.*

**Examples of promoting and advancing implementation of the VPs internationally (External Stakeholders)**

*“[Eni promotes] socially responsible behavior, work practices, and expect our suppliers and partners to operate in line with our high standards of respect for Human Rights and environmental protection [...] believes in the importance of establishing strong, lasting relationships and partnerships with the communities in which it operates in order to build lasting, shared values. [...] respects rights of people and communities by recognizing and enhancing their culture, lifestyles, institutions, ties with the land of origin and development models in line with international standards” (Code of Ethics).*

In line with its commitments on human rights and the principles of its Code of Ethics, the MSG Anti-Corruption and of Eni’s Statement on respect for Human Rights, in 2020 Eni has adopted the Supplier Code of Conduct. The document describes the minimum requirements and expectations that all its Suppliers are required to meet on respect for human rights.

As for activities of promoting and advancing of VPs with its business partners and peers, Eni joined the International Petroleum Industry Environmental Conservation Association (IPIECA) Responsible Security Task Force (RSTF) in order to reinforce the IPIECA community, routinely discuss Human Rights and Security and better implement the Voluntary Principles, through peers’ sharing of best practices, challenges and future developments on the issue.

As a result of its commitment and work on human rights, in 2020 Eni was ranked first, *ex aequo* with another company, among the 199 companies assessed by the Corporate Human Rights Benchmark (CHRB) on performance on respect for human rights by business. The work carried out over the past year has indeed allowed Eni to further improve its performances, with particular focus on human rights due diligence process adopted by Eni in order to identify risks and face potential impacts on human rights.<sup>6</sup>

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<sup>6</sup> <https://www.eni.com/en-IT/media/press-release/2020/11/eni-ranked-top-by-corporate-human-rights-benchmark.html>

*Describes efforts to work with civil society organizations, local NGOs and partners to promote and understand the Voluntary Principles*

About the efforts of the company with civil society organizations and NGOs, and considering also security and human rights issues, in Nigeria Eni is considering to plan a series of initiatives to turn resources to the development of economic empowerment projects, with the aim of supporting local development and consistently with the contribution submitted by NAOC and the local NGO SACA (Stakeholder Alliance for Corporate Accountability) to the UN WG on Business & Human Rights within the Project "Business in conflict and post-conflict contexts" (2020). The Project was launched by the UN Working Group in 2018, with the aim of promoting the implementation of the UNGPs in conflict and post-conflict contexts. The objective was to identify policies and practices for States and business across the full "conflict cycle" and the three "Protect, Respect and Remedy" pillars of the UNGPs. NAOC, Eni SpA subsidiary operating oil & gas production in the Niger Delta environment since 1962 and SACA, an NGO operating in Bayelsa State of Niger Delta and focusing on environment, human rights and sustainable economic development promotion, in an effort to share their views of the problems and the possible solutions in the context of Niger Delta, tried to open a transparent dialogue and share their mutual experiences in the State of Bayelsa.

*Describe processes or efforts to promote the Voluntary Principles with contractors and sub-contractors*

On relations with business partners, Eni adopts a human rights clause both within Memorandum of Understanding (MoU) with Governments and contracts concluded with security providers. Parties of the MoU are requested to act accordingly and in compliance with the UN Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights, the Code of Conduct for Law Enforcement Officials of the United Nations and the Basic Principles on the Use of Force and Firearms by Law Enforcement Officials of the United Nations. In this regard, MoU clause has been recently renewed: For security providers, specific clauses of conduct requiring respect for human rights are included in the contracts, especially in relation to operating instructions and workers' rights.

Within Joint Operating Agreements (JOA) and Production Sharing Agreements (PSA) in 2019, with regards to Upstream and Exploration contracts negotiation activities, two clauses on respect for human rights within PSA and JOA have been drafted. Both the clauses have been disseminated through ad-hoc webinars addressed to the negotiators and commercial managers. It is included a specific reference on the need of conducting security activities without adverse impacts on people and communities and both the clauses recall the UN Guiding Principles on Business and Human Rights.

## SECTION B

### ***Policies, Procedures and related activities***

#### ***Relevant Policies, Procedures and/or Guidelines***

##### *Describe how the Voluntary Principles are incorporated into company policy framework*

The Management System Guideline (MSG) states that “Security activities are conducted in compliance with the Universal Declaration of Human Rights, the relevant national and international regulations and with the Voluntary Principles on Security and Human Rights. The respect of human dignity is a fundamental value that cannot be violated in any way. All security personnel protecting Eni people and installations shall respect these principles. Moreover, to minimise the impact of its security systems on local communities, Eni undertakes protection plans and mechanisms that are more effective for protecting its people and installations”.

The implementation of Security and Human Rights items provided for by the Consolidated Text on Security Rules is carried out by means of the following actions:

- Implementation of the Due Diligence Model through construction and implementation of Risk Based Model;
- Writing of the strategic chart “Security & Human Rights Action Plan”, shared with Sustainability Dept.;
- Recurring checks of Human Rights provisions both in contracts with private Security providers and Memories of Understanding with public Security Forces;
- Training courses to public and private Security forces operating in Eni’s sites.

Eni's commitment on human rights is based on the dignity of each human being and on the company’s responsibility to contribute towards the wellbeing of the people and communities in the countries where we operate. This model is enshrined (described) mainly in the MSG IMPRESSO, the Management System Guideline of Eni Sustainability function which represents the regulatory document of these activities.

According to the MSG IMPRESSO, Eni's model on respect of human rights is aligned with the United Nations Guiding Principles on Business and Human Rights (UNGPR) and based on three fundamental elements: “Policy Commitment”; “Due Diligence on human rights”, and “Access to remedy”. As an Annex to this fundamental document, Eni adopted a new internal procedure (“Respect and promotion of human rights in Eni's activities”) which is specifically focused on human rights and is aimed at regulating Eni’s human rights due diligence process both at entity and process level and which identifies specific areas of risk linked to Eni’s salient issues, including security and human rights. The human rights due diligence - the process of identifying, evaluating, preventing and managing the negative impacts on human rights that the company can produce, or contribute to produce, through its activities and business relationships - follows a risk-based logic and is carried out by the relevant functions for the concerned process.

## **Risk Assessment**

### ***Company procedure to conduct Human Rights Risk assessments and integrate findings***

Eni has developed a wide range of processes and tools to assess its salient human rights issues, risks and impacts and has been working on the design, implementation and reporting of Eni's human rights due diligence process to ensure its alignment with the UN Guiding Principles on Business and Human Rights.

The due diligence system is structured around the specific functions due diligences carried out according to the salient human rights issues and the due diligence on industrial projects. On the first ones, there are some specific functions primarily interested in managing human rights due to the process managed: i) Procurement for the issues along the supply chain; ii) Human Resources for issues at the workplace; iii) Security for the issues in managing security operations.

The due diligence of the industrial projects is performed in order to identify specific risks of the projects and evaluate the proper actions to be undertaken, as part of the wider integration of sustainability issues into the business cycle. Specific security issues related to the context are taken into consideration to assess the risk level of the specific project. According to the characteristics of the project, different assessments are conducted to identify and evaluate potential impacts on human rights: ad hoc Human Rights Impact Assessment (HRIA) and specific analysis on human rights integrated into the Environmental, Social and Health Impact Assessment (ESHIA) that usually are carried out for every industrial project. In both cases, an Action Plan is defined based on the findings.

In 2020 a Human Rights Due Diligence Model in Security was launched; its aims to identify, analyze and prioritize the negative impact risk on Human Rights in activities and to weigh preventive or defensive measures.

This model enabled to spot which Countries were worth of intervention and which type of intervention carry out. Especially, the Model resulted in 2020 Action Plan that established the following activities:

1. Current Security contracts samples in first ten countries resulting from Risk Based Model in order to verify if Human Rights provisions are present or not (Libya, Iraq, Algeria, Pakistan, Nigeria, Ecuador, Venezuela, Tunisia, Congo, Angola);
2. Need to verify assignment and use of Security resources/services provided to Private and Public Security Forces operating in Pakistan Eni's sites. A specific form was filled out to gather information from Regional Security Advisors.
3. In cooperation with personnel of Luanda Headquarters a "Security and Human Rights" workshop was rolled out in an Angolan Subsidiary by an external provider. Given the Covid-19 outbreak, it took place in a thoroughly checked facility and also in a remote way.

## ***Engagements with Security Forces***

### ***Company procedure or mechanism to investigate and remediate security related incidents with human rights implications by public/private security forces relating to the company's activities***

Eni is actively engaged in ensuring proper access to remediation measures. Eni is committed to verifying and providing, or cooperating to provide, remediation in case of adverse human rights impacts it might have caused or contributed to, and to making all efforts to promote the achievement of the same goal in cases where the impact is directly linked to its operations, products or services.

### ***Describe the company's grievance process for responding to and remediating adverse impacts***

Grievance mechanisms and other reporting channels are provided at both operational level and company-wide and are made available to enhance the opportunities for the Company to identify and promptly investigate potential and actual human rights impacts and take appropriate action. The Grievance Mechanisms is regulated by a specific company procedure (Annex C to the MSG IMPRESSO) and provides instruction on both the design and implementation of such mechanisms and defines the set of activities to be carried out when Eni receives, in writing or verbally, concerns or grievances in relation to its activities. Multiple access points are foreseen to guarantee complainants having adequate access to the grievance mechanism: directly to the function responsible for receiving grievances, by writing to a dedicated e-mail address, by letter, through the company website, through a dedicated telephone number, through trusted third parties (NGOs, local associations, etc.).

The feedback about the grievance received is notified and discussed with the complainants and the company: the complainant is asked to communicate any observations or alternatives to the solution found and proposed by the company which duly takes note of it in an appropriate form.

Eni also uses a Whistleblowing reporting management system that enables anyone to send reports on issues pertaining to the internal control and risk management system or other violations of the Code of Ethics, including possible violations of human rights.

## SECTION C

### Country Implementation

#### *Overview of country operations selected for reporting – Angola, Mozambique*

Eni carries out assessments on its potential and actual environmental, social, health and human rights impacts with the aim of preventing and mitigating adverse impacts. Consistent with this approach and aware of the importance of considering human rights at the outset of planning activities, in 2019 Eni carried out three Human Rights Impact Assessments in its most challenging new projects from a human rights point of view in Mozambique, in Angola and in Mexico. The HRIAs relied on the methodology and expertise of the Danish institute for Human Rights.

This methodology entails a preliminary analysis of scoping, based on desktop searches and remote interviews, and a field visit, where rightsholders are consulted during dedicated meetings. When needed, focus groups are also held to allow the participation of vulnerable groups, while local NGOs, international organizations, Business Partners and suppliers are engaged through meetings and interviews.

The results of the HRIA were finalized in a Report with recommendations authored by the Danish Institute for Human Rights, followed by a dedicated action plan by Eni to allow an effective and monitored implementation of each action. Human Rights Action Plans are currently on-going. If needed, recommendations and actions could be applicable to Business Partners, such as JV partners and suppliers, with the goal of accompanying them in a virtuous path of improvement and mitigating the potential human rights risks highlighted during the HRIA.

With specific focus to Mozambique, as a result of the HRA, the DIHR produced a report including key observations and recommendations to be implemented in the project by Eni Rovuma Basin, a company owned by Eni is the delegated operator for the development of Coral South FLNG Project and Upstream operations of the Rovuma LNG project.

To address DIHR recommendations, ERB, jointly with Eni, developed an Action Plan (HRAP) for the period 2019-2022, approved in September 2019. Recommendations coming from the HRAP are grouped into the main areas of Eni's Human Rights Salient Issues (i.e. Communities, Security, Labor, Supply chain). The HRAP is currently under execution and at good stage of implementation, despite some activities have been postponed due to the pandemic.

#### ***Examples of supporting outreach, education, and or training of relevant personnel, private security, public security and or civil society***

Eni has developed a Training Program on Security & Human Rights dedicated to Security Managers and Public and Private Security Forces both in Italy and abroad. In particular,

training sessions have been held in Nigeria and Pakistan (2019), Tunisia (2018), Nigeria (2017), Venezuela and Ecuador (2016), Kenya (2015), Mozambique (2014), Indonesia and Algeria (2013), the Republic of Congo and Angola (2012), Pakistan and Iraq (2011), Egypt and Nigeria (2010) and in Eni's offices in Rome and San Donato Milanese (2009). The most recent training courses in Angola on Security & Human Rights focused on the Angolan security forces. Eni has also developed material for subsidiary-led training initiatives for local Security managers willing to undertake autonomous training courses, which resulted in particularly relevant cases of emerging risks and/or with training needs due to job rotation. Eni's training program on Security and Human Rights has been recognized as a best practice in "Responsible businesses advancing peace", the joint publication between the United Nations Global Compact and Principles for Responsible Investment (PRI).

On October 29<sup>th</sup> 2020 a Security and Human Rights workshop was held in an innovative way in a high risk subsidiary (Angola, Luanda Headquarters). This subsidiary was identified according to a 2019 Risk based Model. Due to the pandemic, Security and Human Rights training courses were completely refurbished; instead of an on-site training course, Eni's provider organized "Virtual Instructor-Led Trainings" with a trainer equipped with audio/video device and set up in a different room videoconferencing.

About 130 people attended the event, 40 in presence (High Officers of the Military Forces like Army Special Forces, the Navy, Police and Private Security providers, Eni and other Oil Companies management, NGOs) and the others remotely.

The on-site event was organized in two sections; the first section took place in the morning, dedicated to High Officers of the Military Forces like Army Special Forces, the Navy and Police officers; the second section took place in the afternoon, dedicated to Private Security Guards operating in on shore Eni's Angolan sites.

## SECTION D

### Lessons and Issues

***Lessons or issues from this reporting year, as well as plans or opportunities to advance the VPs for the organization***

Describe action plans to implement the Voluntary Principles in the upcoming year and new initiatives and programs and plans to advance the VPs for the organization:

- 1) **Implementation and dissemination of VP culture on Human Rights Day;** Eni Security Dept. is planning to mark Human Rights Day delivering a global e-mail to all employees (key suppliers and contractors) to reinforce company's adherence to the VPSHR;
- 2) **Publication of Voluntary Principles on the Eni's website;** Eni is planning to make accessible for employees, via intranet site, the Guidelines of the Voluntary Principles on Security and Human Rights, (and the VPSHR training tools);
- 3) **Organizing Security & Human Rights workshops and events** in Eni's Security Dept. to enhance the Human Rights culture. Eni Security Dept. is planning to organize workshops where VPSHR awareness is reinforced.