

Global Framework Agreement on International Industrial Relations and Corporate Social Responsibility

Accord-Cadre Global sur les Relations Industrielles au niveau International et sur la Responsabilité Sociale de l'Entreprise

Acuerdo Marco Global sobre las Relaciones Industriales de nivel Internacional y sobre la Responsabilidad Social de la Empresa

Acordo-Quadro Global sobre as Relações Industriais em nível Internacional e sobre a Responsabilidade Social Empresarial

ГЛОБАЛЬНОЕ РАМОЧНОЕ СОГЛАШЕНИЕ В ОБЛАСТИ ТРУДОВЫХ ОТНОШЕНИЙ НА МЕЖДУНАРОДНОМ УРОВНЕ И КОРПОРАТИВНОЙ СОЦИАЛЬНОЙ ОТВЕТСТВЕННОСТИ

اتفاق إطاري شامل حول العلاقات الصناعية على المستوى الدولي وحول المسؤولية الاجتماعية للشركة

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On July 6 2016, between Eni SpA and IndustriALL Global Union Filctem CGIL Femca CISL Uiltec UIL

the following was agreed:

#### 1. INTRODUCTION

The international economic and social context in which businesses operate is overshadowed by a constant debate on social responsibility issues. The progress of globalization has caused structural changes in the economic activities of businesses, while also forcing changes in view of sustainable development that are consistent with economic, environmental and social objectives.

Approval of the 2030 Agenda for Sustainable Development, which took place in New York on 25 September 2015, and the definition of Sustainable Development Goals (SDG) call on all players, first and foremost businesses in partnership with civil society and governments, to make the greatest possible efforts to eradicate poverty worldwide, protect the environment and guarantee prosperity for everyone over the next fifteen years.

The climate agreement reached by 195 countries meeting in Paris in December 2015 marks a decisive turning point that will have a major impact on energy companies. Consensus was reached with this agreement on the need to adopt policies based on technological innovation and changing human behaviour, in order to move towards an economy based on energy sources having low or no carbon content.

The path to be struck by business to create lasting value over time necessarily involves assuming social responsibility. The development of social responsibility depends on a set of values that are deeply shared and integrated in the business system.

Eni, which has over 33,000 employees in about 65 countries around the world, is an integrated enterprise working in the energy field: it is active in the exploration, development and extraction of oil and natural gas, in the procurement, supply, trading and transport of natural gas, LNG, electric power,

fuels and chemical products. It processes crude oil and oil feedstock at its refineries and chemical plants to make fuels, lubricants and chemical products that are sold wholesale or through distribution networks and retail outlets. Its long-term strategy is based on the production of hydrocarbons while minimizing its carbon footprint, the development of natural gas as the fuel of choice in a world transitioning to a carbon-free economy, and the promotion of renewable energies by exploiting its own geographic position and synergies with existing activities.

IndustriALL Global Union represents 50 million workers in 140 countries in the mining, energy and manufacturing sectors and is a force in global solidarity taking up the fight for better working conditions and trade union rights around the world.

The political, economic and social scenario, the key demands of stakeholders, and the evolution of the institutional and regulatory framework, compel Eni and Trade Unions to identify the core priorities used to define sustainability objectives and common strategies, based on integrity and transparency principles, fight against corruption, respect for human rights and respect for the work, health and safety of people.

The values and accumulated experience of Eni, which are deeply rooted in the local context of the countries where it operates, aware of the necessary respect for different cultures and economic aspirations, have always placed the issues affecting mankind, human rights and labour rights at the centre of its own corporate policies, confirming its own dedication to corporate social responsibility.

Therefore, Eni collaborates on a cooperative and constructive basis with local communities in pursuing its own business strategies, with the aim of developing innovative and positive initiatives that can harmonize development of the business with the needs of those same local communities. It seeks to do so by encouraging the development of local content with constant dialogue and involvement of all local stakeholders. Over the years, to encourage relations with communities at all levels, Eni has implemented internal regulatory tools such as the Code of Ethics, the Guidelines for the Protection and Promotion of Human Rights, and internal policies and Management System Guidelines that also contain measures addressing the respect of human rights.



The search for a corporate growth model that combines development and competitiveness and, at the same time, promotes the focus on human rights, sustainable business growth, safety standards and care for the environment and health of their communities, has always been a key element of the corporate dialogue between Eni and Workers' Representatives and played a decisive role in the Model of Industrial Relations that the Parties have been able to develop over time.

The international agreements signed in 2002, 2004 and 2009, resulting from a dialogue with trade unions based on the common interest in promoting and implementing socially responsible behaviour, by sharing and applying a set of fundamental values and principles of human rights and labour rights, each within their own spheres of influence, have also contributed to further growth of the Parties' know-how and culture. They have done so by qualifying their tendency to pursue greater protection for workers, equal opportunities, and respect for socio-cultural diversity (in terms of ethnicity, culture, religion, and tradition) of the countries where Eni operates.

#### 2. PRINCIPLES

With this agreement, and in compliance with the Industrial Relations agreements they have signed at the national and international levels and under the auspices of the European Works Council, the signatory Parties recognize the inalienable human rights of all individuals, without distinction, by virtue of their belonging to humankind. They also recognize that the principles of the fundamental Conventions of the ILO (International Labour Organization), the OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises constitute the right tools for practising responsible, ethical and moral correct behaviour in business operations. This global framework agreement covers Eni's all subsidiaries throughout the world.

In particular, Eni confirms its own commitment to prioritizing, applying and promoting the following principles in the operation of its own activities.

## Respect for human and labour rights

Eni is committed everywhere, within its own sphere of responsibility, to supporting and complying with the principles of the "Universal Declaration of Human Rights" of the United Nations, the fundamental Conventions of the

ILO (International Labour Organization), the OECD Guidelines for Multinational Enterprises, the principles of the United Nations Global Compact, and the "UN Guiding Principles for Business & Human Rights".

In cases of potential divergence between local and international standards, Eni seeks solutions that permit practices based on international standards that still respect local principles.

#### Non-discrimination

Eni is committed to respecting basic labour rights, including equality and nondiscrimination, and bases its business practices on respect for the cultures, religions, traditions, ethnic diversity and communities where it operates, and is committed to preserving the biological, environmental, sociocultural and economic identities of those communities.

## Diversity

## - Gender equality and equal opportunity

Eni respects everyone's dignity and offers equal opportunity without distinction to race, colour, gender, religion, political opinion, social origin or any other individual condition not related to the necessary prerequisites for performing their job.

Respect for equal rights is also guaranteed by the application of internal hiring systems and procedures based on the development of skills and merit.

#### - Maternity protection

Eni believes that maternity protection is a fundamental value in protecting the mother and child's health and safety, and for the equality of all working women. Accordingly, it guarantees its own managerial and non-managerial resources that it will apply the minimum applicable standards for maternity protection, in terms of maternity leave and the value of maternity benefits to be paid during that period.

## Respect of stakeholders

Eni intends to respect all stakeholders with whom it interacts in operating its own business activities, convinced that they represent an important asset for the company. It's confirmed the respect for Trade Unions and representatives workers, relevant parties for the correct development of its business.



In particular:

Eni's employees

Eni promotes working conditions based on achieving maximum organizational well-being and promotes behaviour conducive to respect for the dignity of all persons at workplaces.

Eni prohibits any form of violence or molestation relating to personal and cultural diversity, and it has implemented specific regulatory tools that employees and others may use to send whistleblowing reports, including anonymous reports, of problems involving the internal control system or other matters in violation of the Code of Ethics.

Suppliers

Eni is committed to finding suppliers and independent contractors that have suitable professional qualifications and a commitment to sharing its corporate values. A supplier is required to declare its own acceptance of the principles and international standards of human rights, including the Universal Declaration of Human Rights, the Global Compact and the Eni Code of Ethics, as well as the specific safety requirements that Eni adopts. The assessment of suppliers concludes with definition of the qualification status indicating the result of the assessment and the principal faults or areas for improvement that are found. Eni requests its suppliers to ensure that, when activities are performed through subcontractors, these last meet the same requirements.

#### Local communities

Eni interacts with the stakeholders with whom it interacts in the territories where it operates its business activities, basing its relations on fairness, transparency and continuous dialogue to create value and opportunities for sustainable local development. In this regard, it has implemented *grievance mechanisms* to receive and manage local complaints and facilitate prompt identification of them. Consistently with the provisions of the Eni Code of Ethics and in view of active and responsible involvement, these mechanisms consider local cultural mores and propose tools for settlement of the needs represented by the local communities.

Eni is also committed to promoting the development and training of human capital in the communities where it operates, inter alia through the transfer of

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skills and knowledge, thereby reinforcing and strengthening local know-how and expertise.

## Ethical behaviour in business relationships

All Eni activities, worldwide, have to be operated with honesty, integrity and compliance with the law. Eni employees have to comply with the principles set out in the Eni Code of Ethics. That code is considered the fundamental tool for guiding conduct, governing relations with the various stakeholders in a sustainable and responsible manner, and contributing to transformations in the communities where Eni operates, with growing attention to human rights and sustainability issues.

## Cooperation

Eni is committed to contributing actively to promotion of the quality of life and socio-economic development of the communities where it operates.

## Health and safety protection

Eni is committed to guaranteeing the best possible health and safety standards for its employees and communities, everywhere in the world where it operates.

#### **Environmental protection**

Eni intends to dedicate the greatest possible attention to the environment and ecosystems affected by its own business operations, and follows the guidelines set out in the international development conventions that Italy has signed.

Specifically in regard to the protection of *social, economic and cultural* rights, Eni recognizes the right to work, freedom of trade union activity, rejection of forced labour and child labour, rejection of all types of discrimination, protection of the dignity, health and safety of persons in operating areas, respect for natural biodiversity and environmental protection, and the fight against corruption. It also declares that it wants to take positive action for their application in connection with its own activities and in activities with its business partners.

In particular, Eni is committed to recognizing:



# ILO Conventions 100 and 111: protection of dignity, equal opportunity and non-discrimination

Respect is guaranteed for the dignity of all individuals and equal opportunity and treatment without distinction according to race, colour, gender, language, religion, nationality, political opinion, sexual orientation, social status, disability, age or other condition of the individual unrelated to the prerequisites for performing the job. Equal pay for men and women in exchange for work of equal value also has to be applied, according to merit.

# ILO Conventions 138 and 182: protection of the rights of minors

Child labour is prohibited, and their right to be protected from economic exploitation and full completion of their education is guaranteed. "Minors" means those individuals whose age is lower than the age at which compulsory education ends, and all individuals younger than fifteen.

# ILO Conventions 29 and 105: forced labour prohibited

Work or service extorted from a person under threat of punishment or which this person has not spontaneously offered to perform is prohibited. Slave labour or work performed by prisoners is also prohibited.

# ILO Conventions 87 and 98: right of association and negotiation

In compliance with universally accepted labour rights and the core labour standards envisaged in the fundamental conventions of the ILO, all workers are guaranteed the right to organize and effective recognition of their right to collective bargaining, the right to join labour organizations of their own choosing without distinction, interference or prior authorization, for protection of their own employment interests and to enjoy fundamental trade union rights, in accordance with local law, and with the core labour standards envisaged in the fundamental conventions of the ILO.

Eni is committed to treat unions positively, and refrain from all anti-union activities and to remain strictly neutral concerning employee preference to join, remain with, transfer, or abandon their relationship with a union organization.

**ILO Convention 135: non-discrimination against workers' representatives**Workers' representatives must not suffer any discrimination in connection with their representation activity.

Employee/union representatives shall have a reasonable access to the workplace.

## ILO Convention 183 on the protection of maternity

In all countries where it operates, Eni recognizes application of the minimum standards envisaged by the International Labour Organization (ILO). In particular, when maternity leave is already guaranteed by local law and/or any company agreements, regulations and practices are less than what is guaranteed by law, Eni applies the provisions of ILO Convention 183/2000, which allows maternity leave for at least 14 weeks and the payment of maternity benefits during leave of at least two-thirds of the remuneration received during the previous period.

# ILO Convention 142: concerning the role of orientation and professional training in the development of human resources.

Eni recognizes and promotes development of the abilities and skills of each employee, on the basis of parity and without any discrimination, and encourages the development of personal professional skills in order to realize one's own potential in a positive and participatory climate. Eni also recognizes that training is key to the development of awareness and a strategic element for achieving business objectives.

Constant search for improvement in workplace safety and health conditions, including through the continuous spread of best practices adopted in Eni and at the basis of positive results achieved.

Compliance with the laws, regulations and human rights pursuant to international regulations and conventions in relations with suppliers, contractors and subcontractors, employees working under contract, agents or consultants; any serious violations, including employees' safety and health violations, of environmental or human rights protection laws that are not remedied, will result in termination of the relationship with the affected company in compliance with contractual obligations.

#### 3. PROCEDURES FOR IMPLEMENTATION OF THE AGREEMENT

## 3.1 Information and communication

To assure application of the aforementioned principles and Conventions,



the Parties commit to spread knowledge of the values and agreements signed in this agreement inside and outside Eni. In this regard, Eni confirms its intention to pursue adequate methods for providing information and periodic consultation on the presence and expansion of Eni around the world and to develop a dialogue on the social and economic effects of those activities.

To encourage greater dissemination of information and without prejudice to the particular confidentiality of certain topics that are discussed, the company will consider the possibility of disseminating the materials illustrated during the annual meeting, as indicated at item 6 of this agreement report, by using internal company information systems and other means.

Moreover, during the annual meeting indicated at item 6 of this agreement report, appropriate methods of engaging the involvement of local Labour Organizations may be agreed following agreement between the Eni Industrial Relations unit and the Labour Organizations signing this agreement.

Eni shall also make sure organizing proper education and training about the contents and implementation of this global framework agreement for all the groups concerned.

# 3.2 Publication of the agreement

In order to disseminate and promote the contents of this agreement, Eni and the signatory Labour Organizations commit to disseminate it by announcing its existence and its contents, in the appropriate local languages particularly to workers, managers and suppliers.

## 3.3 Monitoring

In the event of situations that diverge from or violate what has been agreed, the Parties shall promptly notify each other. Once the facts have been ascertained, Eni will intervene to eliminate any anomalous situations and notify the Labour Organizations and the Coordinator, as envisaged at item 5.1 of this agreement report.

## 3.4 Relations with suppliers

In regard to the activities commissioned to suppliers, Eni confirms that existing contractual relationships contain appropriate clauses in protection

against any violations. In this regard, Eni confirms that any supplier that has relations with Eni must commit itself to and strictly comply with the principles contained in the Code of Ethics, in Model 231, in the Guidelines for the promotion and protection of Human Rights and in the MSG Anti-corruption.

#### 4. ACTIONS

The Parties may agree to carry out positive action plans aimed at affirming fundamental human and social rights and good working practices. These practices may consist of information, training and research activities.

#### 5. INDUSTRIAL RELATIONS

In the framework of the principles cited above, the Parties recognize the importance of developing industrial relations at various levels that reflect the different socio-economic contexts in which Eni operates, with the necessary respect of different cultures and social and economic aspirations.

The participatory model that has always characterized the system of Eni industrial relations has allowed it to consolidate relations with the Labour Organizations and their representatives over time, through a constant process of engagement on corporate objectives to encourage the development of resources and organizational systems. Therefore, Eni and its companies promise, to the extent of their responsibilities, to continue or establish a constructive relationship with the Labour Organizations and workers' representatives, established on a democratic basis and recognized by international labour bodies.

In this context, Eni is committed to engage, jointly with the Labour Organizations signing this agreement, in reviewing and improving the system aimed at the involvement and social dialogue with the workers' representatives at global, European and national level.

#### 5.1 Coordinator

To assure constant social dialogue with Company Management on issues related to the aforementioned agreement, the position of Coordinator designated jointly by the Labour Organizations signing this agreement is established.

Given the complexity of Eni businesses and their global distribution, it is agreed that the Coordinator represents a link between the delegates designated at the local level and the Labour Organizations signing this agreement.



Designation of the Coordinator has to consider that person's proximity to the company departments and units in charge of managing the agreement, inter alia so that the expected costs of managing remain sustainable.

The Coordinator also has to be sent the notices containing the names and addresses of the workers' representatives who will participate at the annual meeting. The Coordinator will send to the Eni Industrial Relations function the list of the five workers' representatives designated on an annual rotating basis who may participate at the meeting, as envisaged at item 6 hereunder.

The Coordinator's term shall match the term of validity of this agreement. Upon expiry, the signatory Labour Organizations shall confirm the outgoing Coordinator or designate the new Coordinator and notify his/her name to the Eni Industrial Relations function.

## 6. ANNUAL MEETING

In view of promoting the system of information, consultation and dialogue with the Labour Organizations signing this agreement, an annual meeting shall be held with the General and National Secretaries of FILCTEM CGIL, FEMCA CISL, UILTEC UIL, the General Secretary of IndustriALL Global Union, the Coordinator and the delegated units of Eni representing its business units, inter alia.

Moreover, to facilitate ever-wider dissemination of the principles and procedures implementing the agreement, facilitating access to information on corporate social responsibility issues, the initiatives that Eni undertakes in that regard, and to permit greater involvement of local representatives, it is agreed that a delegation of the workers' representatives will also be allowed to participate at the annual meeting.

The number of representatives who may participate at the meeting reflects the distribution of employees by business unit in Italy and outside Italy, up to a total maximum of 10 members, defined as follows:

- 5 members of the Select Committee of the European Works Council
- 5 workers' representatives from the different countries and business units of Eni.

Given the large number of countries where Eni operates and in order to guarantee the broadest possible participation of workers' representatives of the countries in attendance, it is agreed to develop an annual rotation mechanism of five workers' representatives

designated jointly by the Labour Organizations that sign this agreement, for participation at the meeting and in view of better representing all the different social, economic and trade union groups existing at Eni.

## 6.1 Matters discussed at the annual meeting

The Parties agree that the following topics will be analysed during the annual meeting:

- Eni economic-financial situation;
- the performance and prospects of its principal operating activities, with a focus on the most significant areas of operating presence and relevant employment figures;
- Eni actions and plans addressing safety, risk management and protection of worker safety, without prejudice to the commitments in each country that stem from legislative provisions or contractual agreements
- projects and/or specific activities on HSE issues
- realization by Eni of corporate social responsibility actions and projects
- whistleblowing, especially in regard to human rights
- positive actions in favour of non-discrimination
- transnational training projects and/or activities
- evolution of the industrial relations of Eni in the different countries and areas where it operates, highlighting any critical situations.

#### 7. FINAL PROVISIONS

#### 7.1 Local trade union practices

The agreement does not supersede and does not obstruct local practices. The Parties recognize the principle that emerging problems between workers and the company have to be settled at the level closest to the workplace.

In cases of difficult situations, Eni in coordination with the competent HR functions and the Trade Unions that sign this agreement will facilitate the solution of the issue at local level.

The Parties agree to work together on studying options for dispute resolution mechanisms of this agreement.

#### 7.2 Organization

Eni is committed to paying, within normal limits, the costs for organization of the annual meeting.



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7.3 Publication of the information

Existing communication tools guarantee effective exercise of the workers' rights to information.

7.4 Duration of the agreement

This agreement shall be valid for three years as of the date of its signing. Six months before its expiry, the Parties shall meet to review the conditions for renewal.

Eni SpA

IndustriALL Global Union Filctem CGIL Femca CISL Uiltec UIL