

Eni S.p.A.
Emma Marcegaglia, Chairwoman
Claudio Descalzi, CEO
Piazzale Enrico Mattei 1
00144 Rome

Brussels, 5 July 2017

Dear Mrs. Marcegaglia, Dear Mr. Descalzi,

For more than two years now the oil price has remained consistently low. While we see this as a problem for our economies, as fuel-driven production is too cheap, this has at least led to the situation whereby many fossil-fuel companies have reduced their oil exploration to a minimum. But not so the company you lead: while during the period from 2008 to 2015, on average European fossil-fuel companies discovered reserves of 0.3 times their own production, Eni located 2.4 times as much.

Eni is rapidly expanding a business model that is not only ruining our climate, but will eventually ruin that of your investors, too, as the time for unhampered burning and selling of oil will be over once the implementation of the Paris climate agreement is complete. Since 2015, the value of Eni shares has already dropped by 25%. This not only affects private investors, but also Italy's taxpayers who partly own Eni and will have to compensate for the losses in the state's company shares when the carbon bubble shrinks even further.

Yet, we see it as not just economically justified to divest from Eni, but also morally so. Recently, news spread of an agreement signed with Iran's national oil company that will see Eni look into the possibility of developing gas and oil fields in the south of the country. At the beginning of April 2017, you signed exploration contracts with the Cyprus government to drill for fossil fuels off the island's south coast. In March 2016, Eni opened a huge new oil platform in the Barents Sea off Norway. In September 2015, you won the tender for exploration off the coast of Mexico.

Furthermore, Eni and its partners have already begun exploiting the Cabaca deposits off the coast of Angola, where there are an estimated 230 billion barrels of oil and gas. In fact, Eni does not even appear to recoil from corruption to achieve its goal of expanding its exploration of more fossil fuel reserves, as the case in Nigeria shows.

All of this illustrates that Eni is doing everything but focusing on a low-carbon future. Taking into account the fact that the Italian state holds around one-third of Eni's stocks, it is hypocritical to publicly fight for climate justice and the Paris Agreement. The Italian state is the largest shareholder of one of the biggest CO2 polluters in the world, the fourth largest European fossil-fuel company in terms of oil and gas reserves, and Italy's biggest company: Eni.

We are convinced that fossil-fuel corporations like Eni must make a choice now: start phasing out coal, oil and gas and begin the transition towards producing renewable energy. The alternative is to continue with business as usual until you experience a hard landing. Institutions worth USD 5.5 trillion have already divested their money from fossil fuels – including companies like Allianz, AXA and Nordea Bank. These investors have realised that there is no future for fossil fuels – either morally or financially. The sooner you react, the better it will be for us all. This is why we are joining the call for institutions to divest from fossil-fuel companies – which includes Eni. And we will continue to do so until you prove us wrong.

Kind regards,

Monica Frassoni
Co-Chair



Reinhard Bütikofer
Co-Chair

