Report on the Ethical Risk Assessment of Eni S.p.A. for the Government Pension Fund Global

Executive Summary & Final Risk Categorization

This report presents a comprehensive ethical risk assessment of Eni S.p.A. (Eni), an Italian multinational energy company, conducted in accordance with the *Guidelines for observation and exclusion of companies from the Government Pension Fund Global* (the Guidelines).[1] The assessment evaluates the company's products and conduct against the specific criteria established by the Norwegian Ministry of Finance.

The analysis concludes that Eni S.p.A. does not present a material risk under the product-based criteria outlined in §3 of the Guidelines. The company has no documented involvement in the production of prohibited weapons, tobacco, or recreational cannabis. Furthermore, a thorough review of its operational and financial reporting confirms no exposure to thermal coal, placing it well clear of the quantitative exclusion thresholds for this category.[1]

However, the assessment identifies significant, multifaceted, and persistent risks under the conduct-based criteria of §4 of the Guidelines. These risks are severe and stem from a discernible pattern of operational and governance failures across multiple domains:

- **Severe Environmental Damage & Associated Human Rights Violations (§4e, §4a):** There is extensive and credible evidence of severe, long-term environmental degradation resulting from Eni's operations in Nigeria's Niger Delta. This includes numerous oil spills, slow and inadequate remediation, and contamination of water and soil, leading to grave impacts on the health, livelihoods, and fundamental human rights of local communities.[3] These findings suggest a direct contravention of the norms against severe environmental damage and gross or systematic human rights violations.
- **Gross Corruption & Systemic Governance Failures (§4g):** Eni has a documented history of involvement in corruption-related legal cases and regulatory actions. The company is a repeat offender under the U.S. Foreign Corrupt Practices Act (FCPA),

having settled charges in both 2010 and 2020 for internal control failures at its subsidiaries.[6] This pattern of recidivism indicates a systemic weakness in governance and internal controls, elevating the risk of future involvement in gross corruption.
- **Unacceptable Greenhouse Gas Emissions & Climate Strategy (§4f):** While Eni has articulated a long-term strategy for carbon neutrality, its short- and medium-term actions and investment plans are not aligned with a 1.5°C pathway, according to independent expert assessments.[8] Furthermore, the company is the subject of a major climate lawsuit in Italy, alleging it knowingly contributed to climate change while engaging in misleading public communication.[10] This legal challenge, combined with evidence of misaligned lobbying activities, raises substantial questions about whether its aggregate contribution to greenhouse gas emissions is "unacceptable" under the Guidelines.
- **Elevated Geopolitical Risk Exposure (§4b):** Eni's strategic focus on hydrocarbon extraction in regions characterized by conflict, political instability, and weak governance—notably Libya, Nigeria, and Mozambique—acts as a significant multiplier for all identified conduct-based risks. This operational footprint increases the likelihood of the company becoming associated with serious violations of individuals' rights in situations of war or conflict.[12]

A profound and persistent gap exists between Eni's extensive documented policies on environmental, social, and governance (ESG) matters and its real-world operational track record. This disconnect suggests that the company's governance and risk management systems have been insufficient to prevent severe norm breaches, particularly in challenging operating environments. This undermines the credibility of its forward-looking commitments and indicates a high probability of future norm violations.

Final Risk Categorization

Based on the aggregation of severe, persistent, and forward-looking risks related to environmental damage, human rights violations, corruption, and climate strategy, Eni S.p.A. is assigned the following risk category:

2 - High Risk

This categorization reflects the unacceptable risk of the company contributing to or being responsible for particularly gross breaches of fundamental ethical norms, as detailed in this report. While not meeting the threshold for an immediate exclusion recommendation, the severity and systemic nature of the identified issues warrant this classification and may necessitate placing the company under observation to monitor future conduct and the efficacy of its remedial actions.

Introduction: Profile of Eni SpA and Scope of Assessment

Corporate Profile

Eni S.p.A. is a global integrated energy company headquartered in Rome, Italy. Founded in 1953, it has grown into one of the world's major energy corporations, with operations in 64 countries and over 31,000 employees.[15] The company's business model spans the entire energy value chain, from the exploration and production of oil and natural gas to refining, marketing, and chemical production.[16]

Eni's primary business is structured into several key segments. The Exploration & Production (E&P) segment remains the core of its operations, focusing on oil and natural gas exploration, field development, and production globally.[16] The Global Gas & LNG Portfolio (GGP) and Power segment manages the supply, trading, and marketing of gas, LNG, and electricity.[2]

In recent years, Eni has initiated a strategic transformation aimed at addressing the energy transition. This strategy is built around a "satellite model," which involves creating dedicated, financially independent companies to drive growth in new energy sectors.[19] The two primary satellites are:

- **Enilive:** Focused on biorefining and sustainable mobility, producing biofuels and developing a network of service stations offering decarbonized products.[2]
- **Plenitude:** Manages the production and sale of energy from renewable sources, retail energy services to millions of customers, and a network of electric vehicle charging points.[20]

Despite this strategic pivot, Eni's financial performance and operational activities remain heavily weighted towards its traditional hydrocarbon business. In 2024, the company reported hydrocarbon production of 1.71 million barrels of oil equivalent per day (boe/d).[2]

Scope of Assessment

The objective of this report is to conduct a comprehensive and formal risk assessment of Eni S.p.A. against the specific criteria outlined in the *Guidelines for observation and exclusion of companies from the Government Pension Fund Global*.[1] The purpose is to determine whether the Fund's investment in Eni is consistent with its established ethical mandate, which seeks to avoid investments in companies that cause or contribute to serious violations of fundamental ethical norms.[1]

The assessment is structured in two main parts, directly corresponding to the criteria in the Guidelines:

1. **Product-Based Assessment (§3):** This evaluates whether Eni is involved in the production of specific goods, such as certain types of weapons, tobacco, or thermal coal, that are proscribed by the Guidelines.
2. **Conduct-Based Assessment (§4):** This evaluates whether there is an unacceptable risk that Eni contributes to or is responsible for severe norm violations, including gross human rights violations, severe environmental damage, gross corruption, or actions leading to unacceptable levels of greenhouse gas emissions.

In line with §6 of the Guidelines, this assessment considers not only historical events but also forward-looking risks. It evaluates the probability of future norm violations, the severity and scope of any breaches, and the connection between the violation and the company. Furthermore, it assesses the adequacy of Eni's governance structures, risk management systems, and stated mitigation efforts to reduce the risk of future norm violations within a reasonable time horizon.[1] The analysis is substantiated exclusively with evidence from the provided research materials.

Part I: Product-Based Risk Assessment (per §3 of the Guidelines)

This section assesses Eni S.p.A.'s compliance with the product-based exclusion criteria defined in §3 of the Guidelines. The analysis covers prohibited products (§3.1) and activities related to thermal coal (§3.2).

1.1 Assessment of Prohibited Products (§3.1)

Section 3, paragraph 1 of the Guidelines mandates that the Fund shall not be invested in companies that develop or produce specific categories of products deemed to violate fundamental ethical or humanitarian principles. These categories include:

- Weapons that violate fundamental humanitarian principles (e.g., nuclear, chemical, biological weapons, cluster munitions, anti-personnel mines).
- Tobacco or tobacco products.
- Cannabis for recreational purposes.

A systematic review of Eni's business activities, as detailed in its corporate profile, annual reports, and descriptions of its operational segments, was conducted.[2] These documents describe Eni's operations as centered on the exploration, production, refining, and sale of oil, gas, electricity, and chemicals, with growing segments in renewables and biofuels.[16] There is a complete absence of any evidence linking Eni or its subsidiaries to the development, production, or sale of prohibited weapons, tobacco products, or recreational cannabis.

Conclusion: Eni S.p.A. is found to be in full compliance with §3.1 of the Guidelines.

1.2 Assessment of Thermal Coal Exposure (§3.2)

Section 3, paragraph 2 of the Guidelines allows for the observation or exclusion of mining companies and power producers that have a significant basis of their business in thermal coal. The criteria are defined by four specific quantitative thresholds [1]:

a. Deriving 30% or more of revenues from thermal coal.
b. Basing 30% or more of its operations on thermal coal.
c. Extracting more than 20 million tonnes of thermal coal per year.
d. Possessing more than 10,000 MW of power capacity from thermal coal.
An exhaustive search was performed across all provided financial reports, operational summaries, and sustainability documents for any mention of "thermal coal" or related activities.[2] The search yielded no results indicating any involvement by Eni in the mining, sale, or use of thermal coal for power generation. The company's power generation assets are listed as natural gas-fired power plants, and its mining activities are exclusively related to oil and gas exploration and production.[18] The company's strategic documents emphasize a transition away from high-carbon energy sources, with a focus on natural gas, biofuels, and renewables, further indicating that thermal coal is not part of its business model or future strategy.[24]

Conclusion: The complete absence of any data related to thermal coal in Eni's corporate reporting provides a high degree of confidence that the company has zero exposure to this activity. Eni S.p.A. does not meet any of the quantitative thresholds for exclusion under §3.2 of the Guidelines and is therefore in full compliance. The clarity of this finding shifts the entire focus of the risk assessment to the more complex domain of conduct-based risk.

Part II: Conduct-Based Risk Assessment (per §4 of the Guidelines)

This section evaluates the risk that Eni S.p.A. contributes to or is responsible for severe norm violations as defined in §4 of the Guidelines. The analysis reveals a significant and persistent gap between the company's extensive documented policies on ESG issues and its real-world operational track record. This disconnect suggests systemic failures in implementation and oversight, which elevates the forward-looking risk of future norm breaches.

2.1 Severe Environmental Damage (§4e) & Unacceptable GHG Emissions (§4f)

Environmental Damage in the Niger Delta

The criterion of "severe environmental damage" under §4(e) is highly relevant to Eni's operations in Nigeria. The Council on Ethics has a historical precedent of concern, having recommended in 2013 that Eni be placed under observation due to "serious environmental damage caused by oil production in the Niger Delta".[3] Subsequent evidence indicates that these issues have persisted and, in some cases, worsened.

A 2018 Amnesty International report accused Eni of "serious negligence" in its handling of oil spills. The report documented systemic failures, including taking weeks or months to respond to spill reports. In one extreme case, Eni took 430 days to respond to a leak in Bayelsa state.[4] The same report identified Eni's 92-kilometer-long Tebidaba/Brass Pipeline as potentially "Africa's leakiest," having recorded 262 spills since 2014.[25] While Eni often attributes spills to sabotage or theft, these claims are contested by local communities and do not absolve the company of its responsibility for pipeline integrity and prompt remediation.[4]

The most damning evidence comes from the May 2023 report by the Bayelsa State Oil and Environmental Commission. This state-backed investigation provides a comprehensive account of the catastrophic environmental impact of oil operations in the region. It found that between 2006 and 2020, at least 110,000 barrels of oil were spilled in Bayelsa, with 90% of this volume originating from facilities owned by five major oil companies, including Eni.[5] The commission's scientific testing revealed devastating levels of pollution:

- Surface water samples showed concentrations of total petroleum hydrocarbons at least 300 times the maximum safe value, with one site registering a concentration more than 700,000 times the safe limit.[26]
- Soil and drinking water were found to be contaminated, and villagers reported the destruction of their crops.[27]

The scale, duration, and severity of this pollution, coupled with the documented operational failures, strongly suggest that Eni's conduct in the Niger Delta constitutes "severe environmental damage" under the Guidelines. The company's recent divestment of its Nigerian onshore subsidiary, NAOC, to Oando PLC does not negate its responsibility for the historical and ongoing consequences of this damage.[2]

Greenhouse Gas Emissions & Climate Strategy

The assessment of whether Eni's conduct leads to "unacceptable" greenhouse gas emissions under §4(f) requires a nuanced analysis of its strategy, actions, and external influence. Eni has established a detailed decarbonization strategy with a headline goal of achieving carbon neutrality by 2050 across all scopes.[24] The strategy includes interim targets, such as achieving net-zero Scope 1 and 2 emissions from its upstream business by 2030 and for the entire company by 2035.[30] In 2024, the company reported total gross GHG emissions (Scope 1, 2, and 3) of 213 million tonnes of

CO_2 equivalent.[31]

However, the credibility of this strategy is challenged by independent assessments and legal actions. The Climate Action 100+ Net Zero Company Benchmark, a key investor-led initiative, assesses Eni's long-term (2036-2050) targets as aligned with a 1.5°C pathway. Critically, however, it finds that its more immediate medium-term (2028-2035) and short-term (up to 2027) targets are **not** aligned with this goal.[8] This discrepancy between long-term ambition and short-term action is a significant point of failure. Furthermore, analysis by the Carbon Tracker Initiative indicates that 40% of Eni's recent capital expenditure is incompatible with even a 1.7°C scenario, suggesting that current investment decisions are locking in a high-emissions future.[8]

This credibility gap is at the heart of the major climate lawsuit filed against Eni in Italy by Greenpeace and ReCommon in May 2023. The plaintiffs allege that Eni was aware of the catastrophic risks of fossil fuels as early as the 1970s but proceeded with a business model that exacerbated the climate crisis while engaging in "lobbying and greenwashing".[11] The lawsuit seeks to compel Eni to reduce its emissions by 45% by 2030, in line with the Paris Agreement.[10] In a landmark decision in July 2025, Italy's highest court, the Supreme Court of Cassation, ruled that Italian courts have jurisdiction to hear the case, allowing it to proceed on its merits.[34] This ruling elevates the lawsuit from a reputational concern to a significant legal and ethical risk, directly challenging the acceptability of Eni's aggregate contribution to GHG emissions under the Guidelines.

Eni's external influence further compounds this risk. The company's climate policy engagement is rated "D+" by InfluenceMap, which finds its direct lobbying activities to be misaligned with the goals of the Paris Agreement.[8] This suggests that Eni may be actively working to undermine the policy frameworks necessary for an orderly and effective energy transition, a behavior inconsistent with its public commitments.

The following table starkly illustrates the disconnect between Eni's stated climate goals and the assessments of independent expert organizations.

Eni's Stated Climate Commitments	Independent Third-Party Assessment
Net Zero by 2050: Commitment to achieve carbon neutrality for Scope 1, 2, and 3 emissions by 2050.[24]	**Climate Action 100+:** Long-term (2036-2050) target is aligned with 1.5°C.[8]
Net Zero Carbon Footprint Upstream (Scope 1+2) by 2030: Target to eliminate net emissions from upstream operations.[30]	**Climate Action 100+:** Short-term (up to 2027) and medium-term (2028-2035) targets are **NOT** aligned with 1.5°C.[8]
Decarbonization Strategy: Plan based on portfolio optimization, biofuels, renewables, and Carbon Capture and Storage (CCS).[24]	**Carbon Tracker Initiative:** 40% of recent capital expenditure is incompatible with a 1.7°C scenario; future production exceeds 1.5°C pathway by 50-100%.[8]
Responsible Climate Advocacy: Commitment to clear, consistent, and transparent advocacy aligned with the	**InfluenceMap:** Overall climate policy engagement grade: D+. Direct lobbying is misaligned with Paris Agreement goals

Paris Agreement.[37]	(49% alignment score).[8]

2.2 Gross or Systematic Human Rights Violations (§4a) & Violations in Conflict (§4b)

Human Rights Impacts of Environmental Damage

The severe environmental damage in the Niger Delta, detailed in the previous section, has a direct and causal link to the violation of the fundamental human rights of the region's inhabitants. This linkage is critical for assessment under §4(a) of the Guidelines, which concerns "gross or systematic krenkelser av menneskerettighetene" (gross or systematic human rights violations).

Reports from the region describe how oil spills have destroyed livelihoods dependent on farming and fishing, which are central to the local economy and way of life.[27] The contamination of soil, drinking water, and the broader ecosystem has profound implications for the right to an adequate standard of living and the right to food. The Bayelsa Commission report documents the presence of dangerous heavy metals like lead and cadmium from oil pollution at levels up to six times higher than what is considered safe in human tissue samples.[5] Such exposure is linked to increased cancer risks, birth defects, and neurological damage, constituting a severe infringement on the right to the highest attainable standard of physical and mental health.

The persistence of this situation over decades, affecting numerous communities across a wide area, indicates that these violations are not isolated incidents but are systematic in nature. Eni's response has been criticized as inadequate. For instance, an out-of-court settlement with the Ikebiri community following a 2010 oil spill addressed some community needs, such as infrastructure, but did not include a commitment to clean up the pollution from the spill, which was the core grievance.[39] This failure to provide effective remedy perpetuates the human rights harms.

Risks in Conflict and High-Risk Zones

Eni's extensive operations in politically volatile and conflict-affected regions create an unacceptable risk of the company being linked to "alvorlige krenkelser av individers rettigheter i krig eller konfliktsituasjoner" (serious violations of individuals' rights in war or conflict situations), as per §4(b). While Eni has established policies for managing security and human rights, including requiring human rights clauses in 97% of security contracts, the operational context in several key countries presents severe challenges to the effective implementation of these policies.[40]

- **Libya:** Eni is the leading international gas producer in a country that endured a civil war from 2014 to 2020 and remains deeply fragmented, with rival governments and numerous armed groups exercising control.[12] The U.S. State Department's 2024 human rights report for Libya documents widespread abuses, including arbitrary killings, torture, and arbitrary detention, committed with impunity by various state-aligned and nonstate armed groups.[42] Eni's operations, which rely on security provided by local forces in this environment, face a high risk of complicity in or benefiting from such abuses.
- **Mozambique:** The company's major LNG projects are located in the Cabo Delgado province, the epicenter of a violent Islamist insurgency that has caused a massive humanitarian crisis.[43] Human Rights Watch has documented serious abuses by all parties to the conflict, including government security forces and allied militias.[14] The presence of a major extractive industry in such a conflict can exacerbate local grievances over resource distribution and expose the company to risks related to the conduct of security forces protecting its assets.
- **Nigeria:** The Niger Delta has a long history of militancy and conflict, driven by grievances over environmental degradation and the distribution of oil wealth.[13] Attacks on oil infrastructure and personnel have been common, and security responses have often involved human rights violations. In 2006, nine Eni officials were killed in an attack by the Movement for the Emancipation of the Niger Delta (MEND).[13]

In these high-risk environments, the line between legitimate security provision and complicity in human rights abuses is thin. The reliance on state or private security forces with poor human rights records creates a significant and ongoing risk that Eni's operations could be indirectly linked to serious violations, thereby contravening the spirit and letter of §4(b).

2.3 Gross Corruption or Other Gross Economic Crime (§4g)

The Guidelines allow for exclusion where there is an unacceptable risk that a company is involved in "grov korrupsjon eller annen grov økonomisk kriminalitet" (gross corruption or other gross economic crime). Eni's history includes several significant cases and regulatory actions that point to systemic weaknesses in its anti-corruption controls, elevating this risk.

The most high-profile case involved the 2011 acquisition of the OPL 245 oil license in Nigeria, alongside Shell. Italian prosecutors alleged that the $1.1 billion payment was used to bribe Nigerian officials. While Eni and its CEO, Claudio Descalzi, were ultimately acquitted by Italian courts in 2021, the case exposed the company to severe reputational damage and scrutiny over its due diligence processes.[46]

More consequential for this assessment is Eni's record under the U.S. Foreign Corrupt Practices Act (FCPA), which has jurisdiction over the company as its shares are traded on the New York Stock Exchange. Eni has twice settled charges with the U.S. Securities and Exchange Commission (SEC) for violations of the FCPA's accounting provisions:

1. **2010 Settlement:** Eni settled charges related to a bribery scheme in Nigeria conducted by its then-subsidiary, Snamprogetti Netherlands, B.V..[6]
2. **2020 Settlement:** Eni agreed to pay $24.5 million to resolve charges of recordkeeping and internal accounting control failures at its minority-owned but controlled subsidiary, Saipem S.p.A. The case involved "sham contracts" used to funnel approximately €198 million to intermediaries to secure contracts in Algeria.[6]

In its 2020 order, the SEC explicitly referred to Eni as a "recidivist," a legal term for a repeat offender.[7] This characterization is critical, as it indicates a pattern of non-compliance and suggests that the company's internal controls have been repeatedly found to be inadequate. The repeat nature of these violations, spanning different subsidiaries and geographic regions, points to a systemic governance failure rather than an isolated incident. This pattern constitutes a significant risk factor under §4(g).

While Eni maintains a comprehensive Anti-Corruption Compliance Program and espouses a "zero tolerance" principle, the evidence of repeated, significant regulatory settlements demonstrates a persistent gap between policy and practice.[50] The following table summarizes these key legal and regulatory cases, highlighting the pattern of risk.

Case / Action	Allegation Summary	Jurisdiction	Status / Outcome	Key Implications for GPFG Risk Assessment
OPL 245	Allegations that a $1.1 billion payment for a Nigerian oil license was used for bribes	Italy	Acquitted (2021)	While acquitted, the case highlighted significant corruption

	to government officials.[47]			risks in Eni's high-stakes transactions.
FCPA Settlement (2010)	Bribery scheme in Nigeria by subsidiary Snamprogetti to win construction contracts.[6]	United States (SEC)	Settled	Established the first instance of an FCPA violation, setting a precedent for governance weaknesses.
FCPA Settlement (2020)	Internal accounting control failures at subsidiary Saipem related to a bribery scheme in Algeria using "sham contracts".[7]	United States (SEC)	Settled for $24.5 million	Confirmed a pattern of violations, leading the SEC to label Eni a "recidivist." Demonstrates persistent and systemic failure of internal controls.
Greenpeace/ ReCommon v. Eni	Allegations of knowingly contributing to climate change while engaging in "greenwashing" and misleading communication.[32]	Italy	Ongoing (Jurisdiction affirmed by Supreme Court, July 2025)	Represents a significant, forward-looking legal and ethical risk related to climate conduct and corporate responsibility.

Part III: Geopolitical Risk Exposure in Key Operational

Theaters

Eni's business strategy has led to a significant concentration of its upstream assets and production activities in regions characterized by high levels of political instability, active or recent conflict, and weak governance. This geographic footprint is not an incidental feature of its portfolio but a core element of its operational model. This strategic choice acts as a powerful multiplier for the conduct-based risks identified in Part II, systematically exposing the company and its investors to a higher probability of association with severe norm violations. The following matrix synthesizes the primary risks across Eni's key operational theaters.

Country	§4a: Human Rights	§4b: Rights in Conflict	§4e: Environment	§4g: Corruption
Nigeria	Severe impacts on health, livelihoods, and access to clean water due to decades of oil pollution in the Niger Delta.[5]	High risk of complicity in abuses by security forces operating in a region with a long history of militancy and conflict.[13]	Catastrophic and poorly remediated oil spills, leading to one of the most polluted environments on Earth.[4]	High-profile allegations (OPL 245) and a 2010 FCPA settlement demonstrate a high-risk environment for corruption.[6]
Libya	Risk of association with abuses against migrants and local populations by various armed factions.[42]	Direct operations in a country fractured by civil war, with reliance on local security forces implicated in widespread abuses.[12]	Operational risks are secondary to the immediate security and human rights context.	Extreme risk due to political fragmentation, lack of rule of law, and competition over control of state resources.[52]
Mozambique	Humanitarian crisis in Cabo	Operations are in the	Environmental impacts of	Weak state presence and

	Delgado, with over 850,000 displaced, impacts rights to safety, food, and shelter.[43]	epicenter of an active Islamist insurgency, creating high risk related to the conduct of state and allied security forces.[14]	LNG development are linked to social tensions and community resettlement issues.[53]	prevalence of organized crime in the north create a high-risk environment for corruption.[45]

3.1 Nigeria

The Niger Delta provides the clearest example of how a volatile geopolitical context exacerbates environmental and human rights harms. The region's history of conflict, rooted in grievances over resource exploitation and environmental degradation, has created a cycle of violence, sabotage, and heavy-handed security responses.[13] Within this context, Eni's operational failures—such as slow spill response and inadequate pipeline maintenance—have had devastating consequences that might have been better contained or remediated in a more stable, well-governed environment. The company's recent divestment of its onshore subsidiary NAOC is a strategic move to de-risk its portfolio, but it does not erase the legacy of harm or the ongoing liabilities associated with decades of operations in this difficult context.[2]

3.2 Libya

Eni's position as the leading international energy producer in Libya places it at the center of the country's complex political and security landscape.[41] The period of civil war from 2014 to 2020 saw the country split between rival factions, a division that persists despite a formal ceasefire.[12] Operating in such an environment requires navigating relationships with various armed groups, many of which are documented as committing serious human rights abuses.[42] The risk of company payments or activities inadvertently funding or legitimizing abusive actors is exceptionally high. The declaration of

force majeure on several assets in 2014, which was only lifted in 2023 after a security risk assessment, highlights the extreme operational volatility and the direct link between the conflict and the company's ability to function.[55]

3.3 Mozambique

The insurgency in Cabo Delgado province, where Eni's major LNG projects are located, presents a severe and ongoing security and human rights challenge. The conflict is characterized by extreme violence against civilians by Islamist insurgents and documented abuses by government forces and allied militias.[14] The presence of large-scale extractive projects in such a setting can become a driver of conflict itself, linked to local grievances over land, livelihoods, and the distribution of benefits.[53] Eni's reliance on Mozambican state security forces and potentially other security providers for the protection of its assets creates a direct risk of complicity in any abuses they may commit, presenting a clear and present danger under §4(b) of the Guidelines.

Part IV: Synthesis and Final Recommendation

This final section synthesizes the findings from the product-based, conduct-based, and geopolitical risk analyses to arrive at a final risk categorization for Eni S.p.A. It critically evaluates the company's mitigating efforts against the weight of evidence concerning its operational conduct, in accordance with §6 of the Guidelines.

4.1 Analysis of Mitigating Factors and Forward-Looking Assessment

In assessing the "unacceptable risk" of future norm violations, it is necessary to consider the company's own efforts to manage and mitigate these risks. Eni has developed and publicly discloses a comprehensive suite of policies and governance structures aimed at addressing ESG issues. These include a formal Statement on Respect for Human Rights, a Supplier Code of Conduct, a detailed Anti-Corruption Compliance Program, and an ambitious, multi-faceted strategy for achieving carbon neutrality by 2050.[24] The company's efforts have been recognized in some external evaluations; for instance, the World Benchmarking Alliance's 2022 Corporate Human Rights Benchmark ranked Eni third overall and first on the theme of remedies and grievance mechanisms, noting its disclosure on engaging with affected stakeholders.[57]

However, the weight of countervailing evidence calls the effectiveness of these mitigating factors into serious question. The analysis in this report has identified a profound and persistent gap between Eni's stated policies and its documented practices. This is not a matter of isolated incidents but of systemic patterns observed over many years and across different operational contexts:

- **In Environment & Human Rights:** Decades of operations in the Niger Delta have resulted in a catastrophic environmental and human rights situation that formal policies have failed to prevent or adequately remediate.[5]
- **In Anti-Corruption:** Despite a "zero tolerance" policy, the company has been sanctioned twice by U.S. regulators for internal control failures, earning the label of a "recidivist".[7]
- **In Climate Strategy:** Despite a long-term net-zero goal, short-term targets and current capital allocation are not aligned with a 1.5°C pathway, and the company's lobbying activities are seen as misaligned with Paris Agreement goals.[8]

This systemic failure of implementation undermines the credibility of Eni's forward-looking commitments. The existence of a policy is not, in itself, sufficient mitigation if there is a clear track record of that policy failing to prevent severe harm. The high-risk geopolitical environments in which Eni has chosen to concentrate its core business further suggest that these implementation challenges are likely to persist, increasing the probability of future norm breaches.

4.2 Justification of Final Risk Category

The final risk categorization is based on an aggregation of the findings across all relevant criteria of the Guidelines.

- **Product-Based Risk (§3):** The risk is negligible. Eni is in full compliance with all product-based criteria.
- **Conduct-Based Risk (§4):** The risk is severe, multifaceted, and persistent.
    - The evidence of **severe environmental damage (§4e)** and resulting **gross or systematic human rights violations (§4a)** in Nigeria is extensive, credible, and well-documented over a long period. The harm is ongoing, and remediation has been inadequate.
    - The history of repeat FCPA settlements for internal control failures constitutes a significant risk of future involvement in **gross corruption (§4g)**, indicating a systemic governance weakness.
    - The combination of non-aligned short-term climate targets, misaligned capital expenditure, negative assessments of its lobbying, and a major pending climate lawsuit creates an unacceptable risk that Eni's conduct contributes to an **unacceptable level of GHG emissions (§4f)**.
    - The company's deep operational involvement in active and recent conflict zones

creates a high forward-looking risk of association with **serious violations of rights in conflict situations (§4b)**.

The aggregation of these factors points to a company whose operational conduct has repeatedly and systematically fallen short of fundamental ethical norms. The mitigating factors, while extensive on paper, are demonstrably insufficient to counter the high probability of future norm violations.

Therefore, the company presents a **High Risk** to the Fund. This classification reflects the severity and systemic nature of the identified issues. While the evidence is substantial, it may not yet meet the stringent threshold for a direct recommendation of exclusion. An alternative, as per §5 and §6 of the Guidelines, could be to place the company under observation. This would allow the Fund to monitor developments, particularly regarding the outcome of the climate lawsuit in Italy, the efficacy of remediation efforts in the Niger Delta following its divestment, and any further instances of governance failures. However, the current risk profile is unequivocally high and is not compatible with a classification of "moderate" or "acceptable" risk.

Works cited

1. etchical_guidelines.pdf
2. Annual Report 2024 | Eni, accessed on August 20, 2025, https://www.eni.com/content/dam/enicom/documents/eng/reports/2024/ar-2024/Annual-Report-2024.pdf
3. Unofficial English translation - Regjeringen.no, accessed on August 20, 2025, https://www.regjeringen.no/contentassets/8707511a759f486a98da362a31326c64/eni_2013_eng.pdf
4. Nigeria: Amnesty activists uncover serious negligence by oil giants Shell and Eni, accessed on August 20, 2025, https://www.amnesty.org/en/latest/news/2018/03/nigeria-amnesty-activists-uncover-serious-negligence-by-oil-giants-shell-and-eni/
5. As Shell, Eni quit Niger Delta, state-backed report describes legacy of carnage - Mongabay, accessed on August 20, 2025, https://news.mongabay.com/2023/05/as-shell-eni-quit-niger-delta-state-backed-report-describes-legacy-of-carnage/
6. Eni S.p.A. Agrees to Resolve FCPA Charges As Controlling Minority Shareholder of Saipem S.p.A. | Paul, Weiss, accessed on August 20, 2025, https://www.paulweiss.com/insights/client-memos/eni-spa-agrees-to-resolve-fcpa-charges-as-controlling-minority-shareholder-of-saipem-spa
7. Oil giant Eni to pay millions over 'sham contracts' in Panama Papers bribery case - ICIJ, accessed on August 20, 2025, https://www.icij.org/investigations/panama-papers/oil-giant-eni-to-pay-millions-over-sham-contracts-in-panama-papers-bribery-case/
8. Eni S.p.A. | Climate Action 100+, accessed on August 20, 2025, https://www.climateaction100.org/company/eni-spa/

9. Oil and gas companies are way off-track from Paris Agreement goals, finds new combined alignment scorecard - Carbon Tracker Initiative, accessed on August 20, 2025, https://carbontracker.org/oil-and-gas-companies-are-way-off-track-from-paris-agreement-goals-finds-new-combined-alignment-scorecard/
10. Greenpeace v. Eni - Wikipedia, accessed on August 20, 2025, https://en.wikipedia.org/wiki/Greenpeace_v._Eni
11. MEDIA BRIEFING EN - The Just Cause - May 2023 - Greenpeace, accessed on August 20, 2025, https://www.greenpeace.org/static/planet4-international-stateless/2023/05/e9577c6f-media-briefing-en-the-just-cause-may-2023.pdf
12. Libyan civil war (2014–2020) - Wikipedia, accessed on August 20, 2025, https://en.wikipedia.org/wiki/Libyan_civil_war_(2014%E2%80%932020)
13. Movement for the Emancipation of the Niger Delta - Wikipedia, accessed on August 20, 2025, https://en.wikipedia.org/wiki/Movement_for_the_Emancipation_of_the_Niger_Delta
14. World Report 2024: Mozambique | Human Rights Watch, accessed on August 20, 2025, https://www.hrw.org/world-report/2024/country-chapters/mozambique
15. Our activities in the world - Eni, accessed on August 20, 2025, https://www.eni.com/en-IT/actions/global-activities.html
16. Eni | Company Overview & News - Forbes, accessed on August 20, 2025, https://www.forbes.com/companies/eni/
17. Eni SpA - Value The Markets, accessed on August 20, 2025, https://www.valuethemarkets.com/companies/eni-spa/profile
18. Eni - Wikipedia, accessed on August 20, 2025, https://en.wikipedia.org/wiki/Eni
19. Our business model, creating value in the long term | Eni, accessed on August 20, 2025, https://www.eni.com/en-IT/company/business-model.html
20. Eni publishes “Eni for 2024”: a report highlighting the company's concrete commitment to the energy transition, accessed on August 20, 2025, https://www.eni.com/en-IT/media/press-release/2025/05/eni-publishes-eni-for-2024-report-highlighting.html
21. Sustainability Strategy and ESG Model - Eni Plenitude, accessed on August 20, 2025, https://corporate.eniplenitude.com/en/sustainability-commitment/strategy
22. Eni - Interim Consolidated Report - as of June 30, 2023, accessed on August 20, 2025, https://www.eni.com/content/dam/enicom/documents/eng/reports/2023/1-half-2023/Interim-consolidated-report-as-of-June-30-2023.pdf
23. results for the fourth quarter and Full Year of 2024 - Eni, accessed on August 20, 2025, https://www.eni.com/content/dam/enicom/documents/press-release/migrated/2025-en/02/PR-2024-fourth-quarter-results.pdf
24. Our decarbonization journey - Eni, accessed on August 20, 2025, https://www.eni.com/en-IT/sustainability/decarbonization.html
25. NEGLIGENCE IN THE NIGER DELTA - Amnesty International, accessed on August

20, 2025,
https://www.amnesty.org/en/wp-content/uploads/2021/05/AFR4479702018ENGLISH.pdf
26. As Shell, Eni quit Niger Delta, state-backed report describes legacy of carnage, accessed on August 20, 2025, https://www.onlynaturalenergy.com/as-shell-eni-quit-niger-delta-state-backed-report-describes-legacy-of-carnage/
27. Silent disaster: Eni's Nigerian subsidiary accused of causing major oil spill - The Ferret, accessed on August 20, 2025, https://theferret.scot/eni-nigerian-subsidiary-causing-major-oil-spill/
28. Executive Summary - AN ENVIRONMENTAL GENOCIDE, accessed on August 20, 2025, https://report.bayelsacommission.org/chapters/executive-summary
29. Acquisitions and Disposals - Eni, accessed on August 20, 2025, https://www.eni.com/en-IT/investors/our-reports/acquisitions-disposals.html
30. Reducing emissions linked to Oil&Gas production, contributing to the Net Zero target - Eni, accessed on August 20, 2025, https://www.eni.com/en-IT/sustainability/decarbonization/oil-gas.html
31. Carbon neutrality by 2050 | Eni, accessed on August 20, 2025, https://www.eni.com/content/dam/enicom/documents/eng/sustainability/2024/eni-for-2024-just-transition-eng/carbon-neutrality-by-2050.pdf
32. Italian oil firm Eni faces lawsuit alleging early knowledge of climate crisis - The Guardian, accessed on August 20, 2025, https://www.theguardian.com/environment/2023/may/09/italian-oil-firm-eni-lawsuit-alleging-early-knowledge-climate-crisis
33. Greenpeace Italy, ReCommon, et al. v. ENI, Italian Ministry of Economy and Finance, et al., accessed on August 20, 2025, https://climaterightsdatabase.com/2023/05/09/greenpeace-italy-recommon-et-al-v-eni-italian-ministry-of-economy-and-finance-et-al/
34. Italy's Top Court Says Climate Case Against Eni Can Continue - Insurance Journal, accessed on August 20, 2025, https://www.insurancejournal.com/news/international/2025/07/23/832787.htm
35. Greenpeace hails Italian court ruling allowing climate case against energy company Eni to continue - SFGATE, accessed on August 20, 2025, https://www.sfgate.com/news/world/article/greenpeace-hails-italy-court-ruling-allowing-20780056.php
36. Italy's Supreme Court verdict serves a blow to oil company ENI, a victory for people and planet - Greenpeace International, accessed on August 20, 2025, https://www.greenpeace.org/international/press-release/77240/italys-supreme-court-verdict-serves-a-blow-to-oil-company-eni-a-victory-for-people-and-planet/
37. Assessment of industry associations' climate policy positions – 2023 - Eni, accessed on August 20, 2025, https://www.eni.com/content/dam/enicom/documents/eng/sustainability/2023/Assessment-of-industry-associations-climate-policy-positions-2023.pdf
38. Niger Delta oil spills bring poverty, low crop yields to farmers | Environment | Al

Jazeera, accessed on August 20, 2025, https://www.aljazeera.com/features/2022/9/9/niger-delta-oil-spills-bring-poverty-low-crop-yields-to-farmers
39. CASE STUDY: Eni settlement with a Nigerian community - Mind the Gap, accessed on August 20, 2025, https://www.mindthegap.ngo/harmful-strategies/avoiding-liability-through-judicial-strategies/settling-cases/eni-settlement-with-a-nigerian-community/
40. Respect for Human Rights - Eni, accessed on August 20, 2025, https://www.eni.com/en-IT/sustainability/people-community/human-rights.html
41. Our activities in Libya - Eni, accessed on August 20, 2025, https://www.eni.com/en-IT/actions/global-activities/libya.html
42. 2024 Country Reports on Human Rights Practices: Libya - State Department, accessed on August 20, 2025, https://www.state.gov/reports/2024-country-reports-on-human-rights-practices/libya
43. World Report 2025: Mozambique | Human Rights Watch, accessed on August 20, 2025, https://www.hrw.org/world-report/2025/country-chapters/mozambique
44. ENI IN MOZAMBIQUE, accessed on August 20, 2025, https://www.eni.com/content/dam/enicom/documents/eng/sustainability/2023/Eni-in-Mozambique-2023.pdf
45. Mozambique and the Voluntary Principles on Security and Human Rights - Chatham House, accessed on August 20, 2025, https://www.chathamhouse.org/2021/11/mozambique-and-voluntary-principles-security-and-human-rights/security-business-and-human
46. The Milan court case: story of an acquittal - Eni, accessed on August 20, 2025, https://www.eni.com/en-IT/media/opl245-case-process-nigeria/judicial-documents-milan.html
47. Alarm raised over re-appointment of accused in corruption trial as Eni CEO | Global Witness, accessed on August 20, 2025, https://www.globalwitness.org/en/press-releases/alarm-raised-over-re-appointment-accused-corruption-trial-eni-ceo/
48. Behind Eni's $24.5M FCPA Settlement for Actions of Minority-Owned Subsidiary, accessed on August 20, 2025, https://www.anti-corruption.com/6726421/behind-eni-s-24-5m-fcpa-settlement-for-actions-of-minority-owned-subsidiary.thtml
49. Italian Oil Giant Eni Settles Bribery Probe for USD 24.5 Million - GAN Integrity, accessed on August 20, 2025, https://www.ganintegrity.com/resources/blog/italian-oil-giant-eni-settles-bribery-probe-for-usd-24-5-million/
50. Anti-Corruption Compliance Programme - Eni, accessed on August 20, 2025, https://www.eni.com/en-IT/governance/controls-and-risks/anti-corruption.html
51. Transparency, a value that guides us in every field - Eni, accessed on August 20, 2025, https://www.eni.com/en-IT/sustainability/transparency.html
52. Italy's Eni signs $8bn gas deal with Libya amid energy crunch - Al Jazeera, accessed on August 20, 2025,

https://www.aljazeera.com/news/2023/1/28/italys-meloni-in-libya-to-conclude-8bn-gas-deal
53. Navigating Decisions: The risks to Mozambique from liquified natural gas export projects, accessed on August 20, 2025, https://www.iisd.org/system/files/2023-12/navigating-decisions-lng-exports-risks-mozambique.pdf
54. Libya, energy, and the Mediterranean's new 'Great Game' - Real Instituto Elcano, accessed on August 20, 2025, https://www.realinstitutoelcano.org/en/analyses/libya-energy-and-the-mediterraneans-new-great-game/
55. Eni revokes force majeure status on three exploration assets in Libya, accessed on August 20, 2025, https://www.eni.com/en-IT/media/press-release/2023/08/eni-revokes-force-majeure-status-on-three-exploration-assets-in-libya.html
56. Eni for 2022 – Human Rights, accessed on August 20, 2025, https://www.eni.com/assets/documents/eng/just-transition/2022/eni-for-2022-human-rights-eng.pdf
57. Eni Extractives - Corporate Human Rights Benchmark WBA, accessed on August 20, 2025, https://www.worldbenchmarkingalliance.org/publication/chrb/companies/eni-5/