

EXECUTIVE SUMMARY

In the past years, Eni has been promoting itself as a green company devoted to a more sustainable production system and interested in reducing environmental impacts. However, fossil fuels are still the core business of the company, which operates in 66 countries, counts 32,000 employees, produces 1,871 million barrels of oil daily and sells 73 billion squared meters of gas every year. 74 percent of the total investments until 2023 are expected to relate to the upstream sector, a surprisingly high share for a company that is working towards an ecological reconversion.

Eni and fossil fuels

In the next 30 years, Eni will rely only on clean energy and reduce its emissions by 80% - according to the CEO Claudio Descalzi. The Carbon Tracker, the financial think tank that analyses climate change impacts, estimates that 30 percent of Eni's investments in 2018 were allocated to projects conflicting with the target of limiting the increase of temperature by 1.5 °C. The so called 'six-paws dog' developed two of the fifteen most climate-unfriendly projects in the world. Moreover, the company's strategy envision an increase in the production of hydrocarbon by 2025. A research of the Oil Change International calculated that the CO₂ emitted only by the extraction of oil, gas and carbon in operating and under construction facilities would bring to an average raise of the temperature over 1.5°C by the end of the century.

This aspect would lead to the depletion of the carbon budget compatible with a global warming of +1.5/2°C within the end of the century. This future consequences are further supported by the prevision of the United Nation Environment Programme (UNEP), which strongly recommended to slow down the production of fossil fuels back in 2019. According to the conclusions of the Emission Gap Report 2019, by 2030 governments will produce almost 50 percent more fossil fuels than what would be coherent with the global warming limit of 2°C and 120 percent more fossil fuels that the 1.5°C target. Therefore, producing more fossil fuels is not compatible with a climate-friendly future. It is controversial that, in the long period, Eni envisions its business with oil being replaced by natural gas, which will become central to the ecological transition. However, numerous studies demonstrated that this prospective does not work. The Oli and Gas Climate Initiative is a collaboration between Eni and other stakeholders to fight global warming: thirteen companies of the energy sector are willing to invest over 1 billion dollar in low carbon technologies in a period of ten years. Despite being a significant amount, it is not comparable to the money that Eni and Qatar Petroleum are spending on a research and production project on fossil fuels in Messico between 2019 and 2030.

Eni and climate change

Commercials and education projects in schools show that the company is embracing the climate change challenge. According to the future reduction targets of the company, Eni is willing to become carbon neutral in its emissions (scope 1 and 2) in the upstream sector by 2030. Through a deep analysis of the study on the company's emissions, it is possible to

understand that the emissions of the upstream sector with scope 1 and 2 will be compensated through forestation projects (REDD+), meaning that what is emitted will be compensated. Mitigation measures still strongly rely on compensation projects, while not much space is given to an energetic transition. In 4 years, only 8 percent of the investments are allocated on renewables. Eni forecasts to produce 50GW from renewables in 2050. This target is quite insignificant if compared to the 46GW that Enel already produces from renewable energies. It is a slow motion reconversion.

Eni and Circular Economy

In its website, Eni regards circular economy as a crucial aspect. It appears to represent the core business of the company, but once again real facts deny it. The company gives great attention to the production of biofuels in the reconvert refineries of Gela and Porto Marghera. However, the analysis of Eni's future perspectives (treatment of 5 million tons of waste oil annually) shows that the amount of waste oil in Italy is not sufficient to satisfy the total capacity of the two treatment plants. In addition, the currently treated palm oil is produced in Indonesia, while the tunisian government signed an agreement with the company to cultivate castor oil to fulfill the capacity of Gela treatment plant. This means that the supply chain deeply relies on a brute globalization: the production takes place where it's more convenient. While more and more commercials about the biorefineries are broadcasted and embellished, the production of petrochemical products is still higher that the one of biofuels. Talking numbers, the amount of biofuels produced by Eni is 30 times lower that the one of petrochemicals products.

Eni and territories

"In Basilicata everybody speak the 'oil language'", declares Eni's podcast. The energy multinational uses different storytelling approaches to talk about the territories, from workers' personal stories to the appreciation of local beauties. However, the industrial impacts on the local community is always left out of the narrative. In Basilicata, the requalification programme in the Val d'Agri is called 'Energy Valley', a name that reflects the real intentions of the project: the focal point is the energy supply to the Cova (Centro Oli Val d'Agri) of Viggiano. Over the years, the Osservatorio Popolare of Val d'Agri testified in its Facebook page the numerous allarming flames occurring in the torch: in the past months, before the pandemic, the company reached its peak of production with almost 75,000 barrels of oli per day, thanks to its 24 active oil wells. In the phase 2 of the sanitary emergency of Coronavirus, the flames are back and the level of emissions are irregular as they used to be. Through the Tempa Rossa project, the oil extracted by the french multinational Total in Basilicata will reach the coast of Puglia (thanks to Eni's oil pipeline that serves the Cova of Viggiano) and, from Eni's refinery in Taranto, the oil will be transported in other countries. The new project aims to create two tanks for storage of 180,000 square meters each and expand the oil peer by 515 meters. The population is worried because in many occasions it was highlighted that the emergency plan concerning the area surrounding the refinery of

Taranto (published in the local administration's website) has not been updated since 2012. In addition, the last drill of the actors involved in controlling the operations dates back to 2015.

The case study of Gela

Gela is a perfect case study to analyse the fragile and ambiguous relationship between Eni and the territories. Back in 2014, the company promised a reconversion of the previous refinery, but it occurred only partially. In addition to the 'green refinery', Eni aims at realizing an underwater gas pipeline to transfer methane to the mainland. However, not only the project is far from being completed as designed in the original plan (at least 3 year of delay), but also the planned investments have been halved (from 1,800 million euros forecasted six year ago to the current 880 million euros). Furthermore, Eni announced a three-year plan that aims at dismantling all the plants that will not have a valuable role in the new production chain. Despite all these strategies, it is important to underline that since Gela was recognized as a Sin (area of national interest) 22 years ago, the decontamination process is still at a 0 percent. There is no doubt that the actions for Argo-Cassiopea and the dismantling of plants will have a positive impact on engineering and construction companies, but only for a short period. Meanwhile, the company shelved two projects: a Liquefied Natural Gas (LNG) station to maintain the city's industrial origin, and a plantation of guayule to support the agricultural sector. On the other hand, the GreenStream is still an ongoing project involving a gas pipeline to transfer methane from Libya: it was launched 16 years ago but the plant uses only one third of its capacity, employs 12 workers, and does not provide any royalties or compensation since the legal office is in the Netherlands