



Fondazione Culturale  
**RESPONSABILITÀ ETICA**

## **PRESS RELEASE**

# **Shareholder engagement at Eni's AGM *Corruption and environmental violations put profits in jeopardy***

*Rome, 29 April 2010*

250 million euros. This is the amount that the Italian oil company Eni has set aside for possible charges resulting from a Nigeria bribery probe, related to the TSKJ consortium in Bonny Island. The case has been investigated by U.S. authorities but further investigations - that could lead to additional sanctions - are under way in Italy for alleged violations of Decree 231/2001 on the administrative responsibility of companies for crimes committed by employees on their behalf. As stated in Eni's annual report, the Milan's Court is also investigating a case of alleged "international corruption, embezzling pillage, and other crimes" related to anomalies and critical issues on the management of the Karachaganak plant and the Kashagan project in Kazakhstan.

«The possible involvement of Eni in the Bonny Island scandal has led to a 15.7% decrease - compared to 2008 - in the company's operating profit for the Engineering & Construction business», declared Ugo Biggeri, Chairman of Banca Etica's Cultural Foundation (Fondazione Culturale Responsabilità Etica). «As shareholders of Eni we are worried because further investigations are under way and the company has not published any estimate yet about possible future sanctions. If acknowledged, a violation of Decree 231/2001 can result in the confiscation of criminal profits in addition to administrative penalties».

Eni could face further sanctions because of supposed environmental violations in Kazakhstan and Nigeria (gas flaring). «We will ask Eni to publish a report assessing potential financial impacts of sanctions that might result from any violation of the law decree 231 or of environmental regulations», continues Biggeri. «Corruption is not only an ethical problem, but also a financial one». Banca Etica's Cultural Foundation has announced that it will abstain from voting Eni's financial statements at the AGM.

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**Eni S.p.A.** is an Italian multinational oil and gas company, present in 70 countries, and currently Italy's largest industrial company with a market capitalisation of € 87.7 billion (138 billion US\$), as of July 24, 2008. The Italian Government owns a 30% golden in the company: 20% held through the state Treasury and 10% held through the Cassa depositi e prestiti.

## **Fondazione Culturale Responsabilità Etica**

Fondazione Culturale Responsabilità Etica has been founded in Padua (Northern Italy) in 2003. It belongs to the Banca Etica System ([www.bancaetica.com](http://www.bancaetica.com)). Its mission is to "support networks for new sustainable economies and promote a new economic culture based on social and environmental responsibility". In 2008 Fondazione Culturale has started buying shares of Enel and Eni in order to "be the voice of civil society, NGO's, human rights and environmental campaigns in the Annual General Meetings of Italian most important companies". Shareholder engagement by Fondazione is supported by Crbm (Reform the World Bank Campaign, [www.crbm.org](http://www.crbm.org)) and Greenpeace Italy. Research and consultancy is provided by Merian Research ([www.merian-research.com](http://www.merian-research.com)).

## **Shareholder engagement by Fondazione Culturale Responsabilità Etica**

Beginning from 2008, Fondazione Culturale Responsabilità Etica is attending annual general meetings of the Italian companies Eni and Enel. These are the main issues about which the Foundation has asked questions to Eni:

- social and environmental impacts of Eni's Kazakhstan projects;
- gas flaring in Nigeria;
- Eni's presence in "tax havens";
- Eni's alleged involvement in international corruption;
- projects for the exploitation of tar sands in Congo-B.

For all the issues presented at Eni's AGM, the Cultural Foundation has started a dialogue with the company. Eni has answered to some of the questions and has shown its interest in meeting the Foundation's representatives. However many questions have yet to be answered.

More details can be found on the website: [www.fcree.it](http://www.fcree.it)

## **For further information**

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