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Italian citizens Sue Oil Supermajor To Compel Accelerated Emissions Reductions

June 13, 2023



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On May 9, 2023, Greenpeace, fellow climate change activist group ReCommon and 12 Italian citizens from regions affected by impacts of climate change announced their intention to file a **first-of-its-kind lawsuit** in Italy against the country's largest energy company. The plaintiffs claim that ENI has known about the detrimental effects of fossil fuel burning since 1970 but through "lobbying and greenwashing" continued to encourage extraction, thereby contributing to climate change. The allegations levied against ENI are, in part, concerned with a study the company carried out between 1969 and 1970, which found that rising fossil fuel use could lead to a climate crisis within decades. In its statement, Greenpeace Italy further claimed that ENI's current decarbonization strategy and policies are inconsistent with the Paris Agreement. The lawsuit also names two of the company's largest shareholders, Italy's Ministry of Economy and Finance (MEF) and Cassa Depositi e Prestiti S.p.A. (a public investment bank overseen by the MEF). The plaintiffs claim that the MEF strongly influences the company's policies and therefore bears a share of the responsibility.

The plaintiffs seek an injunction compelling (i) ENI to update its decarbonization strategy to commit to a 45% emissions reduction by 2030 (compared to 2020 levels), and (ii) the MEF, as an influential shareholder of ENI, to adopt a climate policy to guide its participation in ENI, each in line with the Paris Agreement.

The 12 Italian citizen plaintiffs have requested that the court rule on whether or not ENI has violated their rights, including their rights to life, health, and private and family life. Notably, the plaintiffs are not seeking to recover but rather are requesting an order regarding defendants' liability with respect to the events at issue.

Taking the Temperature: This novel litigation, brought against an oil major to compel it to change its emissions reduction strategy, is the latest in a slew of similarly motivated actions by shareholders and environmental pressure groups. We have covered shareholder initiatives that have sought to force emissions reductions onto board agendas. Recent examples include proposals from Follow This, and from ShareAction in January and again in April. The Italian lawsuit against ENI was tactically announced on the eve of the company's annual general meeting.

The claim against ENI is also part of a growing trend of individual citizens litigating against companies, national governments or state-owned entities based on claims linked to climate change. In March of this year, a group of Swiss citizens accused the Swiss government of infringing on the right to life and health of elderly women. In Montana, 16 residents—ranging from ages 2 to 18—commenced litigation claiming that they "have been and will continue to be harmed by the dangerous impacts of fossil fuels and the climate crisis," and that the defendants have violated the Montana Constitution by fostering and supporting fossil fuel-based energy policies in the state that led to these conditions. Similar constitution-based climate-related suits against state governments are pending in Hawaii, Utah, and Virginia. Relatedly, in August 2022, Brazil's Supreme Court declared that the Paris Agreement is a human rights treaty, meaning that the government was constitutionally bound to combat climate change.

Unlike other recent developments, such as the consumer class action filed against Delta Air Lines for allegedly falsely claiming to be the "First Carbon-Neutral Airline," or the report by Dutch environmental advocacy group Changing Markets Foundation's claiming that companies in the UK and German food sectors improperly are using claims such as 'carbon neutral' and 'climate positive,' the case against ENI concerns historic, not current, alleged greenwashing. Whether it leads to similar such actions remains to be seen. The trends also appear to be in line with a London School of Economics' study, which noted five areas to watch for climate-related litigation in 2023: cases involving personal responsibility; cases challenging commitments that excessively rely on greenhouse gas removals or 'negative emissions' technologies; cases focused on short-lived climate pollutants; cases explicitly concerned with the climate and biodiversity nexus; and strategies exploring legal recourse for the 'loss and damage' resulting from climate change.