To: Vice-Presidents Gelsomina Vigliotti and Ambroise Fayolle
European Investment Bank
Boulevard Konrad Adenauer 100
Luxembourg

30 July 2026

JOINT CIVIL SOCIETY LETTER

RE: EIB LOAN TO ENI'S SANNAZZARO DE' BURGONDI

To whom this may concern,

We, the undersigned organisations, would like to express our concerns at your approval of a €500 million loan to ENI, the Italian oil, gas and biofuels multinational, in order to convert their oil refinery at Sannazzaro de' Burgondi into a biorefinery, particularly given the previous loan of the same amount offered for a conversion at their Livorno refinery.[1]

We do not think that the biofuel sustainability certification schemes deployed by ENI, namely the ISCC certification, are credible. We believe they have flaws in terms of assessing the social and environmental impacts of biofuels production and we are concerned that they can not guarantee that there will be no palm oil in the supply chain. We would like to highlight that our concerns apply to all current and proposed biorefineries within Europe, and we urge you to exercise extreme caution in considering them for loan eligibility due to their high risk profile

Additionally, we are highly concerned by the favourable treatment given to ENI's biorefineries. We believe that the self-proclaimed EU Climate Bank should refrain from financing a highly profitable oil major that is still expanding its fossil extraction and production plans, operating at odds with the Bank's very own climate criteria for companies under the PATH framework.

[1] EIB and ENI sign EURO 500 million finance agreement to convert Livorno refinery into a biorefinery

We would like to reiterate that if the EIB is to be fully trusted as the EU Climate Bank, it should not take the risk of financing a dirty project, let alone a by a company like ENI, which openly admitted to use the EIB loan to obtain a - misleading - image as a credible sustainable company. Given ENI's fossil business model and the widespread serious risks involved in the supply chains of biofuels explained below, we urge the EIB to halt disbursement of the loan.

1. Transparency issues related to Eni's biofuel sourcing

The Sannazzaro loan agreement was signed in April 2026 on the basis of the project's Environmental and Social Data Sheet,[2] for a high-risk project to convert an oil refinery into a biofuels factory. The biofuels would come from non-food feedstock "including used cooking oils, animal fats, oily industry residues, and other non-food competing fatty materials." One of the uses of the biofuel would be aviation and it would count towards Sustainable Aviation Fuels (SAF) targets under the ReFuelEU Aviation Regulation[3], which forbids using food crops such as palm oil to produce biofuels. Nevertheless, we have strong concerns regarding the used cooking oil (UCO) and other waste fuel (namely palm oil mill effluent or POME) imports which ENI will use in its new biorefinery. Notably, we believe there are high risks that palm oil could enter ENI's biofuel supply chain in breach of EU policy.

There is strong evidence that the supply chains for UCO and other "oily industry residues", especially palm oil mill effluent (POME) have, for many years, been routinely tainted by blending with mis-labelled virgin vegetable oils, especially palm oil. We believe that there is thus a threat of non-compliance with EIB policy, which notably applies to borrowers as well as the bank itself, and are seeking far stronger due diligence processes in the assessment of sustainability concerns around this loan.

[2] Environmental and Social Data Sheet
[3] EIB and ENI sign €500 million in financing for new biorefinery in Sannazzaro de' Burgondi, Environmental and Social Data Sheet

Transport and Environment found that over half of all European UCO demand is met by imports, mainly from regions where transparency and traceability are weak.[4] In a separate case, arrests for alleged fraudulent mislabelling of palm oil as UCO, have been made in Indonesia, including employees of an operation that supplied ENI.[5] Although there is no evidence to suggest that Eni was involved in fraudulent activities or was aware of them, the recent arrests in Indonesia reveal a supply chain that is, to say the least, opaque and vulnerable to attempts at fraud.

The sustainability NGO CE Delft have found that the double-counting mechanism for biofuels under RED III is providing a perverse incentive to pass off virgin oil as waste.[6] Meanwhile the Environmental Investigation Agency has found that several policy loopholes allow palm oil from deforestation-driving plantations to enter Europe for use as biofuel, as well as in food and oleochemicals.[7]

Crude vegetable oils are often passed off as wastes, while points of origin are rarely verified in person.[8] This has been found happening in the Netherlands[9], Italy and Malta[10], as well as the UK[11], where the government pledged to investigate. The issue has also been reported on in Ireland.[12] The wide reach of such incidents demonstrates that problems with 'waste' oil are well-known among industry, policymakers and the public, and there is therefore no excuse for either ENI or the EIB to claim that these commodities are sustainable. ENI has also been importing castor and croton oils from Kenya and Congo, relying on a system that dispossesses and impoverishes farmers.[13] More recent investigations also show that feedstock production in Kenya is failing ENI's expectations, and the company now needs to import large amounts of rapeseed

[4] UCO (Unknown Cooking Oil): High hopes on limited and suspicious materials | T&E
[5] Indonesian exporters in palm oil probe supplied European fuel majors | Source Material
[6] Used Cooking Oil (UCO) as biofuel feedstock in the EU | CE Delft
[7] The Palm Oil Black Box EU trade loopholes | EIA
[8] Used Cooking Oil: The Certified Unknown | T&E
[9] European Public Prosecutor's Office arrests two suspects for biodiesel fraud scheme | Oils & Fats International
[10] New biofuel data triggers fresh fraud concerns over EU imports | S&P Global
[11] UK investigating fraud claims around green fuel HVO diesel | BBC News
[12] EU urged to act on 'obvious' biofuel fraud |Irish Examiner
[13] From Farm to Fuel: inside Eni's African biofuels gamble | T&E

from South Africa - at odds with its commitment not to compete with food production.[14] Even though the amounts in questions are small due to crop failures and therefore unlikely to account for much of the feedstock utilised at Sannazzaro, it nevertheless demonstrates the company's unwillingness or inability to source sustainable biofuel feedstock, and the very fact of these small quantities further points to the likely unavoidable use of palm and soy biofuels at the new refinery.

We are particularly concerned that, despite the fact that the environmental impact assessment is still ongoing, the EIB has deemed it appropriate to approve the loan in April 2026.

In light of the requests of integration made by the Istituto Superiore di Sanità, Italy's leading public body for research, monitoring and scientific advice on public health, we would like to emphasize the importance of ensuring that the Public Health Impact Assessment also covers risks faced by workers when petroleum refineries are converted to biofuels. Alongside the exposure to high temperatures and toxic fumes that they must already deal with, the workforce at a biorefinery also face greater explosion risks from the hydrogen used in the hydrotreating process, risking severe injury and death. In one case in the USA, where the biorefinery conversion process is more established, a man was left with life-changing third-degree burns to 90% of his body after an industrial accident,[15] which the chemical safety board of the State concluded was due in part to a lax health and safety culture.[16] This was made possible in part due to the fact that the plant was able to sidestep regulations written for refining oil and use instead chemical safety rules, which were less stringent. Refineries in Europe present face similar hazards, with fire breaking out a Shell plant in Rotterdam in 2024.[17]

[14] Not what they promised | T&E
[15] A faulty furnace. A blast of fire. And a man's life, shattered | San Francisco Chronicle
[16] Fired Heater Tube Rupture and Fire at Marathon Martinez Renewables Facility | U.S. Chemical Safety and Hazard Investigation Board
[17] Neste shuts down Rotterdam refinery after fire and lowers renewable products and SAF sales volume figures | Oils & Fats International

2. Greenwashing ENI under the EIB PATH Framework

We understand these loans signed with ENI to be allowed under the specific exceptions set out in the current EIB PATH framework, which was rightly introduced to avoid greenwashing companies still involved in fossil fuel activities deemed incompatible with the objectives and targets of the Paris agreement. These activities include the expansion, extraction and production of fossil fuels, as well as fossil power generation.

At the time of the approval of the loans to ENI, the Bank claimed that ENI's alignment plan met the EIB's requirements and that the loan was approved in light of its contribution to the purposes of the RePowerEU Plan. Nonetheless, the company's medium-term investment plan shows a backtracking of renewables' investments vis-à-vis a substantial expansion of investments in exploration and extraction activities. Exploration and Production activities made up more than 90% of ENI's turnover in 2025[18], far more than the 20% threshold set by the EIB to define high-emitting corporates under the scope of the PATH framework. EIB's claims of ENI's alleged alignment with the Paris agreement are thus undermined by the company's capital expenditure plans. Indeed, according to the latest evaluation available on the Transition Pathway Initiative database, ENI fails to align its mid- and long-term investments with the decarbonisation targets.[19] Indeed, despite openly flagging its decarbonisation efforts, oil and gas will still make up 79% of its investment plan in 2025-2028.[20]

As the PATH framework clearly states, there is a bottom line: corporates cannot defend progressive decarbonisation plans while continuing to invest in assets which significantly raise emissions. ENI's transition plans lack credibility and soundness in light of its continued dirty gas and oil businesses.

The EIB allows for exceptions in this framework to "very specific circumstances", including projects supporting the RePowerEU strategy. The lending of €1 billion over a year to ENI can hardly be considered an exceptional treatment, yet must

[18] Eni Annual report 2025
[19] Transition Pathway Initiative database, ENI
[20] Assessment of ENI's climate strategy| Reclaim Finance & ReCommon

be considered as supporting an oil major regardless of any climate commitments. Not only does the EIB allow companies like ENI to keep on expanding fossil fuels, through the huge loopholes in the PATH Framework, they allow ENI to build an unwarranted image of a sustainable company. ENI literally claimed it sought EIB's support over other possible alternatives to finance the project, because it would validate the credibility of its business in the energy transition.[21] Systematic greenwashing of ENI's business model undermines the EIB's credibility as the EU Climate Bank and exposes the flaws in the existing PATH framework in actually fostering the transition in line with the Paris agreement. Therefore, in the review of the PATH framework, no exceptions should be allowed. This pillar of the EIB's climate strategy should not allow for systematic greenwashing under the false guise of exceptional treatment under limited circumstances.

On top of all this, ENI itself claims it can easily access capital from the private markets, including for the biorefinery projects receiving the EIB support.[22] ENI's political and strategic reliance on EIB loans for these projects showcases the lack of any added value of such an investment. Supporting energy projects which would easily get funding from other private sources undermines the Bank's claimed role to ensure added value of its investments, let alone in cases in which the company could use its own resources to invest in such plans instead of distributing profits through dividends and share buybacks.[23]

3. Environmental and social impacts of biofuels

Despite claims of emissions reduction, the vast majority of biofuels present unacceptable pollution and climate risks. The clearance of tropical rainforest through logging and burning,[24] and the destruction of carbon-rich peatland

[21] Ordinary and Extraordinary General Meeting of Eni SpA 6 May 2026 Answers to questions received prior to the Meeting pursuant to Article 127-ter of Legislative Decree No. 58/1998
[22] Ordinary and Extraordinary General Meeting of Eni SpA 6 May 2026 Answers to questions received prior to the Meeting pursuant to Article 127-ter of Legislative Decree No. 58/1998
[23] Shareholders over solutions. How big industry favours payouts over the energy transition
[24] Biofuels add fuel to forest fires | Rainforest Foundation Norway

through fire or drainage,[25] are routine steps in establishing the enormous monocultural plantations that supply oilseed feedstocks. This land use change decimates biodiversity and releases huge sinks of sequestered carbon into the atmosphere.[26] Even when already extant farmland is converted to a biofuel monoculture, this often just displaces the previous product (such as beef ranching or timber) onto uncleared forests. When burned as fuel, biofuels continue to emit carbon dioxide into the atmosphere - all of their supposed carbon savings come from the apparent sequestration that occurs during feedstock growth, which is usually cancelled out on a massive scale by the emissions from land use change when plantations are established.

Similarly, there are severe social risks from biofuel production too. Indigenous or peasant farmer communities, accustomed to living off the land in traditional,sustainable ways, are frequently displaced or impoverished by establishment and/or encroachment of biofuel plantations.[27] They face the loss of the ability to grow their own food, alongside risks from water diversion, pesticide poisoning,[28] and violence from agents of the state or of large agribusinesses.[29] Those forced to leave their ancestral lands altogether lose vital cultural and spiritual heritage in the process.[30] This occurs frequently in Indonesia,[31] Malaysia[32] and Papua,[33] areas that feature heavily as points of origin in ENI's oil supply chain, and thus would likely be providing fuel to the biorefinery at Sannazzaro should the conversion go ahead.

Biofuel feedstock sourced by Eni is certified by the voluntary certification scheme ISCC. However, it has been shown repeatedly that ISCC is not capable of robustly and consistently auditing and verifying biofuel feedstock, further highlighting the

[25] Peatland Loss in Southeast Asia Contributing to U.S. Biofuel's Greenhouse Gas Emissions | Environmental Science & Technology
[26] State of global land regulation inadequate to control biofuel land-use-change emissions | Nature Climate Change
[27] The destructive character of the bioeconomy and the struggle of the Virgílio Serrão Sacramento community for their territory in Pará state, Brazil | World Rainforest Movement
[28] Paraguay failed to stop soy farms from poisoning Indigenous land, UN says | Mongabay
[29] Violence continues, allege defenders in Amazon palm oil region | Global Witness
[30] Biofuels threaten lands of 60 million tribal people | Survival
[31] Indigenous communities in Indonesia demand halt to land-grabbing government projects | Mongabay
[32] Malaysia's Indigenous peoples hit by deforestation and evictions | Grist
[33] Papuan tribe, palm oil firms battle for land rights in Indonesian top court | Reuters

risky nature of this project. We therefore have little confidence that an ISCC certification will prevent the negative consequences outlined above, in the case of the increased demand created by a new biorefinery at Sannazzaro.

Given all this, we have serious doubts over the environmental impacts, ethics and practicalities of the conversion for which this loan has been approved, and about how this can be reconciled with the EIB's 2022 Environmental and Social Standards and EIB's claim to be the EU's Climate Bank.

In light of this, we would greatly appreciate your answers to the following questions. How will EIB establish confidently that the feedstocks sourced are not from cleared land or areas where local communities have been disadvantaged? If sourcing waste oils, how can either ENI or the EIB be confident that the feedstocks in question are genuine wastes, particularly given that bodies like the ISCC, RSPO and RTSS routinely fail to decertify underperforming members? How will workers be kept safe and provided with reasonable working conditions? Will there be EIB oversight of ENI's sustainability processes? These answers would go some way towards allaying our concerns.

Conclusions

In light of all this, **we strongly urge you to freeze disbursement of this large loan** until satisfactory due diligence checks and impact studies have been carried out. **We demand the Bank to retain from supporting the business model of oil and gas companies which are far from decarbonising their activities. The EU Climate Bank should award this money to genuinely sustainable projects** such as renewable energy, regenerative agriculture or transport electrification. The only future for oil refineries in the decarbonisation transition is to shut them down.

Many thanks for your time and attention.
Signed

SIGNATORIES

Counter Balance Challenging Public Investment Banks

biofuelwatch

ReCommon

BANK CLIMATE ADVOCATES

actionaid

THE CORNER HOUSE

A SUD

Corporate Europe Observatory