# Eni fine exposes greenwashing risks as companies accelerate genuine sustainability shifts



The conversation surrounding sustainability in the corporate world has reached a critical juncture, spurred in part by actions like the recent fine imposed on Eni, an Italian oil company. In early 2020, Eni faced a hefty €5 million penalty from Italy's Competition and Market Authority for misleading advertising about its Eni Diesel+ fuel. The claims that the product was "green" and offered substantial environmental benefits were revealed as unsubstantiated, prompting Eni to halt its campaign and abandon the use of "green" descriptors for automotive fuels. This incident highlights a troubling trend: greenwashing, where companies prioritise marketing over genuine environmental responsibility, has become pervasive across various industries.

In today's climate, such deceptions are becoming increasingly costly as consumers, investors, and regulators demand more transparent and accountable corporate behaviours. Companies are now under pressure to embed sustainability deeply into their core strategies rather than simply checking the “sustainability box” in annual reports. Notably, research indicates a significant shift in corporate attitudes towards environmental, social, and governance (ESG) issues—reporting on sustainability surged from just 20% in the year 2000 to 80% by 2021. However, improved reporting does not equate to real action towards sustainable practices, and many organisations are still grappling with how to transition from superficial commitments to actionable strategies.

Progressive companies like Neste, based in Finland, offer a viable blueprint for transformation. Transitioning from a traditional oil refiner to a leader in renewable and circular solutions, Neste has set ambitious targets, including a commitment to cut its customers’ climate emissions by 20 million tons annually by 2030. This level of transformation requires not just a shift in focus but also a thorough re-evaluation of business activities and product offerings. Despite the inherent complexities, embracing sustainability can yield competitive advantages and foster long-term profitability. Neste's corporate purpose—to create a healthier planet for future generations—illustrates a broader understanding that success relies on integrating societal value into business strategies, rather than merely pursuing short-term profit maximisation.

Some companies are systematically embedding sustainability into their decision-making processes to manage risks and foster innovation. Solvay, a major player in the chemicals sector, employs Sustainable Product Portfolio Management to evaluate its products against sustainability criteria and customer benefits. This method categorises products into three groups: those that provide superior sustainability performance, those that are neutral in impact, and those that face declining market viability due to their negative environmental footprint. This approach not only aligns Solvay's business strategy with sustainability goals but also positions the company to respond to changing market dynamics more effectively.

Furthermore, companies such as Kering and Evonik are also making strides in this area, demonstrating that a commitment to sustainability can provide avenues for innovation and operational efficiencies. By utilising sustainable hurdles for product development and implementing Environmental Profit and Loss metrics to enhance supply chain decisions, these organisations are transcending traditional business models.

The urgency for companies to act responsibly is further underscored by the rise in consumer awareness and demand for transparency regarding environmental and social issues. As companies pivot towards sustainability, they are likely to find that addressing these concerns does not merely serve societal interests but also bolsters their market positions. The landscape is changing rapidly, and those organisations that can authentically adopt sustainable practices are poised to thrive.

Ultimately, the challenge lies in transforming sustainability from a compliance obligation into a genuinely integrated component of business strategy and operations. As Jan-Ivaar Semlitsch, CEO of Orkla, has stated, the strong commitment of employees towards sustainability can be a source of pride and competitive advantage. The shift from traditional, profit-centric business practices to models that prioritise sustainable choices reflects an evolving understanding of value creation in the modern era.

The journey towards sustainability is fraught with complexities, yet companies willing to embrace the challenge and genuinely embed sustainable practices into their operations are likely to emerge strengthened in the face of an increasingly eco-conscious marketplace.

## Reference Map:

* Paragraph 1 – [[1]](https://www.imd.org/beta-ibyimd/sustainability/are-you-ready-for-a-bright-green-future/), [[2]](https://www.agcm.it/en/media/press-releases/2020/1/PS11400), [[3]](https://www.transportenvironment.org/articles/oil-major-slapped--5m-fine-greenwashing-palm-oil-diesel)
* Paragraph 2 – [[1]](https://www.imd.org/beta-ibyimd/sustainability/are-you-ready-for-a-bright-green-future/), [[5]](https://www.reuters.com/business/energy/biofuel-maker-neste-posts-q3-profit-below-estimates-2024-10-24/), [[6]](https://www.reuters.com/sustainability/neste-supply-renewable-raw-materials-s-koreas-lotte-chemical-2024-04-08/)
* Paragraph 3 – [[4]](https://www.reuters.com/business/energy/oil-refiner-neste-says-ceo-matti-lehmus-will-be-stepping-down-2024-04-29/), [[6]](https://www.reuters.com/sustainability/neste-supply-renewable-raw-materials-s-koreas-lotte-chemical-2024-04-08/)

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## Bibliography

1. <https://www.imd.org/beta-ibyimd/sustainability/are-you-ready-for-a-bright-green-future/> - Please view link - unable to able to access data
2. <https://www.agcm.it/en/media/press-releases/2020/1/PS11400> - In January 2020, Italy's Competition and Market Authority (AGCM) imposed a €5 million fine on Eni S.p.A. for misleading advertising related to its Eni Diesel+ fuel. The campaign falsely claimed environmental benefits, such as emission reductions and fuel savings, which were not substantiated. The AGCM found that Eni's use of terms like 'Green Diesel' and 'renewable component' misled consumers about the product's environmental impact. Eni halted the campaign and agreed to cease using the term 'green' in reference to automotive fuels. ([en.agcm.it](https://en.agcm.it/en/media/press-releases/2020/1/PS11400?utm_source=openai))
3. <https://www.transportenvironment.org/articles/oil-major-slapped--5m-fine-greenwashing-palm-oil-diesel> - In January 2020, the Italian Competition and Market Authority (AGCM) fined Eni €5 million for misleading advertising of its Eni Diesel+ fuel. The campaign falsely claimed environmental benefits, such as emission reductions and fuel savings, which were not substantiated. The AGCM found that Eni's use of terms like 'Green Diesel' and 'renewable component' misled consumers about the product's environmental impact. Eni halted the campaign and agreed to cease using the term 'green' in reference to automotive fuels. ([transportenvironment.org](https://www.transportenvironment.org/articles/oil-major-slapped--5m-fine-greenwashing-palm-oil-diesel?utm_source=openai))
4. <https://www.reuters.com/business/energy/oil-refiner-neste-says-ceo-matti-lehmus-will-be-stepping-down-2024-04-29/> - In April 2024, Finnish oil refiner Neste announced that its president and CEO, Matti Lehmus, would be stepping down. The company is actively searching for his replacement, and Lehmus will remain in his role until the new CEO takes over. Neste's shares dropped in February following a disappointing fourth-quarter operating profit and a forecast of lower renewable products sales margin for 2024. In November, the company cut 400 jobs globally, aiming to save 50 million euros annually to prepare for increased competition in the renewable fuels market. Neste has consolidated its Renewable Aviation, Renewable Road Transportation, and Renewable Polymers and Chemicals divisions into one, streamlining its development portfolio. Despite its rapid growth due to early investments in renewable fuels, the company faces organizational complexities and numerous development projects that require reassessment. ([reuters.com](https://www.reuters.com/business/energy/oil-refiner-neste-says-ceo-matti-lehmus-will-be-stepping-down-2024-04-29/?utm_source=openai))
5. <https://www.reuters.com/business/energy/biofuel-maker-neste-posts-q3-profit-below-estimates-2024-10-24/> - In October 2024, Finnish biofuel producer and oil refiner Neste decided to halt its investment in renewable hydrogen production at its Porvoo plant due to tough market conditions. Following lower-than-expected third-quarter core earnings, the company intends to re-evaluate new investments and explore alternative uses for renewable hydrogen at Porvoo. Neste's earnings before interest, tax, depreciation, and amortization (EBITDA) dropped 66% to 293 million euros, missing analysts' estimates of 348 million euros. This decline was attributed to falling biofuel prices amid weak global demand, high input costs, and geopolitical uncertainties. Under new CEO Heikki Malinen, Neste has initiated a group-wide potential analysis to address the recent unsatisfactory performance and examine further investment adjustments, especially concerning U.S. clean fuel credits and demand for sustainable aviation fuel. Despite these challenges, Neste's share price rose by 1.9%. ([reuters.com](https://www.reuters.com/business/energy/biofuel-maker-neste-posts-q3-profit-below-estimates-2024-10-24/?utm_source=openai))
6. <https://www.reuters.com/sustainability/neste-supply-renewable-raw-materials-s-koreas-lotte-chemical-2024-04-08/> - In April 2024, Finland's Neste announced it will supply renewable raw materials to Lotte Chemical's plants in South Korea. This collaboration aims to produce chemicals and plastics with lower emissions. The resulting products will be used in various applications, including packaging, construction, textiles, and electronics. Jeroen Verhoeven, Neste's vice president of value chain development for renewable polymers and chemicals, expressed enthusiasm about increasing the use of renewable solutions through this partnership. ([reuters.com](https://www.reuters.com/sustainability/neste-supply-renewable-raw-materials-s-koreas-lotte-chemical-2024-04-08/?utm_source=openai))
7. <https://www.reuters.com/business/energy/biofuel-maker-neste-expects-limited-impact-us-tariffs-2025-04-29/> - In April 2025, Finnish biofuel producer and oil refiner Neste anticipated that recent U.S. tariffs would have only a limited direct impact on its operations. However, the company cautioned about ongoing challenges from renewable fuel oversupply and general market volatility. CEO Heikki Malinen emphasized the importance of maintaining competitive equality for European industries. The company continues to face pressure from excess supply, subdued demand, and macroeconomic uncertainties, which led to a 62% drop in comparable EBITDA in Q1 2025 to €210 million, slightly below analyst expectations. Despite challenges, Neste's renewable products sales margin surpassed expectations at $310 per tonne, although it declined from $526 per tonne in Q1 2024. The U.S., particularly through its joint venture with Marathon Petroleum in California, remains a key market, but the discontinuation of the Blender’s Tax Credit has forced shipment adjustments from the company’s Singapore plant. Neste also recently cut 510 jobs globally to save about €65 million annually. While expecting margin improvements in 2025, the firm remains cautious due to potential oil price fluctuations driven by global geopolitical tensions. Shares of Neste rose over 10% in Helsinki trading. ([reuters.com](https://www.reuters.com/business/energy/biofuel-maker-neste-expects-limited-impact-us-tariffs-2025-04-29/?utm_source=openai))