



# NESTE & IMD: PARTNERING FOR RENEWAL

**NESTE**



## EXECUTIVE SUMMARY

When Matti Lievonon became the CEO of Neste in 2009, the Finnish oil refining company was facing strong headwinds – a sharp fall in oil prices, market overcapacity, falling margins and new carbon emissions legislation in the EU. The company’s market value dropped 50% between 2008 and 2011. Matti had to implement a radical strategic shift into renewable fuels.

### NESTE CHALLENGES OVER THE YEARS

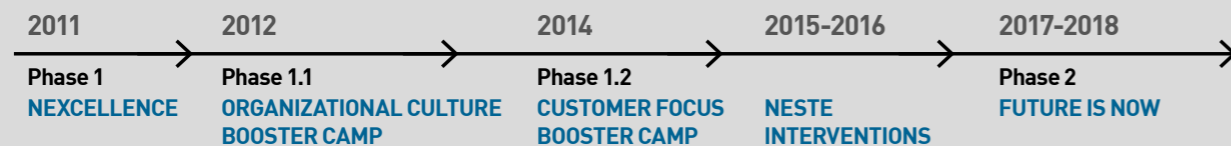
Neste faced multiple challenges over the next seven years to implement its renewables strategy



"In practice, our business based on renewable products and circular economics is eating away at our traditional business operations. This is a sacrifice that many did not believe in at first. But when it comes to the question of what kind of planet we will leave to future generations, the transition to sustainable lifestyles cannot be held back."  
**Matti Lievonon**, President and CEO of Neste

### THE L&D INITIATIVES

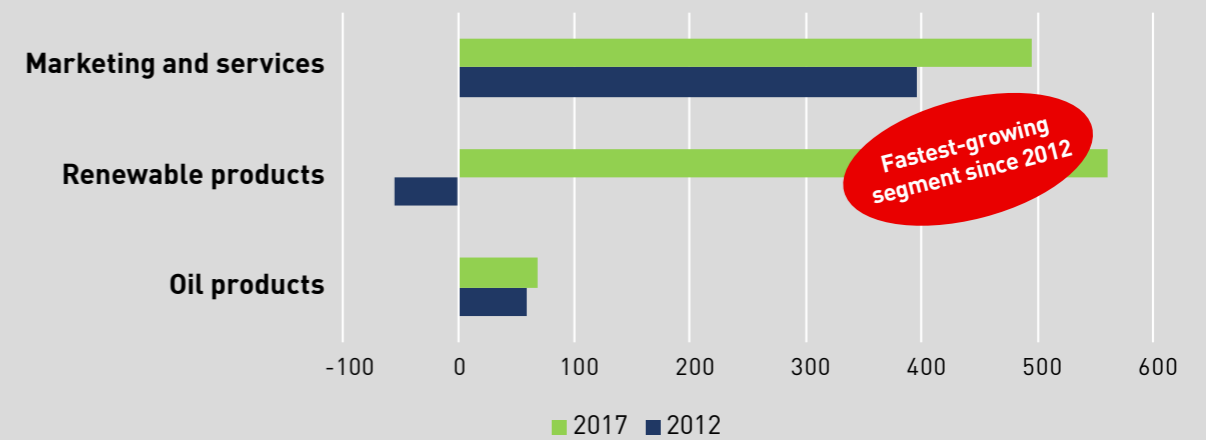
IMD and Neste collaborated on four L&D programs to enable the company’s transformation journey. The strategy implementation and organization development process required Neste to examine where it had come from, where it was at each stage and its ambition as a sustainability champion.



## IMPACT

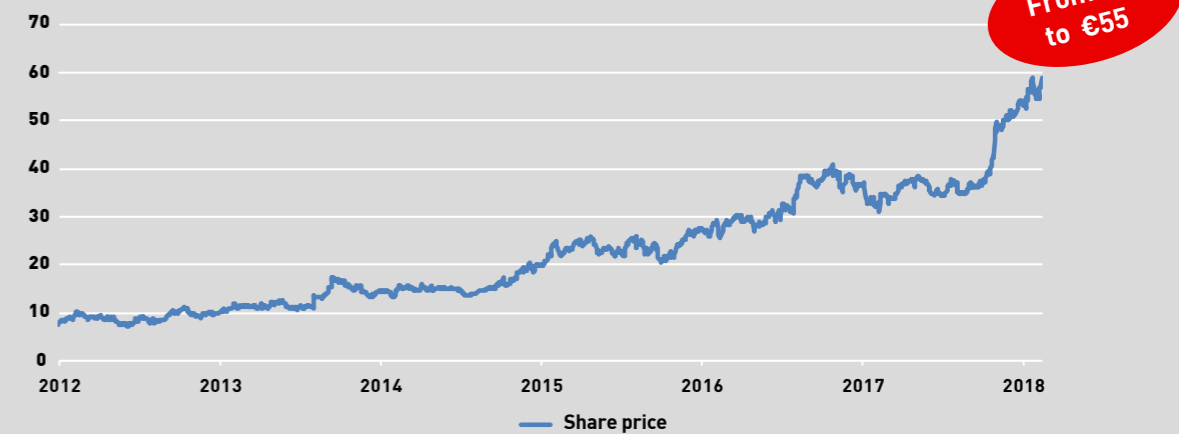
Throughout the Neste-IMD collaboration, the company has seen significant growth in its renewables business, profitability and market valuation.

### Comparable EBIT by Business Segments (€ million)



**In 2017 earnings from renewable products was higher than oil products, contributing 50% of the total**

### Neste Share Price (€)



**Neste market capitalization as at December 2017 = €15 billion, nearly six-fold increase from 2012 to 2017**