Neste plans to restructure its refinery operations in Finland and starts co-operation negotiations

Neste Corporation, Press Release, 14 September 2020 at 10.00 a.m. (EET)

In order to ensure the competitiveness of the Oil Products business, Neste is planning to restructure its refinery operations in Porvoo and Naantali, Finland. The company is exploring the shutdown of its refinery operations in Naantali and focusing the Naantali site on the terminal and harbor operations, as well as transforming the Porvoo refinery operations to co-processing renewable and circular raw materials.

The demand for fossil oil products will continue to decline, and the share of renewable energy solutions will continue to grow in the coming years. The COVID-19 pandemic has substantially accelerated the decline in demand for oil products, which is not expected to recover to previous levels. Fundamental changes are therefore needed to secure the competitiveness of Neste’s Oil Products business. With the planned measures, Neste aims to improve its productivity, resource efficiency and adaptiveness to market changes. The planned measures will not affect the security of fuel distribution supply in Finland.

“The energy transition is proceeding faster than expected. The forthcoming operating and maintenance investments in the Naantali refinery are not viable nor sustainable in a situation where there is large over-capacity for oil refining globally. Although the time is not optimal, and this news is unfortunate for many of us, the planned actions to develop our refinery operations are urgently needed to maintain operations and strategic capabilities in refining in Finland and to secure Oil Products’ competitiveness,” says Neste’s President and CEO Peter Vanacker.

To initiate the transformation, the company will start cooperation negotiations in the Oil Products business unit and its supporting functions in Finland. If implemented, the plans would mean up to 470 redundancies, including possible outsourcing. The decisions on the measures and impacts on the various functions, personnel groups and locations will be made after the negotiations have been concluded. The planned changes are expected to result in annual fixed cost savings of approximately EUR 50 million.
“Neste’s ambition is to become a global leader in renewable and circular solutions, and to achieve carbon neutral production by 2035. The planned changes will support the transformation of the Porvoo refinery into a leading sustainable, safe and efficient refinery, enabled by our highly innovative and efficient Neste people,” Vanacker continues.

Neste Corporation

Susanna Sieppi
Vice President, Communications (act.)

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For more information, please contact: Neste’s media service, tel. +358 50 458 5076 / media@neste.com (weekdays between 8.30 a.m. and 4.00 p.m. EET).

Neste in brief

Neste (NESTE, Nasdaq Helsinki) creates sustainable solutions for transport, business, and consumer needs. Our wide range of renewable products enable our customers to reduce climate emissions. We are the world's largest producer of renewable diesel refined from waste and residues, introducing renewable solutions also to the aviation and plastics industries. We are also a technologically advanced refiner of high-quality oil products. We want to be a reliable partner with widely valued expertise, research, and sustainable operations. In 2019, Neste's revenue stood at EUR 15.8 billion. In 2020, Neste placed 3rd on the Global 100 list of the most sustainable companies in the world. Read more: neste.com