



**Neste
Modern Slavery
Statement
2023**

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This statement has been published in accordance with the UK Modern Slavery Act 2015, Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023, Australia Commonwealth Modern Slavery Act 2018, and California Transparency in Supply Chains Act 2010. It applies to, and sets out the steps taken by, Neste Corporation and its consolidated subsidiaries ("Neste") during the year ending 31 December 2023 to prevent modern slavery and human trafficking in their businesses and supply chains. Neste provides this joint statement for itself and on behalf of certain foreign subsidiaries that are directly covered by a disclosure obligation in their respective jurisdictions. Currently this includes Neste Oyj, Neste Components B.V. and Neste Singapore Pte. Ltd pursuant to Section 54(1) of the UK Modern Slavery Act 2015; and B J B LLC, pursuant to the Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023. Through this statement, Neste also satisfies the disclosure requirements pursuant to the California Transparency in Supply Chains Act of 2010 and Australia Commonwealth Modern Slavery Act 2018. This statement has been prepared in joint consultation with the aforementioned subsidiaries, whose relevant representatives were provided with the opportunity to contribute to the statement process. The Board of Directors of Neste Corporation, for itself, Neste Oyj, Neste Singapore Pte. Ltd, B J B LLC, and Neste Components B.V. approved this Statement on 24 April 2024.



1. Introduction

Respecting human rights is essential to Neste's [purpose, vision and values](#). Neste respects the wellbeing and human rights of all of our rights-holders, including our employees, the employees of our contractors and service providers, the workers in our supply chain, our customers, and the communities in which we operate. We believe that every person deserves to live a life in freedom, safety and dignity.

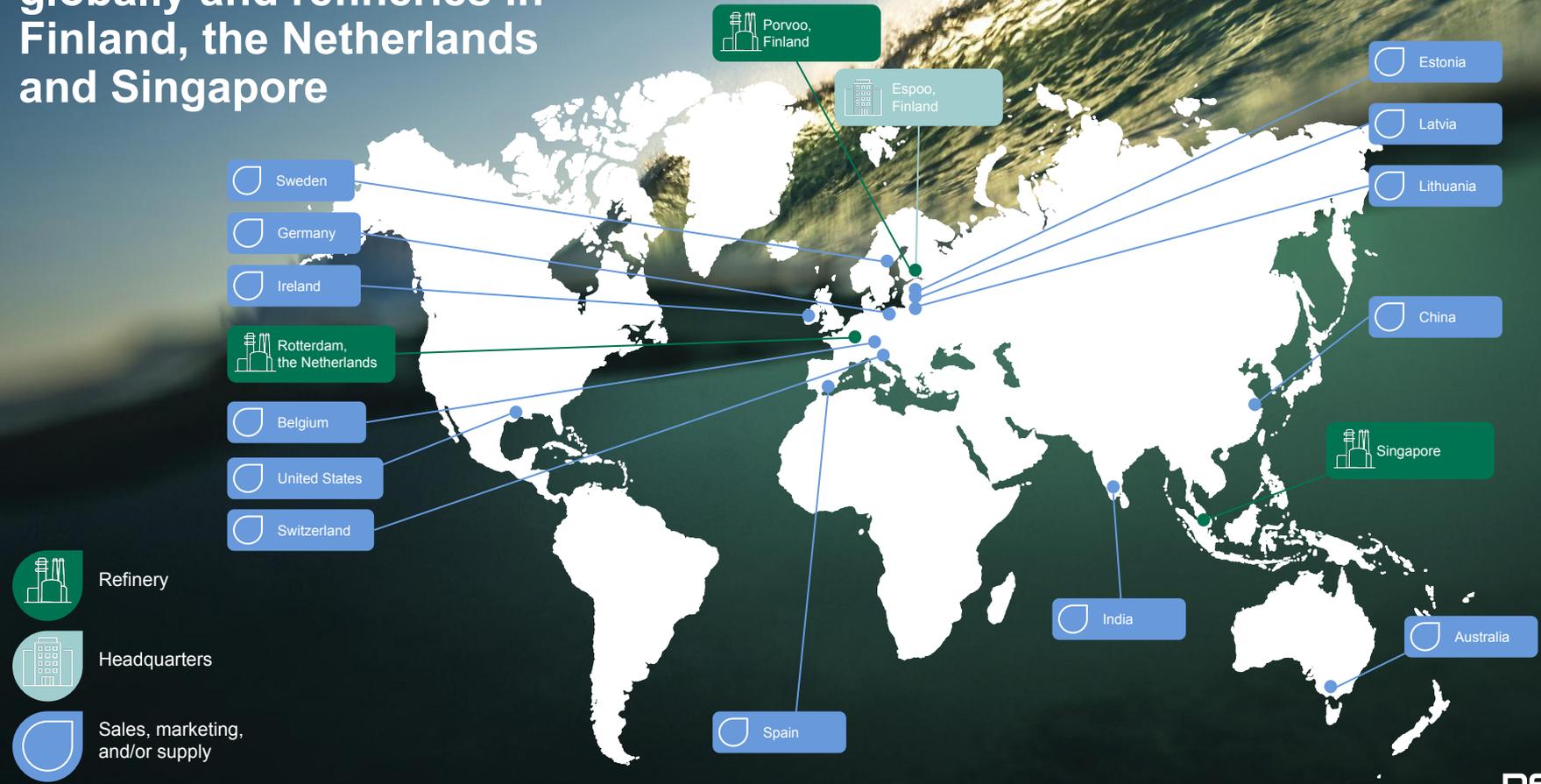
Our [sustainability vision](#) identifies growing inequality, climate change and biodiversity loss as interconnected issues. It includes our [2030 human rights ambition](#) to create a more equitable and inclusive value chain by 2030, in which everyone works with dignity. The four priority areas for action under this 2030 human rights ambition are living wages, children's rights, responsible recruitment and inequality. By taking tangible steps to address these key issues, we aim to advance systemic positive change and tackle the root causes of modern slavery.

Modern slavery is an umbrella term that covers all situations of exploitation that a person cannot refuse or leave, because of threats, violence, coercion, abuse of power or deception. This includes slavery, servitude, forced labor, human trafficking, and slavery-like practices such as debt bondage and the worst forms of child labor. Such forms of exploitation have long-lasting impacts on affected individuals and communities around the world.

Neste supports the elimination of all forms of modern slavery. We recognize that modern slavery is a growing global issue from which no industry is immune, and we understand our responsibility to prevent, mitigate and remediate the risk of modern slavery in our operations and supply chains. As an international business, we also welcome the increasing momentum towards establishing mandatory human-rights due diligence, as is outlined in our joint Nordic Business Network for Human Rights [statement](#) in favor of mandatory human rights due diligence legislation at EU level, published in January 2021.

This Modern Slavery Statement details the steps Neste is taking to identify, assess and address the risks of modern slavery and human trafficking in our business operations and supply chains. It describes the steps taken during 1 January - 31 December 2023, and provides an update on the activities and commitments detailed in our [2022 Modern Slavery Statement](#).

Neste has operations globally and refineries in Finland, the Netherlands and Singapore



2. Our business and supply chains

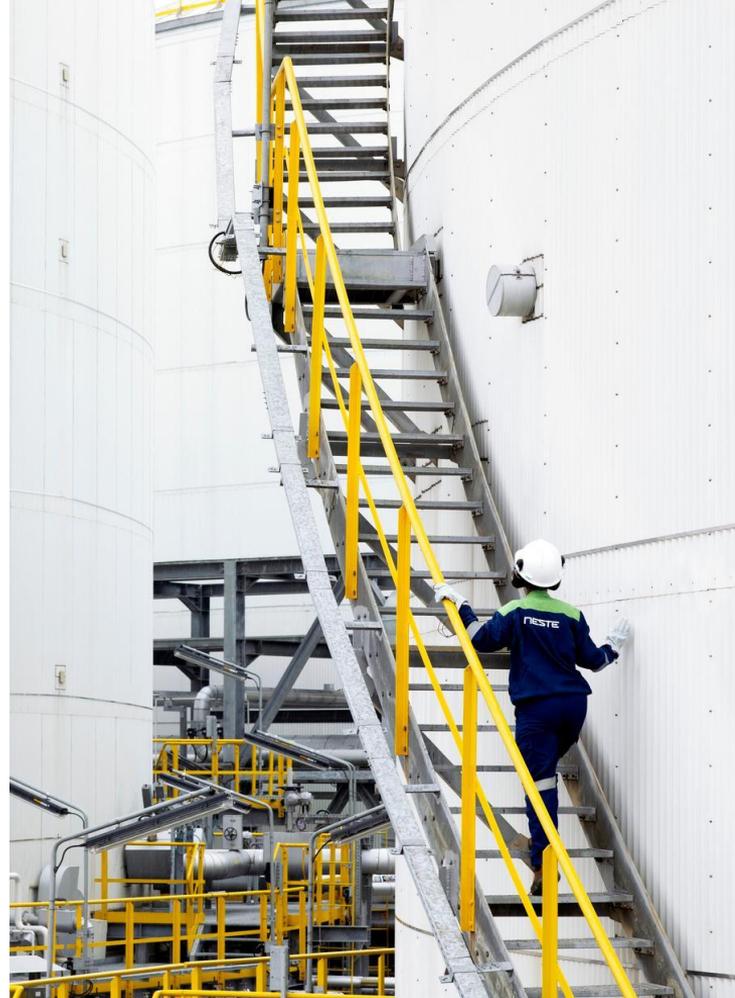
[Neste](#) is the world's leading producer of sustainable aviation fuel, renewable diesel and renewable feedstock solutions for the polymers and chemicals industry. We refine waste, residues, vegetable oils and innovative raw materials into renewable fuels and sustainable feedstock for polymers and chemicals. We are also developing chemical recycling technologies and capacity to combat the plastic waste challenge.

Neste has operations globally, and refineries in Finland, the Netherlands and Singapore. Our headquarters are in Espoo, Finland. In 2023 Neste employed an average of 6,018 employees worldwide, of whom 2,114 were based outside Finland. In 2023, Neste's revenue stood at EUR 22.926 billion.

Neste's operations are divided into four operating segments: Renewable Products, Oil Products, Marketing & Services and Others. Information about the key business activities and supply chains for the Renewable Products, Oil Products, and Marketing & Services segments (our three business areas) is detailed on p.6.

The Others segment consists of Neste's Engineering Solutions, and common corporate costs. Any purchasing of goods and services that are not included in the sourcing and delivery of refined crude oil or renewable and recycled raw materials is covered by the Neste Indirect Procurement function. Indirect Procurement is responsible for the sourcing, purchasing, contract and supplier management of all the goods and services we use to run our businesses, such as utilities, chemicals, materials, equipment, contracting and subcontracting services, research, IT and professional services. In 2023, we spent 4,095 MEUR on indirect procurement, with a total of 6,512 suppliers.

You can read more about Neste's business, operations, supply chains and joint ventures in our [2023 Annual Report](#).



Neste's business activities are divided into three business areas:

Renewable products

The Renewable Products segment produces, markets and sells renewable diesel, sustainable aviation fuel, renewable solvents as well as feedstock for bioplastics based on Neste's proprietary technology, to domestic and international wholesale markets.

Our renewable products' refineries in Finland, the Netherlands and Singapore produce renewable products entirely from renewable raw materials with a current annual nameplate capacity of ca. 3.3 million tons.

Neste uses a wide variety of globally-sourced renewable raw materials, and waste and residues account for 92% of our global renewable raw material inputs. Animal fat from food industry waste, used cooking oil, and various wastes and residues from vegetable oil processing represent the top three waste and residue raw material categories we use. Other waste and residue raw materials in our portfolio include fish fat from fish processing waste, tall-oil-based raw materials, technical corn oil, food waste and acid oils. In addition to waste and residues, Neste uses smaller amounts of sustainably produced vegetable oils as renewable raw materials.

The raw material supply chains for our renewable products are extensive and global. In 2023, we procured raw materials from 614 suppliers across Europe, North America, South America, Asia, Africa and Australia.

Oil products

The Oil Products segment produces, markets and sells high-quality oil products and related services for road transportation, non-road uses, aviation and marine sectors, as well as products for the oil and petrochemical industries.

The product range includes diesel fuel, gasoline, aviation and marine fuels, light and heavy fuel oils, gasoline components, and special fuels such as small engine gasoline, solvents, liquid gases and bitumens.

Neste's oil products are refined in Neste's refinery in Porvoo, Finland. Our crude oil refining capacity is ca. 10 million tons per year, producing ca. 12 million tons of products.

In 2023, we purchased oil products from 84 suppliers, including natural gas and industrial gas suppliers. Our crude oil and fossil feedstock sources in 2023 were Norway (8.3 mil tons), USA (1.1 mil tons), UK (0.8 mil tons), and other countries (1.5 mil tons).

Neste Shipping chartering operations are also included in the Oil Products segment.

Marketing & Services

The Marketing & Services segment markets and sells petroleum products and associated services to consumers, transportation services, customers in aviation, shipping, industrial and agricultural sectors, municipalities, heating customers and distributors.

Marketing & Services offers sustainable, lower-emission and digital solutions for the needs of consumers, companies and partners in Finland, and in the Baltic countries. In addition to Neste MY Renewable Diesel used for transport, heavy machinery, agriculture and heating purposes, Neste MY Sustainable Aviation Fuel, Neste's electric vehicle charging solutions and emission calculation and reporting solution Neste MY Carbon Footprint™ service, create value for customers. We seek to develop a diverse range of services aiming to provide the best customer experience.

This segment includes our network of 722 stations in Finland and 226 stations in the Baltic countries (Estonia, Latvia and Lithuania). In Finland, Neste MY Renewable Diesel is available at 187 stations and in the Baltics at 39 stations. Publicly available electric vehicle high power charging, Neste MY Renewable Charging, is available at 13 stations across Finland and the Baltics.

3. Policies and contractual controls

Group-wide policies

We have several group-wide policies in place relevant to modern slavery and regularly review and improve our policies and guidance documents, with input from both internal and external stakeholders. Our commitments, policies and principles relevant to modern slavery include, but are not limited to, our [Human Rights Principle](#), [Code of Conduct](#), [Supplier Code of Conduct](#), [Sustainability Policy](#), and [Neste Responsible Sourcing Principle](#). You can find more information about Neste's policies and principles on our [website](#).

Code of Conduct

Neste's [Code of Conduct](#) applies to the entire Neste group and contains key human rights requirements and expectations for all Neste employees to comply with in their daily work. For example, all employees are expected to be aware of how their work impacts the human rights of people in Neste's operations, value chains and communities, understand how to recognize potential human rights risks in their daily work and decision-making, and know how to recognize and report signs of modern slavery. You can read about how we train our employees on the expectations set out in our Code of Conduct on p. 19.

Supplier Code of Conduct

Our [Supplier Code of Conduct](#), outlines the basic requirements Neste expects its suppliers and their own first tier suppliers, contractors and business partners to adhere to and implement throughout their businesses.

Neste's minimum human rights requirements for suppliers are outlined in section 4.1 - 4.7 of the Supplier Code of Conduct, which is based on the internationally recognized human rights and labor standards enshrined in the Universal Declaration of Human Rights and ILO Fundamental Principles and Rights at Work. The Supplier Code of Conduct prohibits child labor and all forms of forced and compulsory labor. It also explicitly requires that all Neste suppliers ensure any recruitment fees and associated costs are not borne by their workers, and that all employees are made aware of the key terms of their employment prior to commitment to work.

The Supplier Code of Conduct is included in the terms of contract with all suppliers, contractors and other business partners participating in the delivery of any raw materials, products, components, materials or services to Neste, covering both direct and indirect procurement. Companies consolidated through mergers and acquisitions are also expected to implement Neste Supplier Code of Conduct in their sourcing.

In 2023, 100% of the renewable raw material volumes, 86% of the crude oil and fossil raw materials volumes, and 91% of overall indirect contracted spend were covered by Neste Supplier Code of Conduct or equivalent.¹

To support implementation across our business, Neste has issued an e-learning to train relevant Neste employees on the Supplier Code of Conduct requirements, with specific sections on human rights and modern slavery. We also provide live training sessions for selected Neste teams, led by our human rights and sustainability specialists. More information on our e-learning and training workshops is available on p.19-20.

Neste encourages and supports its business partners to continually improve and develop beyond the minimum, to reach the human rights standards and expectations set out in the Human Rights Principle. Neste has published an official [Supplier Code of Conduct Guidance](#), with supporting information and practical recommendations to help our suppliers meet their obligations under the Supplier Code of Conduct. In 2023, Neste organized capacity building on the Neste Supplier Code of Conduct requirements for its main contractors at the Rotterdam refinery and selected renewable raw material suppliers. Read more about these capacity building sessions on p.20.

¹) In certain situations Neste may, after the assessment of the supplier's or business partner's own policies and principles, agree that compliance with their own code of conduct is sufficient for the purpose of complying with the Neste Supplier Code of Conduct). For more information, see Neste [2023 Annual Report](#) p. 87.

Human Rights Principle:

Our [Human Rights Principle](#), describes Neste's commitments and responsibilities with regards to embedding respect for human rights across our activities, value chains and business relationships.²

Neste is committed to respecting human rights and remediating adverse human rights impacts throughout its business operations and value chains. Neste demonstrates and meets this commitment by implementing, and acting in accordance with, the [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#) and [OECD Guidelines for Multinational Enterprises](#).

Neste respects internationally recognized human rights as set out in the [International Bill of Human Rights](#) and the principles concerning fundamental rights set out in the [ILO Declaration on Fundamental Principles and Rights at Work](#). Neste also respects additional human rights standards and UN instruments elaborating on the rights of vulnerable groups who may need particular accommodation or protection in order to fully enjoy their human rights without discrimination. We are committed to implementing the ten principles of the [UN Global Compact](#) and [UN Women's Empowerment Principles](#), to which we are signatories, and also act in accordance with the [Children's Rights and Business Principles](#) and [UN Declaration on the Rights of Indigenous Peoples](#).

Under the Neste Human Rights Principle, all forms of forced labor are prohibited, including also the prohibition of certain practices that can lead to forced labor such as document retention, recruitment fees and deceptive practices regarding employment contracts. More information on these topics are available in Sections 5.4 & 5.5 of the [Human Rights Principle](#). We carry out ongoing human rights due diligence to identify, assess and address adverse human rights impacts and prevent and mitigate child and forced labor risks.

Focusing on salient issues:

Our Human Rights Principle outlines seven priority areas for human rights at Neste – these are Neste's salient human rights issues, that is, those issues that are at risk of the most severe negative impacts through our activities or business relationships:



Neste's most salient human rights issues:

- Fair Employment
- Health & Safety
- Equity, Diversity & Non-Discrimination
- Children & Young Workers
- Modern Slavery
- Fair Treatment
- Economic, Social & Cultural Rights

Every year we analyze the saliency of our human rights impacts based on severity and likelihood. The assessments evaluate our actual and potential impacts on people throughout the value chain at a practical level. This enables us to monitor our progress, account for any new risks resulting from changes in our business and accurately focus and prioritize our work. We also evaluate the effectiveness of our current measures and assess whether existing practices are sufficient in scale and complexity to address our salient issues. In 2023, we held internal workshops to expand the depth and scope of our saliency assessments for our oil products and renewable raw material supply chains.

² The Neste Human Rights Principle underwent a major update in 2022, informed by extensive consultation with both internal and external stakeholders and recognized topic experts. The Human Rights Principle was first published in 2017, following the publication of Neste's 2015 Human Rights Commitment to respect human rights in accordance with the UNGPs.

Access to remedy

Neste is committed to the remediation of adverse human rights impacts in its business operations and value chains, in accordance with our [Human Rights Principle](#).

Neste provides access to appropriate and effective remedy by making efficient grievance mechanisms available to our rights-holders, including at the operational level and site level and seeks to ensure that grievances are addressed early and remediated directly.

Where Neste identifies that it has caused or contributed to adverse impacts on the human rights of others, we provide for or co-operate in the remediation of the adverse impacts through legitimate processes intended to deliver an appropriate and effective remedy.

Where adverse impacts have occurred that Neste has not caused or contributed to, but which are directly linked to Neste's activities through our business relationships, Neste seeks to use its leverage to prevent or mitigate the risk of the impacts continuing or recurring.

We take seriously any allegations that human rights are not properly respected in our business or supply chains, and encourage individuals, communities, business partners or other stakeholders who have reason to believe such activity is taking place to raise their concerns, without fear of retaliation, via [Ethics Online](#). Ethics Online is available 24/7 and is accessible in multiple languages. Reports can be made anonymously via phone or web service, and can be made by anyone, including children. Any reports made will be investigated confidentially, and Neste will not retaliate against anyone who files a report in good faith. Read more about our grievance procedures and how we respond to allegations of modern slavery on p.17 & 22.

Site-level complaints channels for contracted workers

In 2023, Neste established permanent site-level complaints channels at its refineries to address concerns of contracted and subcontracted workers, including migrant workers. These channels, accessible via QR codes on posters discreetly placed around the sites (see right), enable workers to submit anonymous complaints directly to Neste. The posters inform workers of their rights in various languages and use illustrations and simple terminology to encourage them to report situations in which they may be experiencing exploitation. Neste actively promotes the channels and educates workers on their labor rights during site-entry-permit induction and social toolbox meetings. The complaints are received and managed by local committees. Workers also have the option to report concerns directly to supervisors, or to use Neste's company-wide Ethics Online whistleblowing channel. All channels guarantee confidentiality and protection from retaliation.³

3) Additional information on site-level complaints channels established for projects in previous years is available in prior [modern slavery statements](#) and on our [website](#).

At Neste, We Care

All people have the right to be treated with dignity. If you experience any of these conditions, you may be in a situation of forced labour.

Wszyscy ludzie mają prawo do godnego traktowania. Jeśli dotyczy Cię któryś z poniższych warunków, możesz znajdować się w sytuacji pracy przymusowej.

Alle mensen hebben het recht om waardig behandeld te worden. Als u één van deze omstandigheden ervaart, bevindt u zich mogelijk in een situatie van dwangarbeid.



Did you have to pay someone to get your job?
Czy musiałeś(-oś) komuś zapłacić, żeby dostać pracę?
Możet u iemand betalen om uw baan te krijgen?



Has your ID/passport been taken away?
Czy odebrano Ci dowód osobisty / paszport?
Is uw ID-kaart/paspoort afgenomen?



Does someone else control your bank account?
Czy ktoś inny kontroluje Twoje konto bankowe?
Controleert iemand anders uw bankrekening?



Are you being forced to work without pay?
Czy jesteś zmuszany(-a) do pracy bez zapłaty?
Wordt u gedwongen te werken zonder salaris?



Are you being verbally/physically abused or threatened?
Czy doświadczasz słownego lub fizycznego znęcania lub groźb?
Wordt u verbaal/fysiek mishandeld of bedreigd?



Are you living in bad housing conditions?
Masz złe warunki mieszkalne?
Leeft u in slechte woonomstandigheden?

Get help / Otrzymaj pomoc / Zoek hulp:

You can anonymously report any concern about your employment or working conditions using the Nestlé-complaints channel. To make a report, scan the QR code using your phone camera or go to bit.ly/3o0l8tR. Your report will be taken seriously and investigated confidentially.

Możesz anonimowo zgłosić jakiegokolwiek powódnicę związane z Twoim zatrudnieniem lub warunkami pracy, korzystając z kanału zgazań Nestlé. Aby utworzyć raport, zeskanuj kod QR korzystając z aparatu swojego telefonu, lub przejdź do bit.ly/3o0l8tR. Wszystkie raporty zostaną potraktowane poważnie i poufnie sprawdzane.

U kunt uw bezorgdheid over uw arbeidsomstandigheden anoniem melden via het Nestlé-meldpunt. Scan de QR-code met de camera van uw telefoon of ga naar bit.ly/3o0l8tR om een melding te maken. Alle meldingen worden serieus genomen en vertrouwelijk onderzocht.



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4. Risks of modern slavery

Neste has undertaken several initiatives to identify and understand how human rights risks, including modern slavery and child labor, may be present in our operations and supply chains. In order for us to effectively prioritize our activities, our risk assessment includes mapping supply chains and operations, country risk assessments, individual project risk assessments, desk-based research, supplier surveys and self-assessment questionnaires, supplier engagement, and discussions with expert stakeholders.

Country risk

A key element in understanding the risk of modern slavery in our supply chains is assessing country risk. We use a bespoke, industry leading, country risk assessment methodology from Verisk Maplecroft to map modern slavery risks for the countries in which we operate and have supply chains. We maintain an up-to-date country risk categorization based on country risk indices, including specific indices related to modern slavery, such as child labor, forced labor, and migrant workers. Our categorization also includes a list of no-go countries and regions based on considerations including trade sanctions, conflicts and sustainability risks. The country risk assessment allows us to effectively prioritize our activities by identifying the most significant modern slavery risks in certain countries or geographical areas. We recognize that modern slavery is prevalent across the world, including those countries and regions traditionally perceived as low risk. Read more about how we integrate country risk assessments into our sustainability and human rights due diligence processes on p.12-16

Risk by sector and geography

Palm Oil Sector

While we acknowledge that modern slavery can be found in all countries and industries, we have identified our renewable products supply chains in the palm oil sector in Southeast Asia as having the highest risks for forced labor, child labor and indebted labor. As detailed in our [previous Modern Slavery Statements](#), this is based on the results of a [BSR](#) corporate-wide human rights impact assessment on Neste's business and value chains (2016); social and labor studies on the ground in Indonesia and Malaysia (2015-2016); supplier engagement activities (2015-2023); findings from our sustainability audits (2017-2023); an ethical recruitment survey of our Malaysian palm suppliers (2020); collaboration in various multi-stakeholder initiatives (2016-2023), and ongoing work to map our supply chains and assess human rights risks by sector and geography.

Risks in new sourcing regions

We assess human rights risks when planning to enter new sourcing regions for our renewable raw materials. In 2023, we started collaborating with third-party experts at the Solidaridad Foundation to assess the human rights impacts associated with our Brazilian supply chains. The assessment consists of field research and gender-sensitive interviews with different groups of rights holders, including representatives of Indigenous communities.

Construction, maintenance and contracting

In our own operations, we have identified construction and maintenance projects as being high risk for modern slavery and exploitative practices which can lead to forced labor. This includes, for example, major refinery turnarounds and expansion projects.

In October 2021, we commissioned BSR to conduct a Human Rights Risk Assessment for Neste's Rotterdam Expansion Project to evaluate potential human rights risks before a final [investment decision](#) was made in June 2022. The methodology used in the assessment was based on the UN Guiding Principles on Business and Human Rights, and included the mapping and analysis of potential risks, a salience assessment to prioritize risks, and recommendations for the management of risks in both the construction and operations phase of the project. In 2022, we began planning contractor audits and key actions to ensure we would be able to hear worker voices during the Rotterdam refinery expansion. In 2023, we implemented a local complaints channel for workers and organized capacity building on our Supplier Code of Conduct requirements for the main contractors at the Rotterdam refinery, covering regulatory compliance, responsible business conduct, occupational health and safety, and human and labor rights, including forced and child labour.

We continue to work proactively to promote respect for labor rights across our production sites. In 2023, we completed the Sedex self-assessment questionnaire for our refineries in Porvoo, Rotterdam and Singapore, allowing us to thoroughly assess gaps in our management systems and human rights due diligence.

We pay special attention to safeguarding the rights of migrant workers and employees working for contractors and subcontractors on Neste sites, especially during peak times such as our expansion projects and turnarounds. We use a range of practices to uphold worker rights and address their concerns, including worker induction trainings, contractor social audits, posters and regular social toolbox meetings to educate migrant and contracted workers about their labor rights and to encourage them to report concerns directly to Neste. You can read more about the site-level complaints channels and posters established at our refineries on p.9.

Shipping

The global shipping industry has been identified as being particularly susceptible to the risk of modern slavery

In 2022, we carried out a human rights due diligence maturity assessment for Neste's shipping operations. Our shipping operations were prioritized and selected for this assessment based on the results of a 2020-21 corporate-wide exercise to map and understand internal processes and gaps in addressing modern slavery risks across our business, taking high risk sectors and geographies into account.

The 2022 assessment identified gaps in our visibility of issues affecting seafarers working on our chartered vessels. Following up on these results to strengthen our due diligence, in 2023 we surveyed all our time charter vessel partners on their human rights and labor practices for Neste vessels.

5. Due diligence processes

We conduct ongoing human rights due diligence in our operations and supply chains to identify, prevent, mitigate and, where necessary, remediate the occurrence of modern slavery.

In recognizing that our human rights impacts may change over time as our operations and value chains continue to evolve, we are committed to embedding human rights due diligence across our business on a continuous basis. We achieve this by building human rights due diligence into our existing systems and processes, and creating new and separate processes when needed. When assessing human rights risks we engage with affected stakeholders and pay special attention to vulnerable groups such as women, children, migrant workers and Indigenous peoples. In all cases, we aim to prioritize the wellbeing of our rights holders.⁴ More information on our approach is available in our [Human Rights Principle](#).

Screening potential business partners

We expect all of our business partners and suppliers to uphold the minimum requirements in our [Supplier Code of Conduct](#), a key element in Neste's supplier management system.

Assessing sustainability risks in our supply chains, including for modern slavery, begins before agreements have been signed or raw materials, products, components, materials or services are delivered.

Neste has implemented systematic controls for counterparty screening and monitoring, during which potential business partners undergo automated pre-screening. Counterparties are screened for economic sanctions and similar compliance issues and selected ethical concern categories in third-party enforcement databases and major news outlet sources, which in practice can include topics related to child labor and modern slavery.

Raw material suppliers for Neste's renewable products are subject to additional sustainability due diligence, including human rights due diligence on modern slavery risks such as forced and child labor. Neste uses a risk based approach to determine the type of assessment, which can include desktop reviews, the mapping of supply chains and operations, supplier engagement and sustainability audits. The risk-based approach uses country risk as one element of the risk assessment. Knowing the origin of our raw materials is a fundamental supplier requirement. Where possible, our aim is to gain visibility throughout the raw material supply chain, including our suppliers' suppliers.



4) Rights holders are all individuals or social groups whose human rights may be impacted or affected by Neste's business activities, operations, products or services.

Due diligence for renewable raw material suppliers:

Raw material suppliers for our renewable products are subject to rigorous human rights due diligence, as stated in Neste's Supplier Sustainability Approval Principle

The Principle applies worldwide to any Neste company which is establishing a business relationship with a supplier of renewable raw material for Neste's renewable products. It sets the minimum sustainability requirements for approving suppliers through a five-step sustainability due diligence process, including raw material evaluation, risk assessments, counterparty screening, a sustainability review and audits.

The sustainability review encompasses a comprehensive range of sustainability topics that include strong criteria on human rights and modern slavery. As part of this review, all potential renewable raw material suppliers must complete a self-assessment survey that contains questions related to modern slavery and our [Supplier Code of Conduct](#) human rights requirements. The questions cover topics such as fair employment, employment contracts, child labor, forced labor, recruitment fees and use of recruitment agencies, vulnerable groups, retention of identity documents, access to remedy, and freedom of association and collective-bargaining.

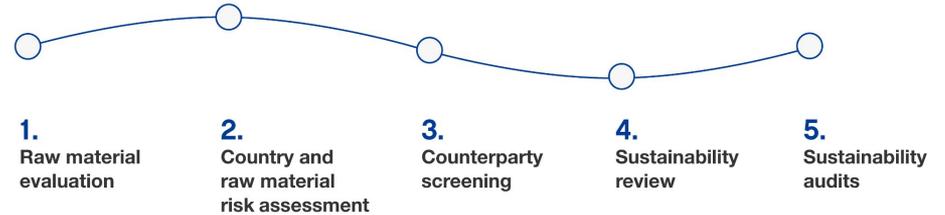
We continue commercial negotiations only with approved parties who meet our sustainability requirements, and all partners must continue to meet these criteria and commit to developing their operations in the future. Our overall approach to advancing sustainability due diligence throughout the supplier relationship is to work with our suppliers to drive positive practices and mutually enhance sustainability performance through continuous engagement, collaboration, and improvement.

The validity period of the sustainability approval for a supplier is three or five years depending on factors such as country risk, raw material volumes supplied to Neste, and the outcome of a supplier's sustainability review. Once the validity period expires, the supplier undergoes a new review.

In addition to understanding the sustainability performance of our direct suppliers, we also want to gain visibility on practices throughout the renewable raw material supply chain, including our second-tier suppliers. During supplier onboarding, we require our renewable raw material suppliers to disclose their supply chain actors and locations as determined by market requirements – and even go beyond that in some cases.

Neste's sustainability due diligence process for renewable raw materials suppliers is mainly managed on Neste's Supplier Sustainability Portal (SSP), a digital platform that is used to facilitate our evaluation of potential and existing renewable raw material suppliers, to support performance monitoring and to enable active supplier engagement. The SSP tracks all of Neste's renewable raw materials suppliers and their data (e.g. deliveries and volumes, raw materials, certifications, etc.). Suppliers are also required to input the location of their own production and processing site(s), and where applicable, their own suppliers' production and processing site(s) on the SSP. In 2023, a total of 388 renewable raw material suppliers were onboarded and screened using sustainability criteria, including modern slavery topics on forced and child labor.

Sustainability due diligence process For renewable raw material suppliers



Extensive portfolio of renewable raw materials



Used cooking oil (UCO)

UCO consists of oils and fats of a vegetable or animal origin that have been used by the food industry or restaurants to cook food for human consumption. UCO is considered waste, as it is no longer fit for human consumption for food hygiene reasons.



Animal fat from food industry waste

Animal fat is derived from the food industry's meat processing waste. Neste sources mixed animal fat waste that is unsuitable for human consumption.



Vegetable oil processing waste and residues

Many vegetable oil processing wastes and residues can be used as raw materials to produce Neste's renewable products, including palm fatty acid distillate (PFAD), spent bleaching earth oil (SBEO), empty fruit bunch oil (EFBO) and palm oil mill effluent (POME).

Other waste and residues

Our raw material portfolio also includes fish fat from fish processing waste, tall oil-based raw materials, food waste, technical corn oil and acid oils.



Vegetable oils

In 2023, the share of conventional vegetable oils was approximately 8% of our global renewable raw material inputs. In the longer term, the growth in novel vegetable oils' availability may increase the share of sustainably produced vegetable oils. Neste reduced its refinery inputs of conventional palm oil to zero at the end of 2023.

Sustainability audits:

Neste carries out audits to mitigate sustainability and modern slavery risks in our supply chains. We use a risk-based approach when selecting suppliers to be audited, paying special attention to raw materials or countries with the highest human rights, child labor and modern slavery risks. Sustainability audits are conducted either by our own local sustainability specialists or a third-party auditor. Where possible, we also conduct audits on our suppliers' suppliers (second-tier suppliers or even beyond).

The main purpose of our Neste sustainability audits is to verify that our suppliers comply with the [Neste Supplier Code of Conduct](#) and local regulatory requirements. However, the criteria in our audit framework go beyond compliance by assessing a broader range of human rights topics on top of our minimum requirements. This approach allows us to improve our monitoring and understanding of systemic human rights issues in our supply chains, such as modern slavery and child labor.

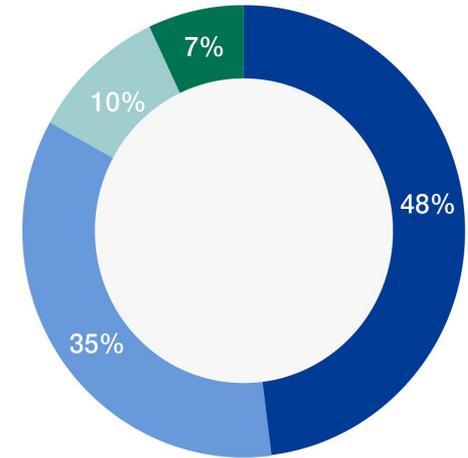
Recognizing that traditional approaches to auditing can be limited in their ability to identify and assess human rights impacts, our audit approach was developed in collaboration with Neste's human rights team and external experts. The audit criteria have a strong human rights focus, and include, for example, indicators of forced labor and child labor, recruitment fees, employment contracts, fair wages, favorable working conditions, labor standards, access to basic services, decent housing, grievance mechanisms, and topics related to vulnerable groups (including women and children) and neighboring communities.

Our sustainability audits centralize our rights-holders by including interviews with management, workers with different job profiles, third-party employees and, when possible, union or worker's committee representatives. After the audit, we follow up on cases of non-compliance and require our suppliers to provide remedy for workers and resolve significant open issues within a specified timeframe. The Neste Sustainability Audit Standard, which was published in 2021, sets out the overall requirements for sustainability audits at Neste.

In 2023, we conducted a total of 154 sustainability audits: 54 on renewable and recycled raw material suppliers, 31 on terminals, and 69 contractor audits.⁵ 35% of the audit findings for 2023 were related to human and labor rights. Where possible, we also conduct sustainability audits on our sub-suppliers, with 21 second-tier renewable raw material suppliers audited in 2023. The results of our 2023 sustainability audits are summarized on p.90 of our [2023 Annual Report](#).

5) No unannounced Sustainability Audits in 2023

Audit Findings – different sustainability categories renewable raw material suppliers, %





Due diligence for indirect procurement suppliers:

Neste's indirect procurement is responsible for the sourcing, purchasing, contract and supplier management of goods and services that are not included in the sourcing and delivery of refined crude oil or renewable and recycled raw materials. In 2023, we further integrated sustainability into indirect procurement, building on prior risk assessments and studies. Key actions included:

- Mapping strategic priorities and launching a development plan for embedding sustainability requirements (including minimum requirements on human rights, forced and child labor) into each stage of our sourcing, purchasing, and supplier management process, including a standardized sustainability survey for use in our tendering process.
- Carrying out workshops on sustainability topics, including workshops to identify key human rights risks in sourcing supply chains and mapping priority actions for improving due diligence.
- Strengthening our due diligence for extractives suppliers by incorporating additional human rights questions in the tendering process for high-risk sectors (including questions on child and forced labor).
- Additional actions can be found on p.89 of our [2023 Annual Report](#).

Due diligence for oil suppliers:

As we are transforming from a traditional oil refiner into a provider of renewable and circular solutions, we continue to produce high-quality oil products from crude oil and condensates at our Porvoo Refinery in Finland. Neste is purely a buyer of crude oil; we do not own shares in any company producing crude oil, nor are we engaged in oil exploration or drilling. Additionally, we do not purchase crude oil from Arctic sea areas, sanctioned countries or conflict areas.

The due diligence process for our crude oil and other fossil raw material suppliers includes a country risk assessment and counterparty risk assessment. We also conduct a sustainability review of all new suppliers based on publicly available information regarding topics outlined in the Neste Supplier Code of Conduct, including human rights, forced labor and child labor.

The sustainability review is renewed for fossil raw material suppliers every three years. In 2023, a total of 46 suppliers were assessed. We continued to assess all new suppliers and potential suppliers from countries identified as high risk in our country risk assessment. For more information, see p.89 of our 2023 [Annual Report](#).



Responsible recruitment

Neste is committed to advancing responsible recruitment in our operations and value chains, to ensure fair, ethical and transparent recruitment processes that protect the rights and wellbeing of jobseekers. In 2023, Neste took various actions to drive responsible recruitment, including:

- Adding no-recruitment-fee clauses to contracts with recruitment agencies and staffing firms used by Neste.
- Strictly enforcing Neste's Supplier Code of Conduct no-recruitment-fee policy in sustainability audits conducted on suppliers of renewable raw materials.
 - For example, in 2022, we identified that workers employed by one of our suppliers in the Middle East had paid recruitment fees. We worked closely with our supplier to develop time-bound remedial actions, ensuring that by early 2023, all fees had been fully reimbursed to the affected workers.
- Auditing the migrant worker recruitment agencies used by one of Neste's suppliers in both their sending and receiving countries.
- Using anonymous worker voice surveys to improve our visibility on recruitment practices affecting supply chain and contracted workers.
- Using posters, induction training, and regular social toolbox meetings to educate the migrant workers employed by contractors operating on Neste sites about their labor rights and to encourage them to report concerns directly to Neste.

In addition, through our participation in the Consumer Goods Forum's People Positive Palm Project, we provide training for Neste's PFAD suppliers to help strengthen their management systems for responsible recruitment. As part of this project, we are also engaging in collective advocacy with the governments of Malaysia and the sending countries of migrant workers, supported by the Fair Labor Association (FLA) and the UN International Organization for Migration (IOM).



Worker voice

As Neste's global business continues to grow, so does the reach of our supply chains and the number of workers impacted by our business activities worldwide. This means that we also need to grow our ability to capture these workers' voices in a systematic manner.

Engaging directly with workers enhances Neste's visibility of issues impacting rights holders on the ground, enabling more targeted and effective human rights due diligence.

In 2022–2023, we launched and implemented worker voice technology in Neste's operations and supply chains to scale up our worker engagement. The [technology](#) uses an audiovisual survey to enable direct and anonymous engagement with workers on mobile devices.

The survey provides insights into various topics affecting workers employed by our suppliers and contractors – for example, inequality, living wages, recruitment fees and children's access to education, all priority areas in Neste's human rights ambition for 2030.

Since launching the technology, we have conducted 215 anonymous worker voice surveys across the Middle East, US, India and Finland

What do we do if indicators of modern slavery are found?



We take seriously and investigate all complaints and allegations of suspected human rights violations. Where adverse impacts have occurred that Neste has not caused or contributed to, but which are directly linked to Neste's activities through our business relationships, Neste seeks to use its leverage to prevent or mitigate the risk of the impacts continuing or recurring.

Our primary means of action is engagement and cooperation with our supplier to remedy the issue.⁶ This is because we seek to prioritize the wellbeing of those whose rights have been harmed, and ending purchases does not resolve problems or provide access to remedy for affected rights holders.

If the sustainability criteria (including on topics related to human rights, forced and child labor) or contractual requirements included in our contracts have been verifiably breached, their nature is considered serious, and progress to resolve those issues is not made in a reasonable time, we will terminate our contract with the supplier or contractor in question.

More information on our grievance procedures can be found on p.9 & 23 Read more about how we ensure access to appropriate and effective remedy in our [Human Rights Principle](#).

We address adverse human rights impacts once we become aware of them and take action by:⁷

- Conducting a thorough and impartial investigation and depending on the severity of the impact, selecting the course of action (e.g. supplier engagement, audits by our own local sustainability specialists or a third-party auditor).
- Implementing immediate actions to address any urgent or critical issues identified during the investigation.
- Requiring a detailed plan with a timeline for corrective actions from the supplier.
- Cooperating with the supplier and other stakeholders to help develop their operations, practices and processes, perform necessary corrective actions, and monitor the outcomes.
- Monitoring and reporting on the progress online via Neste's log of renewable raw material supply chain grievances.
- Ending purchases if we do not see adequate progress or if the supplier loses relevant certifications.
- Reviewing, improving and adjusting our processes where needed.

⁶ While this is Neste's primary process, our approach allows for more stringent actions to be taken straight away, for example in cases of severe human right abuse, or where more drastic measures are required by law.

⁷ With reference to the Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act, Neste has not assessed whether its efforts to eliminate forced and child labor in 2023 have caused income loss for vulnerable families in its operations and supply chains.

6. Training & Capacity Building

Understanding that risk assessments, due diligence processes and sustainability audits alone are not sufficient for tackling an issue as hidden and complex as modern slavery, we are also committed to training our employees on our policies, and engage in capacity building with suppliers operating in high risk sectors and geographies.

Training our employees:

The specialists on our human rights team undergo regular training to stay updated on the best practices in business and human rights, and engage in information-sharing and peer-learning with other specialists and experts in the field to collaboratively tackle challenging topics. For example, through our membership and participation in the [Nordic Business Network for Human Rights](#), our human rights specialists attend full day member meetings multiple times a year, including talks, workshops and round-table discussions. We are also a member of the Finnish corporate responsibility network FIBS, and throughout 2023, our human rights specialists participated in various sessions on business and human rights, which included training on living wages/incomes and other topics to address the root causes of forced labor. In addition to our membership in these networks, our attendance and participation at the annual UN Forum on Business and Human Rights serves as a platform for us to evaluate our approach and learn from others.

All of our employees are required to complete a mandatory Code of Conduct e-learning course, which includes topics on modern slavery and advancing respect for human rights. It highlights our basic expectation for all employees to be aware of how their work impacts the human rights of people in our operations, value chain and communities. For example, all employees are expected to understand how to recognize potential human rights risks in their daily work and decision-making, and know how to recognize and report signs of modern slavery.

We have also integrated human rights and modern slavery training into both our global induction for all new Neste employees, and our Supplier Code of Conduct e-learning. The Supplier Code of Conduct e-learning is available to all Neste employees, and mandatory for employees whose roles are relevant to procurement and supply. The training covers our minimum human rights requirements for suppliers, as well as additional information to help employees understand risks and communicate about them with suppliers e.g. an explanation of the ILO Indicators of Forced Labor, practical guidance on how to identify and report signs of modern slavery, case studies, and information on modern slavery country risks in regions where Neste has operations and supply chains. In 2023, training on child and forced labor was carried out for 1,667 employees as part of Neste's Code of Conduct e-learning.

In 2023, 2,667 hours were used for training Neste employees on human rights and modern slavery topics relevant to Neste's business operations and supply chains. 85% of all Neste employees and 86% of the new employees hired in 2023 completed training on topics related to Neste's human rights policies and processes. On top of this mandatory training, many of our employees attended various optional workshops and seminars on modern slavery held throughout the year.



In 2023,

85%

of Neste employees completed training on topics related to Neste's human rights policies and processes.

Training for Neste suppliers and contractors:

We believe that close engagement and collaboration with our contractors and raw material suppliers provides us the best opportunities to advance human rights and proactively mitigate modern slavery risks within our supply chains. We therefore engage regularly in capacity building with our suppliers and contractors.

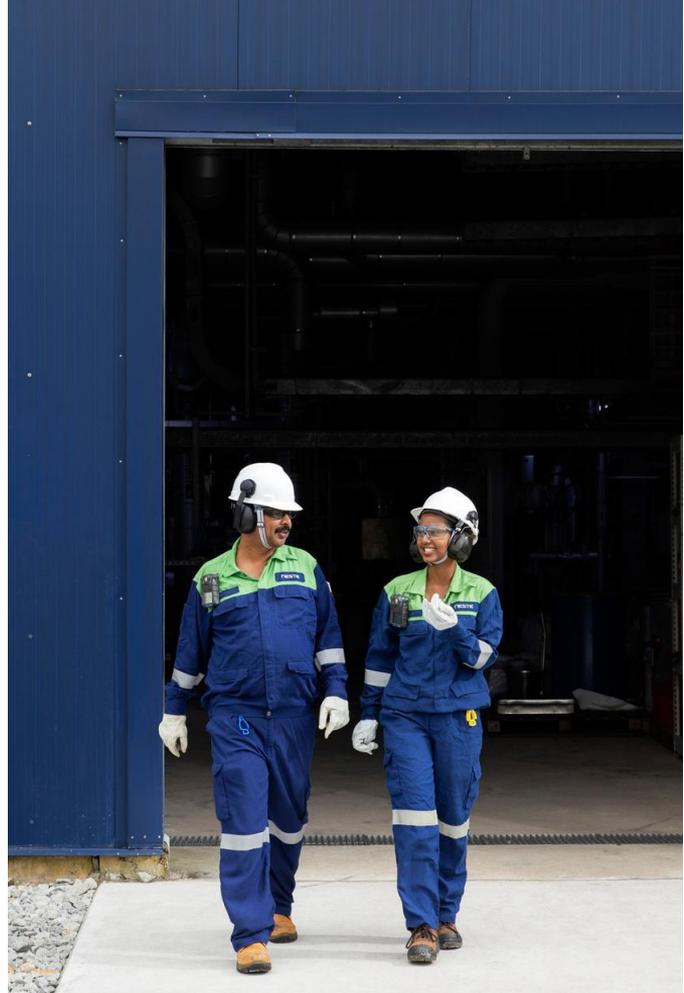
In 2023, Neste organized Supplier Code of Conduct training and capacity building for our main contractors at the Rotterdam refinery and selected renewable raw material suppliers. The training sessions focused on regulatory compliance, responsible business conduct, occupational health and safety, environmental and climate change, and human and labor rights topics (including human rights due diligence, forced labor, recruitment fees, child labor and more). More than 130 raw material suppliers and contractors joined the different capacity building sessions, with over 275 participants globally.



More than 130 raw material suppliers and contractors joined capacity building sessions, with over 275 participants globally.

We have arranged annual workshops for our PFAD and palm oil suppliers since [2015](#) to foster dialog and clarify Neste's sustainability requirements and expectations. In August 2023, we arranged our latest two-day sustainability workshop, with more than 20 of our PFAD suppliers and sub-suppliers from the APAC region attending the event. This time, we focused heavily on regulation and compliance such as the EU Regulation on Deforestation-free Products (EUDR) and Human Rights Due Diligence (HRDD) on key issues in the palm sector such as forced and child labor. Other topics included the promotion of living wages in our supply chains and discussing the Neste Responsible Sourcing Principle and Supplier Code of Conduct requirements. You can read more about our engagement with PFAD and palm oil suppliers, including our work to support smallholders, on p.93 of our [2023 Annual Report](#).

We are working in collaboration with SOS Children's Villages India to support vulnerable families and improve children's lives through education and life skills training in Kolkata, Nagapattinam and Bawana. Through this partnership, SOS Children's Villages also offers guidance and local expertise to deepen Neste's understanding of children's rights issues in our supply chains in India. In 2023, SOS Children's Villages conducted a training session on children's rights for Neste employees responsible for our operations and supply chains in India.





7. Working with others

We believe that human rights are best advanced through collaboration. We actively seek out opportunities to work with stakeholders, to collaboratively enhance our leverage to tackle the root causes of modern slavery, and contribute to systemic positive change.

Neste is an active member of the [Nordic Business Network for Human Rights](#). This helps us stay updated on the most recent knowledge and trends in business and human rights, and provides us with a space to share difficult dilemmas with experts and peers. The network is chaired by the Danish Institute for Human Rights. Neste is one of 12 companies in the NBNHR who have signed a [joint statement](#) in support of EU legislation on mandatory human rights due diligence, published in January 2021, emphasizing the urgent need to harness the transformative power of the UNGPs across all industries and value chains, in the pursuit of tackling complex issues like modern slavery and realizing universal human rights for all.

We are a member of the [Consumer Goods Forum \(CGF\) Human Rights Coalition](#). Members of the coalition are committed to helping achieve fair and decent working conditions worldwide by driving individual and collective action in their own operations and supply chains. Neste is committed to ensuring 100% of our own operations are covered by robust human rights due diligence systems by 2025 in line with the Consumer Goods Forum's [Maturity Journey Framework](#). In addition, through our participation in the Consumer Goods Forum's [People Positive Palm Project](#), we provide training for Neste's PFAD suppliers to help strengthen their management systems for responsible recruitment. As part of this project, we are also engaging in collective advocacy with the governments of Malaysia and the sending countries of migrant workers, supported by the Fair Labor Association (FLA) and the UN International Organization for Migration (IOM).

Understanding the urgent need to address the root causes of modern slavery through building inclusive economies and reducing inequalities, Neste is an active member of the World Business Council for Sustainable Development (WBCSD) [Business Commission to Tackle Inequality \(BCTI\)](#), a cross-sector, multi-stakeholder coalition representing business, civil society, intergovernmental institutions, academia, the labor movement, and the investor community. In 2022–2023, we helped shape and develop the BCTI's flagship report, [Tackling Inequality: An Agenda for Business Action](#), outlining key actions for individual companies to take in contributing to global efforts to address mounting inequality. Throughout 2023, we were also active in various BCTI working groups, masterclasses and roundtable discussions, to jointly address systemic issues and create more impactful solutions for tackling inequality that go beyond our individual efforts.

We are involved in multiple collaborative initiatives to advance respect for human rights and address the risks of forced labor in the palm sector. This includes multi-stakeholder collaboration with our suppliers, local government, smallholder farmers, NGOs and major brands to drive positive impacts along the value chain. Read more about these initiatives in our [previous Modern Slavery Statements](#) and [2023 Annual Report](#), p. 93.

Collaborating to respect children's rights

Neste is committed to respecting, supporting and promoting children's rights, and implements the [Children's Rights and Business Principles](#) throughout its business operations and value chains, including in our workplace, marketplace and communities. We recognize and respect The Convention on the Rights of the Child and its four core principles.

In 2023, Neste was once again [recognized](#) as a Leader in Global Child Forum's global children's rights and business benchmark, [The State of Children's Rights and Business 2023](#). Neste was ranked among the top 15 companies out of the 795 benchmarked companies across eight sectors and six regions and placed as 2nd out of the 119 companies in the energy and utilities sector. The report recognizes Neste for making further improvements to its score since the 2021 benchmark and setting a positive example for the whole sector.

The Neste [Human Rights Principle](#) identifies the rights of children and young workers as a salient human rights issue for our company, and defines expectations for addressing children's rights issues in Neste's operations and supply chains. This includes prohibiting child labor, ensuring the rights to education and health for children, and upholding the right to just and favorable work conditions and no hazardous work for young workers.

We are committed to eradicating child labor and recognize the need to find durable solutions that support children and members of their families, who are in or at risk of child labor, to ensure they are given the chance they deserve to better education, protection and future.

In 2023, we worked in collaboration with [SOS Children's Villages](#) India to support vulnerable families and improve children's lives through education and life skills training in Kolkata, Nagapattinam and Bawana. Through this partnership, SOS Children's Villages also offers guidance and local expertise to deepen Neste's understanding of children's rights issues in our supply chains in India. In 2023, SOS Children's Villages conducted training sessions on children's rights for Neste employees. They also reviewed and provided feedback on the results of our worker voice surveys for renewable raw material suppliers in India.

As detailed in our previous [Modern Slavery Statements](#), in recent years we have also continuously collaborated on various initiatives to protect the rights of children living on palm plantations. Read more about our broader activities to respect, support and promote the rights of children and youth on our [website](#).



8. Tracking progress and effectiveness

Modern slavery is a complex, multi-faceted issue, which is often hidden and can thus be challenging to address effectively. As such, we are committed to assessing the effectiveness of our due diligence activities, so that we can continuously improve, strengthen and refine our approach.

Key performance indicators (KPIs)

We have introduced sustainability KPIs to track our progress and effectiveness on topics relevant to modern slavery. These KPIs are updated on an annual basis and our performance and figures for 2023 are published in the [Neste Annual Report](#). A selection of our KPIs relevant to Modern Slavery are listed below:

Modern Slavery: Modern slavery is recognized as a material topic for Neste and has its own set of KPIs as set out in our 2023 Annual Report. Our modern slavery KPIs include targets to increase the number of employees who have received training on modern slavery, to strengthen Neste's capacity to identify, assess, and address human rights risks in our operations and supply chains, and to achieve the Leadership Level for 100% of own operations by 2025 in the human rights due diligence initiative under the Consumer Goods Forum's Human Rights Coalition.

Ethics, compliance and corporate governance: We have KPIs in place to track and publicly disclose the number and type of grievances that have been raised in person or via [Ethics Online](#), and encourage employees and external stakeholders to report observed or suspected misconducts. Our KPIs also track the number of employees who have completed our Code of Conduct e-learning which includes topics on modern slavery.

Supply chain and raw material sustainability: These KPIs track the percentage of business partners who have committed to Neste's minimum sustainability requirements in the Supplier Code of Conduct (which include specific criteria on forced and child labor). They also track the total number of sustainability audits conducted annually and the number of Neste's renewable raw material supplier sustainability assessments and Oil Product supplier desktop reviews (which both include modern slavery criteria).

Additional details on our KPI targets and progress for 2023 are available in the table on p. 39-42 of the Neste [2023 Annual Report](#).

Grievance tracking

Neste provides access to appropriate and effective remedy by making efficient grievance mechanisms available to our rights-holders, including at the operational level and site level, and seeks to ensure that grievances are addressed early and remediated directly.

As detailed in our [previous Modern Slavery Statements](#), we have established strong procedures for tracking and processing grievances, including a cross-functional team to ensure speed and consistency in how we manage grievance cases. We track and publicly report in our annual report the number and type of grievances raised to Neste in person or via [Ethics Online](#).

We maintain a [publicly available log of sustainability-related](#) concerns and complaints raised in our renewable raw materials supply chains on our website. This grievance log is updated on a monthly basis to include new grievances as well as provide status updates on the remediation of existing grievances. The sustainability grievances logged on our website include any grievances related to modern slavery or labor exploitation in our extended raw material supply chains. More information on how we monitor and track sustainability grievances, including a [diagram of our grievance process](#) is available on our website.

We have also established grievance channels and processes at the site-level to channel local complaints and work-related concerns. You can read more about the site-level complaints channels established at our refineries to address concerns of contracted and subcontracted workers on p.9.

Suspected or identified misconducts raised via any of the above grievance channels or our whistleblowing channel, [Ethics Online](#), are reported and handled according to the Neste Misconduct Investigation Standard.

9. Looking forward

We recognize that our business and extended supply chains are not static but continually changing. As a fast-evolving organization, it is essential that we remain aware of emerging risks in our new supply chains and alert to the complex nature of modern slavery. We are committed to improving our understanding and management of modern slavery risks over time, and will continue to reflect on, develop and extend our approach to modern slavery, both in breadth across our key business segments, and in the depth of work within our raw material supply chains and sourcing regions.

We know that there is more work to do and we expect our approach to managing the risk of modern slavery to evolve as we learn from our risk assessments and due diligence processes.

We work according to our values: We care. We have courage. We cooperate.

This Statement was approved by the Board of Directors of Neste Corporation on 24 April 2024.

Signed

Matti Lehmus

President and CEO, Neste



NESTE

Change runs on renewables