

NESTE

Annual Report 2024

Corporate Governance Statement





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Corporate Governance Statement 2024

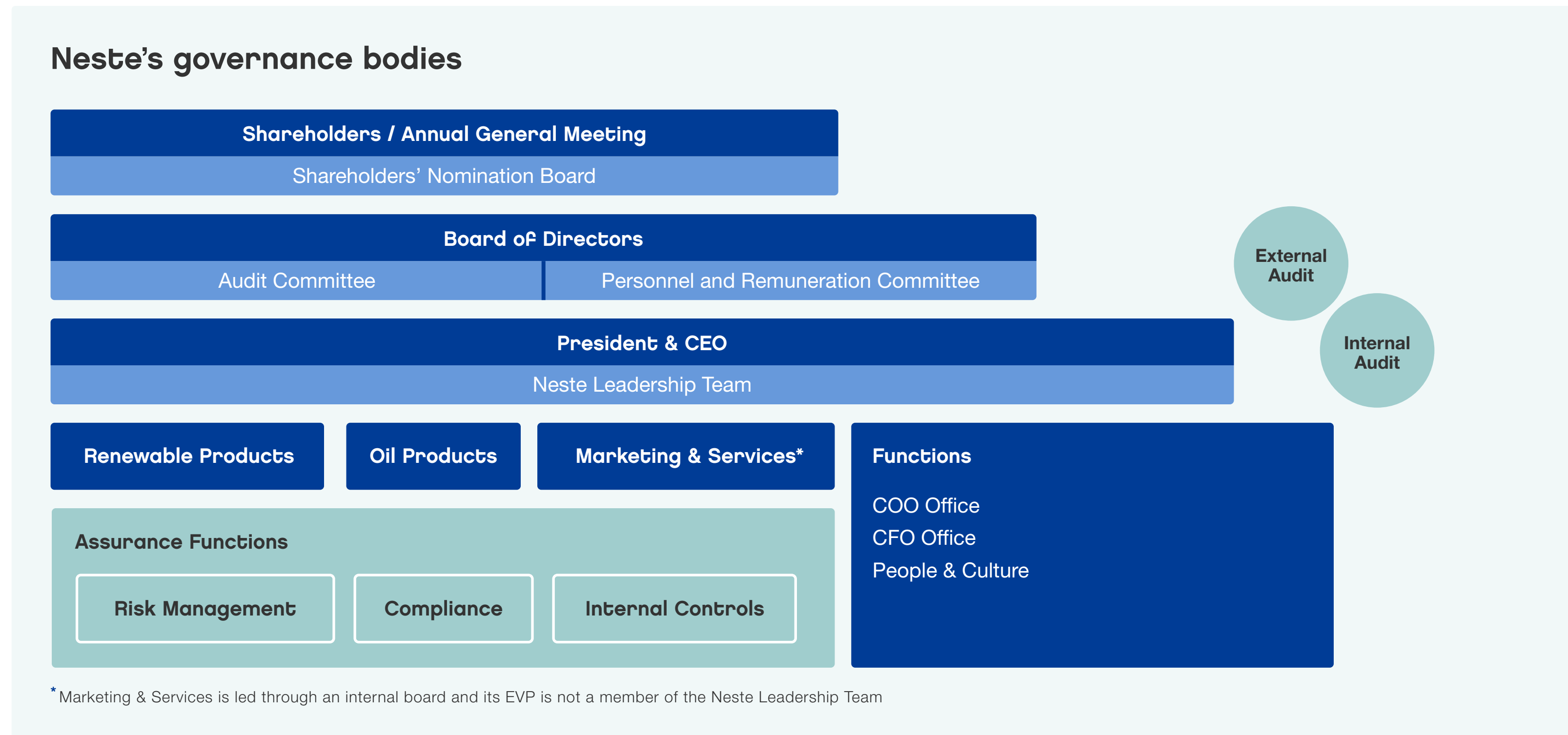
This Corporate Governance Statement has been prepared pursuant to the Finnish Corporate Governance Code 2025, Chapter 7, Section 7 of the Finnish Securities Markets Act, as well as Section 7 of the Ministry of Finance's Decree on the Regular Duty of Disclosure of an Issuer of a Security. The Corporate Governance Statement is issued separately from the Review by the Board of Directors. The Review by the Board of Directors is presented on pages 90–154 of Neste's Annual Report 2024 and it can be found, in addition to the Annual Report, at <https://www.neste.com/investors>

Regulatory framework

Neste Corporation ("Neste" or the "Company") observes good corporate governance practices in accordance with the laws and regulations applicable to Finnish listed companies, the Company's own Articles of Association, and the Finnish Corporate Governance Code 2025. The Corporate Governance Code can be found at cgfinland.fi/en/. Neste also complies with the rules of Nasdaq Helsinki Ltd, where it is listed, and the rules and regulations of the Finnish Financial Supervisory Authority.

Neste's Audit Committee has reviewed the Corporate Governance Statement, and the Company's Auditor, KPMG Oy Ab, has monitored that it has been issued, and that the description of the main features of the internal control and risk management related to the financial reporting process included in the statement match the Financial statements.

Neste issues Consolidated Financial statements and interim reports in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, the Securities Markets Act, as well as the appropriate Financial Supervisory Authority standards, and Nasdaq Helsinki Ltd's rules. The Review by the Board of Directors and the Parent Company's Financial statements are prepared in accordance with the Finnish Accounting Act and the opinions and guidelines of the Finnish Accounting Board.



Governance bodies

The control and management of Neste is split between the Annual General Meeting of Shareholders (AGM), the Board of Directors (Board), and the President and Chief Executive Officer (President and CEO). Ultimate decision-making authority lies with the shareholders at the AGM, which appoints the members of the Board, the Auditor and the Sustainability Reporting Assurer. The Board is responsible for Neste's strategy and overseeing

and monitoring the Company's business. The Board appoints the President and CEO. The President and CEO, assisted by the Neste Leadership Team (NLT), is responsible for managing the Company's business and implementing its strategic and operational targets. Neste's headquarters is located in Espoo, Finland.

Annual General Meeting

Under the Finnish Companies Act, shareholders exercise their decision-making power at General Meetings of Shareholders by attending the meetings in person or through an authorized representative. Each share entitles the holder to one vote.

Shareholders at the AGM make decisions on matters including:

- the approval of the Financial statements;
- the distribution of profit for the year detailed in the Balance Sheet;
- discharging the members of the Board and the President and CEO from liability;
- if necessary, the approval of the Remuneration Policy;
- the approval of the Remuneration Report; and
- the election and remuneration of the Chair, the Vice Chair, and the members of the Board, the Auditor and the Sustainability Reporting Assurer.

The AGM is held annually before the end of June. An Extraordinary General Meeting of Shareholders addressing specific matters can be held when considered necessary by the Board, or when requested in writing by the Company's Auditor or by shareholders representing at least one tenth of all Company shares.

Under the Articles of Association, an invitation to a General Meeting of Shareholders must be delivered to shareholders by publishing it on the Company's website at [neste.com](https://www.neste.com) no earlier than two months, and no later than three weeks, prior to a meeting, but at least nine days before the record date set for the meeting under the terms of the Companies Act. In addition, the Company may, if the Board decides, publish details on the date and time and location of the meeting, with the address of the Company's website, in one or more newspapers.

Neste is unaware of any shareholders' agreements regarding the Company's shares.

2024

Neste Corporation's 2024 AGM was held on 27 March 2024 at Messukeskus, Helsinki Expo and Convention Centre. The AGM supported all the proposals presented to the meeting and approved the remuneration report and the remuneration policy. The AGM also approved the amendment of the Charter for the Shareholders' Nomination Board resulting in, among other things, that the composition of the Nomination Board will in the future be determined according to the votes produced by the share ownership on the first banking day in June. The AGM adopted the Company's Financial statements and Consolidated Financial statements for 2023 and discharged the Board and the President and CEO from liability for 2023.

The AGM approved the Board's proposal for a dividend of EUR 1.20 per share, which was paid in two installments based on the approved 2023 balance sheet. The first installment, EUR 0.60 per share, was paid on 9 April 2024 to shareholders who were registered in the company's shareholder register on the record date for the first installment, 2 April 2024. The second installment, also EUR 0.60 per share, was paid on 9 October 2024 to shareholders who were registered in the company's shareholder register on the record date for the second installment, 2 October 2024.

In accordance with the proposal made by the Shareholders' Nomination Board, the AGM confirmed the number of members of the Board at ten. The AGM decided the composition of the Board and the remuneration to be paid to the members of the Board, and appointed the Auditor and Sustainability Reporting Assurer. The AGM also approved the Board's proposals to the AGM concerning authorisations to the Board to decide on share buy-backs and share issues as well as amendments to the Articles of Association.

Shareholders' Nomination Board

Based on a decision by the AGM, the Company has a permanent Shareholders' Nomination Board, which is, according to its [Charter](#), responsible for drafting and presenting proposals covering the remuneration and number of members of the Company's Board and for presenting candidates as potential Chair, Vice Chair, and members of the Board to the AGM and to an Extraordinary General Meeting of Shareholders when required. The Shareholders' Nomination Board is also responsible for identifying successors for existing Board Members.

The Shareholders' Nomination Board consists of three members appointed by the Company's three largest shareholders, who appoint one member each. The Chair of the Company's Board acts as an expert to the Nomination Board. The Shareholders' Nomination Board elects a Chair among its members.

The Company's largest shareholders entitled to elect members to the Shareholders' Nomination Board shall be annually determined on the basis of the registered holdings in the Company's list of shareholders held by Euroclear Finland Ltd. as of the first banking day in June in the year concerned.

The Chair of the Company's Board requests each of the three largest shareholders established on this basis to nominate one member to the Shareholders' Nomination Board. In the event that a shareholder does not wish to exercise their right to appoint a representative, the right passes to the next largest shareholder who would not otherwise be entitled to appoint a member.

The Chair of the Board convenes the first meeting of the Shareholders' Nomination Board, which is responsible for electing a Chair from among its members; the Shareholders' Nomination Board's Chair is responsible for convening subsequent meetings. When the Shareholders' Nomination Board has been selected, the Company issues a release to this effect.

The Shareholders' Nomination Board serves until further notice unless a General Meeting of Shareholders decides otherwise. Its members are appointed annually, and their term of office ends when new members are appointed to replace them.

The Shareholders' Nomination Board forwards its proposals for the AGM to the Company's Board annually by 31 January, prior to the holding of the AGM. Proposals intended for a possible Extraordinary General Meeting of Shareholders are forwarded to the Company's Board in time for them to be included in the invitation to the meeting sent out to shareholders.

Composition of the Shareholders' Nomination Board prior to the 2025 AGM

On 7 June 2024 the following members were appointed to Neste's Shareholders' Nomination Board: Director General Maija Strandberg of the Ownership Steering Department in the Prime Minister's Office of Finland, as the Chair, and Senior Vice President, Investments Timo Sallinen of Varma Mutual Pension Insurance Company and President and CEO Jouko Pölönen of Ilmarinen Mutual Pension Insurance Company, as its members. Matti Kähkönen, the Chair of Neste's Board, acts as an expert to the Nomination Board.

The Shareholders' Nomination Board convened 8 times between 31 January 2024 and 31 January 2025, and the members of the Shareholders' Nomination Board attended each meeting as follows:

	Attendance
Maija Strandberg	8/8
Timo Sallinen	8/8
Jouko Pölönen	8/8

Decisions on the proposals for the 2025 AGM were made by the members of the Shareholders' Nomination Board in a manner set out in more detail in the stock exchange release published on 18 December 2024.

Composition of the Shareholders' Nomination Board prior to the 2024 AGM

On 6 September 2023 the following members were appointed to Neste's Shareholders' Nomination Board: the Chair, Senior Ministerial Adviser, Financial Affairs Maija Strandberg of the Ownership Steering Department

in the Prime Minister's Office of Finland; Timo Sallinen, Senior Vice President, Investments of Varma Mutual Pension Insurance Company; President and CEO Jouko Pölönen of Ilmarinen Mutual Pension Insurance Company; and Matti Kähkönen, Chair of Neste's Board. The Shareholders' Nomination Board presented its proposal covering the members of the Board on 31 January 2024.

Shareholders' Nomination Board members

Maija Strandberg

M.Sc. (Econ.),
Chair of the Shareholders' Nomination Board
Born in 1969

Director General of the Ownership Steering Department in the Prime Minister's Office of Finland. Member of the Board and Audit Committee of SSAB AB (publ). Chair of Shareholder's Nomination Committee of Finnair Oyj and Fortum Oyj. Member of the Nomination Committee of Kuntarahoitus Oyj and Neova Oy.

Holdings in Neste Corporation

on 31 December 2024:
00 holdings. ¹⁾

Prime Minister's Office:
340,107,618 shares. ²⁾

Timo Sallinen

M.Sc. (Econ.),
Member of the Shareholders' Nomination Board
Born in 1970

Senior Vice President, Investments of Varma Mutual Pension Insurance Company. Member of the Shareholders' Nomination Board of Nordea, Nokian Renkaat, Finnair, Atria, Robit and Vincit.

Holdings in Neste Corporation

on 31 December 2024:
00 holdings. ¹⁾

Varma Mutual Pension Insurance Company:
11,551,622 shares. ²⁾

Jouko Pölönen

eMBA, M.Sc. (Econ. & Bus. Adm.),
Member of the Shareholders' Nomination Board
Born in 1970

President and CEO, Ilmarinen Mutual Pension Insurance Company. Chair of the Board of The Finnish Foundation for Share Promotion. Member of the Board of the Finnish Pension Alliance TELA. Member of the Board of Nokian Tyres plc. Member of the Board of Finance Finland. Member of the Board of Excellence Finland.

Holdings in Neste Corporation

on 31 December 2024:
10,783 shares. ¹⁾

Ilmarinen Mutual Pension Insurance Company:
19,726,508 shares. ²⁾

Other Shareholders' Nomination Board members in 2024

Matti Kähkönen

(born in 1956)
M.Sc. (Engineering)
Member of the Shareholders' Nomination Board until 7 June 2024
– Acts as an expert to the Nomination Board. Participated in 2/2 meetings between 31 January 2024 and 7 June 2024.

Holdings in Neste Corporation on 31 December 2024:

¹⁾ Own holdings and controlled entities.

²⁾ Shareholder's holdings represented by the member of the Shareholders' Nomination Board.

Board

Under the Company's Articles of Association, the Board consists of five to ten members elected at the AGM for a term ending at the following AGM.

Diversity of the Board

In planning the composition of a skilled, competent, experienced, and effective Board, the Shareholders' Nomination Board also follows the following diversity principles defined by the Company. A cooperative and functional Board requires diversity for it to be able to respond to the requirements set out in Neste's business and strategic objectives and to support and challenge the company's operational management proactively and constructively.

Significant factors concerning the composition of the Board include a variety of competences that complement the other members of the Board, education and experience in different professional and industrial fields, and in business operations and management in different development phases, as well as the personal qualities of each member, all of which add diversity to the Board. The diversity of the Board is also supported by experience in industrial fields and markets that are strategically significant for Neste, experience and abilities in technologies and the international operating environment, and by a diverse age and gender distribution so that both genders are always adequately represented in the Board. In considering the composition of the Board, it is important to pay attention to Neste's current and evolving needs, and to ensure that the Board, as a whole, enables the current and future business development of Neste, which diversity also supports.

Neste's Board was composed of ten members after the 2024 AGM. Heikki Malinen served on Neste's Board until 13 June 2024, after which Neste's Board consisted of nine members. All the Board's members hold a university-level degree, and two have doctorate degrees. These degrees are from various fields, with technical fields and economics in the majority. A majority of members of the Board has international work experience in

different types of positions and has worked or is working in the Board or the management of listed or unlisted companies. Two members have worked in managerial positions at major international petrochemical companies. The Board is also diverse in terms of cultural background: the members come from four different countries and speak four different native languages. Women comprise 33% of all members of the Board. Regarding age, the members of the Board are divided evenly between 51 and 68 years of age. The duration of the terms of office of the Board members is divided as follows: Four members have been on the Board for three or more years, while five members have been on the Board for less than three years.

Activities of the Board

The Board must have at least eight regular meetings annually, all scheduled in advance, with extraordinary meetings when necessary. Extraordinary meetings, if requested by a Board member or the President and CEO, are convened by the Chair, or, if the Chair is prevented from attending, by the Vice Chair, or if deemed necessary by the Chair. The Board constitutes a quorum if more than half its members are present. The Board is responsible for preparing an operating plan for itself for its period of office between AGMs, including a timetable of meetings and the most important matters to be addressed at each meeting. The Board evaluates its performance annually to determine whether it is functioning effectively after the end of each financial year. New Board members participate in an onboarding program that covers all material areas of the company's operations.

Duties of the Board

The Board's responsibilities and duties are defined in detail in the [Charter](#) approved by the Board. A member of the Board may not take part in decision making in matters regarding (i) agreements between such member and any entity within the Neste Group, (ii) agreements between any entity within the Neste Group and

third parties where such a member has a material interest in the matter which may conflict with the interests of Neste or any other entity within the Neste Group, and (iii) agreements between any entity within the Neste Group and a legal entity at which such member may represent, either individually or with any other person; provided however, that this point (iii) does not apply where the party contracting with Neste is a company within the Neste Group. The term "agreement" as used here includes litigation or other legal proceedings arising from or related to such agreements.

2024

The 2024 AGM confirmed the membership of the Board at ten members, and the following were re-elected to serve until the end of the next AGM: Matti Kähkönen, John Abbott, Nick Elmslie, Just Jansz, Heikki Malinen, Eeva Sipilä and Johanna Söderström. Conrad Keijzer, Pasi Laine and Sari Mannonen were elected as new members. Matti Kähkönen was re-elected as Chair and Eeva Sipilä was re-elected as Vice Chair. Heikki Malinen served on Neste's Board until 13 June 2024, after which Neste's Board consisted of nine members.

The Board convened 18 times in 2024. The attendance rate at the meetings was 92.9%. In addition to the process resulting in Heikki Malinen being appointed as the President and CEO of the Company as of 15 October 2024 and other changes in the Company's senior management during 2024, the Board focused on supervision of strategy execution relating to, e.g., the continued scale-up of the Company's sustainable aviation fuel (SAF) business as well as evaluating the changes in the long-term operational environment and their impact on the Company. The Board also monitored the expansion and ramp-up of the Company's renewables feedstock platform, including in relation to the on-going Rotterdam

expansion project. Sustainability topics, such as the build-up of new CSRD sustainability reporting readiness, were also on the Board agenda in 2024. In addition to the above and matters set out in the Board Charter, the Board continuously monitored the Company's safety, financial and operational performance, as well as risk management. The Board work has during the year been assessed by an external consultant.

Board of Directors, 31 December 2024

	Position	Born	Education	Main Occupation	Independent of the company	Independent of major shareholders	Personnel and Remuneration Committee	Audit Committee	Attendance at meetings	
									Board	Committees
Matti Kähkönen	Chair	1956	M.Sc. (Eng.)	Non-Executive Director	•	•			18/18	1/1
John Abbott	Member	1960	B.Sc. (Chem. eng.)	Non-Executive Director	•	•		•	17/18	5/5
Nick Elmslie	Member	1957	B.Sc. (Chem.)	Non-Executive Director	•	•	•		18/18	5/5
Just Jansz	Member	1957	Ph.D. (Chemical Metallurgy)	Independent board member and advisor, Managing Director of Expertise Beyond Borders	•	•		•	17/18	5/5
Conrad Keijzer	Member	1968	M.Sc. (Industrial Engineering)	CEO, Clariant	•	•		•	12/15	3/4
Pasi Laine	Member	1963	M.Sc. (Eng.)	President and CEO, Valmet ¹⁾	•	•	•		12/15	3/4
Sari Mannonen	Member	1966	Ph.D. (Biochemistry)	Senior Vice President, New Business & Hydrogen, Helen	•	•	•		15/15	4/4
Eeva Sipilä	Member	1973	M.Sc. (Econ.), CEFA	Chief Financial Officer, Deputy to CEO, Metso Corporation	•	•		•	18/18	5/5
Johanna Söderström	Member	1971	M.Sc. (Econ.)	EVP, Chief People Officer at Tyson Foods Inc ¹⁾	•	•	•		18/18	5/5

¹⁾Main occupation ended in 2024.

The shareholdings of the members of the Board of Directors are presented below their CVs. The remuneration paid to the members of the Board of Directors is detailed in the Remuneration Report.

Members of the Board of Directors



Matti Kähkönen

(born in 1956)

M.Sc. (Engineering)
Chair of the Board since 2018
Member of the Board since 2017
Independent member

Senior Advisor, Metso Corporation 2017–2019.
President and CEO, Metso Corporation 2011–2017.
Executive Vice President and Deputy to the CEO,
Metso Corporation 2010–2011. President, Mining and
Construction Technology, Metso Corporation 2008–2011.
President, Metso Minerals 2006–2008. President, Metso
Automation, 2001–2006. President, Metso Automation,
Field Systems Division 1999–2001. Prior to 1999,
various managerial and development positions in Neles-
Jamesbury and Rauma-Repola. Chair of the Board of
Directors at Kemira 2022–.

Holdings in Neste Corporation on 31 Dec 2024:
16,282 shares.¹⁾



John Abbott

(born in 1960)

B.Sc. First Class Honours, Chemical Engineering
Member of the Board since 2021
Independent member

Downstream Director and a Member of the Executive
Committee of Royal Dutch Shell plc 2013–2019.
Executive Vice President of Global Manufacturing at Shell
2012–2013. Executive Vice President of Shell's Upstream
Americas Heavy Oil business, based in Calgary, Canada
2008–2012. Vice President Manufacturing (Refining
and Chemicals) Excellence and Support at Shell based
in Houston, USA 2006–2008. Various positions at
Shell in the UK, Singapore, Thailand, The Netherlands,
Canada, and the USA, predominantly in the areas of
Global Manufacturing (Refining and Chemicals) as well
as Supply, Trading and Distribution 1981–2006. In 1994,
he was also seconded to the British Government for a
short assignment. Non-Executive Director of Fiat Chrysler
Automobiles 2018–2021. Senior Non-Executive Director
of the Intercontinental Exchange (ICE) Futures Europe
2021–. Non-Executive Director of ICE Clear Europe
2023–. Member of Neste's Audit Committee.

Holdings in Neste Corporation on 31 Dec 2024:
1,822 shares.¹⁾



Nick Elmslie

(born in 1957)

B.Sc. (Chemistry)
Member of the Board since 2020
Independent member

Chief Executive, BP Global Petrochemicals based in
Shanghai 2011–2015. Controller, Head of Finance
Function, BP Downstream 2006–2011. Various directorial
positions at BP plc., including Chief Executive, Acetyls
Business and Business Unit Leader, Head of Chemicals
Strategy and CFO, Polymers & Olefins 1992–2006.
Various positions at BP plc 1978–1992. Member of the
Board and Investor at 3FBio Ltd 2017–, Chair 2023–.
Member of the Supervisory Board of OTI Greentech AG
2017–. Member of the Board of Fosroc Group Holdings
Limited 2009–. Member of Neste's Personnel and
Remuneration Committee.

Holdings in Neste Corporation on 31 Dec 2024:
3,822 shares.¹⁾

¹⁾ Holdings in Neste Corporation: own holdings and controlled entities.

Members of the Board of Directors



Just Jansz

(born in 1957)

Ph.D. (Chemical Metallurgy), M.Sc. (Mineral Engineering)
Member of the Board since 2022
Independent member

Independent board member and advisor 2011–.
Managing Director of Expertise Beyond Borders 2011–.
President Technology Business, Basell / LyondellBasell
2004–2010. Senior Vice President, Advanced Polyolefins,
Basell 2001–2004. Various managerial positions at Shell
affiliate companies 1989–2000. Member of Neste's Audit
Committee.

Holdings in Neste Corporation on 31 Dec 2024:
1,822 shares.¹⁾



Conrad Keijzer

(born in 1968)

M.Sc. (Industrial Engineering)
Member of the Board since 2024
Independent member

CEO, Clariant, Switzerland 2021–. CEO and Director,
Imerys, France 2018–2019. Member of the Executive
Committee and Director of Performance Coatings,
AkzoNobel, The Netherlands 2013–2018. Several other
business leadership roles in the Netherlands, Germany,
Spain, the U.S. and Mexico, AkzoNobel 1994–2013.
Member of the Board and Chair of the Nomination
Committee of the European Chemical Industry Council
(Cefic) 2022–. Member of the Board of Directors of
American Chemistry Council (ACC) 2022–. Member of
Neste's Audit Committee.

Holdings in Neste Corporation on 31 Dec 2024:
1,038 shares.¹⁾



Pasi Laine

(born in 1963)

M.Sc. (Eng.)
Member of the Board since 2024
Independent member

President and CEO, Valmet 2014–08/2024. Executive
Vice President, Deputy to the CEO and President of
Metso Pulp, Paper and Power, Metso 2011–2013.
Member of the Executive Team, Metso 2006–2013.
Several other leadership roles, Metso 1998–2011.
Managing Director, Eltag Bailey Hartmann & Braun Oy
1996–1998. Various roles in Finland, Canada, Germany
and the United Kingdom, Valmet 1988–1996. Chair of the
Board of Directors at Ilmarinen Mutual Pension Insurance
Company 2020–. Member of the Board of Directors at
Konecranes Plc. 2022–, Chair 2024–. Member of Neste's
Personnel and Remuneration Committee.

Holdings in Neste Corporation on 31 Dec 2024:
1,038 shares.¹⁾

¹⁾ Holdings in Neste Corporation: own holdings and controlled entities.

Members of the Board of Directors



Sari Mannonen

(born in 1966)

Ph.D. (Biochemistry)
Member of the Board since 2024
Independent member

Senior Vice President, New Business & Hydrogen, Helen 2024–. Senior Vice President, Solutions Business & Portfolio Development, Helen 2020–2024. Vice President, UPM Biofuels 2016–2019. Several leadership roles, UPM Biofuels and Living 2011–2016. Senior Vice President, Corporate Sales & Customer Management, Lindström 2007–2009. Vice President, Sales & Marketing, Biohit 2002–2007. Several management roles, Biohit 1995–2001. Partner at Hallituspartnerit Helsinki – Board Professionals Finland 2019–. Member of the Board at LUT University, Lappeenranta & Lahti, Centre for Separation Technology (CST) 2020–. Member of the Board at Geonova 2022–2024. Member of the Board at Helen Aurinkopuisto Kalanti Oy & Kalanti Grid Oy 2022–. Member of the Board at Korkia 2022–, Vice Chair 2024–. Member of the Board at World Energy Council, WEC Finland 2022–. Member of Director's Institute Finland (DIF) – Hallitusammattilaiset ry. 2023–. Member of Neste's Personnel and Remuneration Committee.

Holdings in Neste Corporation on 31 Dec 2024:
1,038 shares.¹⁾



Eeva Sipilä

(born in 1973)

M.Sc. (Econ.), CEFA
Vice Chair of the Board since 2023
Member of the Board since 2022²⁾
Independent member

Chief Financial Officer and member of the Neste Leadership Team as of 1 May 2025 at the latest. Chief Financial Officer, Deputy to CEO, Metso Corporation 2016–2025 (Metso Outotec Corporation 2020–2023). Executive Vice President, Chief Financial Officer, Cargotec Corporation 2008–2016. Senior Vice President, Communications and Investor Relations, Cargotec Corporation 2005–2008. Various positions at Metso Corporation, Mandatum Stockbrokers part of Sampo Group and Arkwright AB 1997–2005. Supervisory Board Member, Varma, 2021–. Chair of Neste's Audit Committee.

Holdings in Neste Corporation on 31 Dec 2024:
3,198 shares.¹⁾



Johanna Söderström

(born in 1971)

M.Sc. (Econ.)
Member of the Board since 2020
Independent member

Executive Vice President, Chief People Officer at Tyson Foods Inc. 2020–2024. Senior Vice President, Chief Human Resources Officer at the Dow Chemical Company 2014–2019. Vice President, Center of Expertise Human Resources at the Dow Chemical Company 2012–2014. Various directorial HR positions at Dow Chemical Company, Dow Europe GmbH and Dow Chemical Handels- und Vertriebsgesellschaft mbH 2007–2012. Head of Global Compensation & Benefits at Huhtamäki Oyj 2006–2007. Various specialist and managerial positions at Dow Europe GmbH, Dow Chemical Handels- und Vertriebsgesellschaft mbH and Dow Suomi Oy 1999–2006. Prior to 1999, various specialist positions at Oy L M Ericsson Ab. Chair of Neste's Personnel and Remuneration Committee.

Holdings in Neste Corporation on 31 Dec 2024:
4,822 shares.¹⁾

Other Board members during 2024

Kimmo Viertola

(born in 1961)
M.Sc. (Econ.)
Member of the Board since 2023
Non-independent member of the company's significant shareholder (the State of Finland)
– Member of the Board until 27 March 2024.

Heikki Malinen

(born in 1962)
M.Sc. (Econ.), MBA (Harvard)
Member of the Board since 2023
Independent member
– Member of the Board until 13 June 2024.

¹⁾ Holdings in Neste Corporation: own holdings and controlled entities.

²⁾ Eeva Sipilä announced her resignation from the Board of the company on 13 February 2025.

Board Committees

The Board has established an Audit Committee and a Personnel and Remuneration Committee. A quorum exists when more than two members, including the Chair, are present. All members are elected from among the members of the Board for a one-year term. The tasks and responsibilities of each committee are defined in their Charters, which are approved by the Board. The schedule and frequency of committee meetings are determined by the Chair and committee members. In addition, the Board can appoint committees as needed, for example, for significant investment projects or other special tasks. Committees meet at least twice a year. Each committee reports regularly on its meetings to the Board. Reports include a summary of the matters addressed and the measures undertaken. Each committee conducts an annual self-evaluation of its performance and submits a report to the Board.

Audit Committee

Under its Charter, the Audit Committee consists of a minimum of three Board members who are independent of the Company and its subsidiaries, and at least one of whom must be independent of Neste's major shareholders. Members are required to have sufficient knowledge of accounting practices, preparation of financial statements and statutory sustainability reporting as well as other qualifications that the Board deems necessary. The Audit Committee is permitted to use external consultants and experts when deemed necessary.

Duties

The Audit Committee is responsible for overseeing the company's financial reporting and sustainability reporting processes, monitoring internal control, risk management and auditing, as well as evaluating the independence of the auditor and the provision of non-audit services. The responsibilities and duties of the Audit Committee are defined in detail in the [Charter](#) approved by the Board.

2024

Starting from 27 March 2024, the Audit Committee comprised Eeva Sipilä (Chair), John Abbott, Conrad Keijzer, Heikki Malinen and Just Jansz. In 2024, the Audit Committee convened 5 times, and the attendance rate was 95.2%. Heikki Malinen served on Neste's Audit Committee until 13 June 2024 after which Neste's Audit Committee consisted of four members.

As part of the tasks specified in its Charter, the Audit Committee supervised and reviewed during 2024 external and internal audit activities, and the Company's financial reporting and build-up of new CSRD sustainability reporting readiness. The Audit Committee also focused on risk management, especially in relation to the changes in the market environment and the financial position of the company. The Audit Committee also monitored, e.g., IT system, cybersecurity and compliance development topics as well as legal and tax matters.

Personnel and Remuneration Committee

The Personnel and Remuneration Committee consists of the Chair of the Board and at least two non-executive members of the Board.

Duties

The Personnel and Remuneration Committee is responsible for preparing the Company's remuneration principles and practices, reviewing the talent management and development process as well as planning the remuneration and succession of the President and CEO and other senior executives. The responsibilities and duties of the Personnel and Remuneration Committee are defined in detail in the [Charter](#) approved by the Board.

2024

Starting from 27 March 2024, the Personnel and Remuneration Committee comprises Johanna Söderström (Chair), Nick Elmslie, Pasi Laine and Sari Mannonen. The Personnel and Remuneration Committee convened 5 times in 2024, and the attendance rate was 95.0%.

During 2024, the Personnel and Remuneration Committee continued to focus on reviewing and developing Neste's total remuneration and talent management and development to support the Company's operational and strategic targets. The Personnel and Remuneration Committee of Neste focused on the renewal of the long-term incentive (LTI) plan to strengthen our pay for performance approach and the remuneration of the new President and CEO. In line with the duties in its Charter, the Personnel and Remuneration Committee also followed up the ongoing performance period 2024 and outcomes of rewarding based on 2023 results. In addition, the Personnel and Remuneration Committee followed up the personnel engagement level based on the Company's Pulse survey results.

President and CEO

Neste's President and CEO since 15 October 2024, Heikki Malinen (b. 1962, M.Sc. (Econ.), MBA (Harvard)), manages the Company's business operations in accordance with the Companies Act and instructions issued by the Board. The President and CEO oversees the executive management of the Company in accordance with instructions and orders given by the Board, and is responsible for ensuring that the Company's accounts are in compliance with the law, and that its financial affairs have been reliably arranged.

Neste's former President and CEO (2022–2024) Matti Lehmus (b. 1974, eMBA, M.Sc., Chemical Technology and Polymer Technology) acted as the President and CEO of Neste until 14 October 2024 and then continued as an advisor to the company and its management

until mid-November 2024.

The President and CEO is appointed by the Board, which evaluates the performance of the President and CEO annually and approves his remuneration based on a proposal from the Personnel and Remuneration Committee. Information about the remuneration of the President and CEO can be found in the 2024 [Remuneration report](#).

Neste Leadership Team

The Neste Leadership Team assists the President and CEO in managing the Company and in the deployment of the Company's strategic and operational goals. Members are appointed by the Board. The Neste Leadership Team meets regularly, on average once a month. Information about the remuneration of the members of the Neste Leadership Team can be found at [neste.com](#).

2024

The Neste Leadership Team had 12 meetings during the year. It also met regularly outside such meetings in relation to specific themes.

In addition to supporting the President and CEO in the fulfillment of his general duties, the Neste Leadership Team regularly monitored the Company's safety, financial and operational performance. The Neste Leadership Team continued during 2024 to work on strategy execution. In such a context, the strategic focus areas included, among others, both growth areas, such as the continued scale-up of the Company's sustainable aviation fuel (SAF) business, and efficiency improvements initiatives. The Neste Leadership Team also focused on the expansion and ramp-up of the Company's renewables feedstock platform, including in relation to the on-going Rotterdam expansion project. In addition, several other matters were given special attention during the year, including sustainability topics, such as the build-up of new CSRD sustainability reporting readiness, as well as cybersecurity and other compliance matters.

Members of the Neste Leadership Team



Heikki Malinen

(born in 1962)

President and CEO
M.Sc. (Econ.), MBA (Harvard)
President and CEO of Neste as of 15 October 2024

Joined the company in October 2024. President and CEO of Neste Corporation. Responsible for leading the Renewable Products business area. Previously served as President and CEO at Outokumpu Corporation 2020–09/2024. President and CEO at Posti Group Corporation 2012–2019. President and CEO at Pöyry PLC 2008–2012. Executive Vice President, Strategy, member of the Executive Team at UPM-Kymmene Corporation 2006–2008. President at UPM North America 2004–2005. President of Sales at UPM North America 2002–2003. Managing Partner at Jaakko Pöyry Consulting, New York, USA 2000–2001. several directorial and managerial roles at e.g., McKinsey & Co and UPM 1986–1999. Vice Chair, EK, Confederation of Finnish Industries 2023–. Vice Chair, Technology Finland 2023–. Member of the Board of Neste Corporation 2023–06/2024.

Holdings in Neste Corporation on 31 Dec 2024:
1,895 shares.¹⁾



Markku Korvenranta

(born 1966)

Executive Vice President, Oil Products²⁾,
and Chief Operating Officer
M.Sc. (Eng.)
Member of the Neste Leadership Team since 2021

Joined the company in 2021. Responsible for the Oil Products business area. Serves as Chief Operating Officer. Prior to his executive roles at Neste, served as SVP, Group Portfolio Development at Marquard & Bahls, in Germany 2019–2021. EVP, Base Chemicals and Member of Executive Board at Borealis in Austria 2010–2018. Before that had several directorial and managerial roles at Borealis in Austria, Finland, Denmark and Belgium 1994–2010. Has also served in various roles at Neste Chemicals in Finland 1990–1994. Member of the Board of Oiltanking in Germany 2021–. Chair of the Board of The Chemical Industry Federation of Finland 2022–2024.

Holdings in Neste Corporation on 31 Dec 2024:
2,073 shares.¹⁾



Hannele Jakosuo-Jansson

(born 1966)

Executive Vice President, People & Culture
M.Sc. (Eng.)
Member of the Neste Leadership Team since 2006

Joined the company in 1990. Responsible for human resources, safety, communications, brand, sustainability and public affairs. Prior to her executive roles at Neste, served as Vice President, Human Resources at Oil Refining 2004–2005 and Laboratory and Research Manager at the Technology Center 1998–2004. Chair of the Skills and Competence Committee of the Chemical Industry Federation of Finland 2010–. Member of the Skilled workforce Committee at the Confederation of Finnish Industries EK 2017–, Chair 2024–. Member of the Board of Finnair, Chair of the People and Remuneration Committee of the Finnair Board Plc 2021–. Directors' Institute of Finland, Senior Advisor 2023–.

Holdings in Neste Corporation on 31 Dec 2024:
39,050 shares.¹⁾

Other Neste Leadership Team members during 2024

Matti Lehmus

(born in 1974)
eMBA, M.Sc. (Chemical Technology
and Polymer Technology)
President and CEO,
Chair of the Neste Leadership Team
from 2022 until 14 October 2024
– Left his position as President and CEO of
Neste as of 14 October 2024.

Katja Wodjereck

(born in 1976)
eMBA, M.Sc. (Business Administration,
European Business Management)
Executive Vice President,
Renewable Products business unit
Member of the Neste Leadership Team
from 2023 until 8 May 2024
– Stepped down from the Neste Leadership
Team and left the company to pursue other
opportunities on 8 May 2024.

Bart Leenders

(born in 1969)
M.Sc. (Mechanical Engineering)
Executive Vice President,
Technology and Projects
Member of the Neste Leadership Team
since 2023 until 28 October 2024
– Stepped down from the Neste Leadership
Team following the new leadership team
appointments announced 28 October 2024.

Carl Nyberg

(born in 1979)
M.Sc. (Economics and Business Administration)
Executive Vice President,
Renewables Supply Chain and Sustainability
Interim Executive Vice President,
Renewable Products business unit
as of 8 May 2024 until 28 October 2024
Member of the Neste Leadership Team
from 2019 until 28 October 2024
– Stepped down from the Neste Leadership
Team following the new leadership team
appointments announced 28 October 2024,
member of the Neste Extended
Leadership Team.

Christian Ståhlberg

(born in 1974)
LL.M.
General Counsel,
Executive Vice President, Legal
Member of the Neste Leadership Team
since 2017 until 28 October 2024
– Stepped down from the Neste Leadership
Team following the new leadership team
appointments announced 28 October 2024,
member of the Neste Extended
Leadership Team.

Martti Ala-Härkönen

(born in 1965)
Dr.Sc. (Econ.), Lic.Sc. (Tech.)
CFO, Executive Vice President,
Finance, Strategy and IT
Member of the Neste Leadership Team from
2022 until 28 October 2024
– Stepped down from the Neste Leadership
Team following the new leadership team
appointments announced 28 October 2024,
continues his career outside of Neste.

¹⁾ Holdings in Neste Corporation: own holdings and controlled entities.

²⁾ Markku Korvenranta served as Executive Vice President, Oil Products, until 13 February 2025.

Neste Extended Leadership Team

As of 2 December 2024, the Extended Leadership Team (NELT) consists of members of the Neste Leadership Team (NLT) and other appointed leaders.

The key role of the Neste Extended Leadership Team is to support the company's long-term strategic decision-making and value creation as well as to ensure the alignment and implementation of the company's strategic decisions throughout the organization.

The members of the extended leadership team are:

- Heikki Malinen, President & CEO (Chair)
- Markku Korvenranta, EVP, Oil Products and COO
- Eeva Sipilä, CFO (Anssi Tammilehto as interim)
- Hannele Jakosuo-Jansson, EVP, People & Culture
- Carl Nyberg, SVP, RP Commercial
- Sami Oja, SVP, OP SCM, Supply & Trading
- Anssi Tammilehto, SVP, Strategy, M&A and Investor Relations
- Lars Peter Lindfors, SVP, R&D and Technology
- Hanna Maula, SVP, Communications, Sustainability & Public Affairs
- Christian Ståhlberg, SVP, Legal & Compliance

Company Auditor

The AGM elects the Auditor annually. The Auditor's term of office ends at the end of the next AGM following election.

The Auditor is responsible for auditing the Company's accounts, its financial statements and Neste's administration. The Auditor's Report covers the Consolidated Financial statements and the Parent Company's Financial statements, and can be found in the Financial statements section of the Annual Report.

2024

The 2024 AGM elected KPMG Oy Ab as the Company's auditor, and Authorized Public Accountant Leenakaisa Winberg acted as the auditor with principal responsibility. The statutory audit fees in 2024 were EUR 1.8 million, auditor's statements including statutory sustainability reporting assurance were EUR 0.2 million and other fees charged amounted to EUR 0.8 million. Fees for statutory sustainability reporting assurance are detailed in the section on the Sustainability Reporting Assurer.

Sustainability Reporting Assurer

The AGM elects the Sustainability Reporting Assurer annually. The Sustainability Reporting Assurer's term of office ends at the end of the next AGM following election.

The Sustainability Reporting Assurer is responsible for auditing the information included in the Review by the Board of Directors that the Company has presented as its sustainability report.

2024

The 2024 AGM elected KPMG Oy Ab as the Company's Sustainability Reporting Assurer, and Authorized Public Accountant, Authorized Sustainability Auditor Leenakaisa Winberg acted as the principally responsible sustainability reporting assurer. The statutory sustainability reporting assurance fees in 2024 were EUR 0.1 million, and other fees charged amounted to EUR 0.1 million.

Internal Audit

Neste's Internal Audit provides independent and objective assurance and advisory services designed to add value and improve the operations of Neste. As a component in the corporate governance process, it supports the organization by bringing a systematic approach to evaluating and improving the effectiveness of governance, risk management and control processes.

Internal Audit's activities encompass objective examinations for the purpose of providing assessments to Neste's Board's Audit Committee and management of the adequacy and effectiveness of governance, risk management and control processes at Neste. The scope of Internal Audit assessments includes evaluating that risk management practices are in place, significant risks are appropriately identified and managed, key policies and guidelines exist and are documented and effectively implemented, organizational structures and governance models enable efficient decision making, the steering system, roles and responsibilities are clear, and the results of operations and programs are consistent with established goals and objectives.

Internal Audit work is carried out based on an annual Internal Audit Plan. Neste's strategic priorities, key projects and identified risks are key elements in the audit planning process. The Vice President of Internal Audit reports periodically to the senior management and the Board Audit Committee Internal Audit's activities relative to the annual plan, including audit recommendations and action plans established by organizations aiming for the continuous improvement and mitigation of risks.

Internal Audit is also responsible for conducting special assignments on behalf of management or the Board Audit Committee. As a member of Neste's Investigation Group, the Vice President of Internal Audit participates in the investigation of suspected misconduct and breaches of Neste's policies, principles, and applicable laws and regulations. To assure an effective, efficient and value-adding process, Internal Audit actively cooperates with other Neste's assurance functions (Corporate Risk Management, Internal Control and Compliance) and senior management and shares best practices from a process and governance perspective.

Internal Audit follows the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, including the Professional Practice of Internal Auditing. Until 28 October 2024, the Internal Audit reported directly to the Board of Directors' Audit Committee and administratively to the President and CEO. Following the appointment of a new Leadership Team on 28 October 2024, the Internal Audit

reports directly to the Board of Directors' Audit Committee and administratively to the CFO. The Board of Directors is responsible for approving the Internal Audit Charter and the annual Internal Audit Plan. The Internal Audit Charter includes the determination regarding the Internal Audit position, operational model, process and reporting lines. Internal Audit holds a non-executive meeting with the Audit Committee members and the Audit Committee Chair at least annually. The Vice President of Internal Audit is responsible for the internal audit activities specified in the Internal Audit Charter.

2024

Internal Audit performed internal audits set out in the Internal Audit Plan 2024, and reported audit results to the senior management and the Board Audit Committee. The Internal Audit function continued to strengthen cooperation with other Neste assurance functions such as compliance, risk management and internal controls with an aim of integrating activities and reporting to management.

Neste's strategic investments, top risks and key business processes were the focus during 2024, including cybersecurity, EU CSRD reporting, the Rotterdam Capacity Growth Project and operations at Neste's foreign subsidiaries in the US, India and Brazil.

Compliance function

Neste is committed to high ethical standards and conducts its business and operates in compliance with applicable laws, regulations and generally accepted good corporate governance practice. Neste's Code of Conduct sets the framework for Neste's global business operations and establishes the ethical practices to guide Neste employees in their day-to-day business activities

and decisions. Neste also requires suppliers and other business partners to comply with applicable laws and expects them to follow equivalent ethical business standards as stated in the Code of Conduct and further described in our Supplier Code of Conduct. More information about Neste's Code of Conduct in Neste's [Annual review](#) and on [Neste's external web pages](#).

The purpose of Neste's Compliance function is to develop, establish, facilitate and oversee compliance procedures and programs aimed at ensuring that Neste's global organizations have effective systems and processes in place for identifying, preventing, detecting and correcting non-compliance with applicable laws, regulations and Neste's internal rules. The function supports Neste's management in their responsibility for overall compliance risk management, as well as Neste's organizational unit management in their responsibilities to identify and manage compliance risks related to their operations. The compliance function works in close collaboration with Neste's business areas, functions and other internal assurance organizations, in particular the Risk Management, Internal Control and Internal Audit functions. The compliance function is headed by the Chief Compliance Officer (CCO), who reports to Neste's General Counsel. The CCO reports regularly on compliance activities to the Neste Leadership Team and to the Board's Audit Committee. Neste also has an Ethics and Compliance Committee, which oversees and steers the management of the ethics and compliance program in Neste.

Reports on suspected misconduct received via the Company's externally operated reporting system and other reporting channels are investigated in accordance with applicable laws and Neste's internal Misconduct Investigation Standard. More information about the Misconduct Investigation Standard and reported suspected incidents of misconduct can be found in the

[Sustainability statement](#) in the Review by the Board of Directors and in the [Annual review](#).

In addition to other reporting channels, Neste has an externally operated misconduct reporting system, Ethics Online, available to all Neste's internal and external stakeholders, including various actors in its supply chains. Ethics Online serves as a grievance mechanism and enables Neste's stakeholders to raise concerns related to alleged misconduct in Neste's operations. Neste's Investigation Group is responsible for evaluating and investigating such reported cases. Neste has a strict non-retaliation policy for concerns reported in good faith. Neste's main principles and policy followed in internal misconduct investigations is described in the Company's internal Misconduct Investigation Standard. Any irregularities or misconduct are reported regularly to the Board's Audit Committee.

Insider administration procedures

Neste complies with the EU Market Abuse Regulation (596/2014), including related regulation, as well as Nasdaq Helsinki Ltd's Insider Guideline as a minimum standard on insider matters. In addition, the Board has approved the Company's own Guidelines for Insiders.

The Company's General Counsel is responsible for the coordination and supervision of insider matters, along with the insider register manager, the insider communication manager and individuals responsible as heads of project-specific registers. All the above individuals have their own deputies. In addition, the head of each organizational unit is responsible for supervising insider matters within their organization. The Company arranges training related to the insider guidelines.

The creation and maintenance of a project-specific insider register is the responsibility of the head of such a register, who is named in the relevant project-specific insider register.

The Company has defined, as persons discharging managerial responsibilities, the members of the Board and its secretary, the President and CEO, as well as the members of the Neste Leadership Team and its secretary. These managerial persons and their closely associated persons must report their own transactions conducted with the Company's financial instruments or financial derivatives to the Company and the Financial Supervisory Authority without delay, and no more than three business days of completing the business transaction. Reports to the Company and the Financial Supervisory Authority can be made by following the instructions on [neste.com/trading](#).

The Company has also named certain other persons as core persons, as they have better or more information about the Company than the market. These individuals are typically those who prepare the Company's Interim reports and Financial statements, persons responsible for the Company's finances, financial reporting or communication, or persons who have access to said information, as well as certain individuals in executive positions.

Persons discharging managerial responsibilities and core persons may not trade with or conduct business with the Company's financial instruments for themselves or a third party, directly or indirectly during the period from the closing date of an interim or annual accounting period to the date of publication of the interim report or financial statements for that period. The minimum period concerned is always 30 days prior to the date of publication of the interim report or the financial statements, including the date of publication ("closed window").

The Company also maintains a project- or event-specific list of insiders for all individuals that have access to insider information and who are employed by the Company or otherwise perform tasks that provide them with access to insider information. Individuals who participate

in the development and preparation of projects or events that involve insider information, such as mergers and acquisitions, are considered project- or event-specific insiders. Project-specific insiders may not trade or conduct other business using the Company's financial instruments during the project.

Related party transactions

Neste has identified its related parties, and it is regularly engaged in transactions with some of these parties. These transactions relate to the Company's normal business operations and are in line with the purpose of the company and executed on market or market equivalent terms and practices generally observed and accepted within the industry in question.

The related party transactions are monitored in cooperation with finance and legal functions as a part of the Company's normal reporting and control procedures. The Board is responsible for overseeing the processes established for monitoring related party transactions. Information about material transactions concluded between the Company and its related parties is disclosed annually in the notes on the Company's consolidated financial statements. When required under the applicable laws and regulations, material transactions conducted with related parties are also published via a stock exchange release.

Internal controls

The objective of internal controls at Neste is to provide reasonable assurance concerning the reliability of the financial and sustainability reporting.

Additionally, internal controls support the business in the achievement of its operational and strategic objectives by acting as performance accelerators in business processes.

The system of internal controls at Neste is based on the Committee of Sponsoring Organizations framework (the “COSO framework,” 2013).

Neste’s internal control requirements are defined in the Neste Internal Control Principle, Access Risk Management Principle and related standards.

Neste Internal Control function leads the Group-wide control development and monitors the internal controls throughout Neste. The Internal Controls function provides the necessary guidance for designing and performing the controls effectively.

Control environment

The Board is responsible for ensuring that there is adequate control over the Company’s accounts and finances. Responsibility for arranging this control is delegated to the President and CEO, who is required to ensure that the Company’s accounts are in compliance with the law, and that its financial management has been reliably arranged.

The internal control at Neste is based on the corporate structure, whereby the operations are organized into organizational units. The heads of business areas and the finance function are responsible for establishing and maintaining appropriate, up-to-date, effective and adequate controls of financial and sustainability reporting. Operational management owns the risks and controls and is responsible for ensuring controls and deficiency-related corrective actions are implemented.

The Internal Control Principle emphasizes the importance of internal controls and clarifies the responsibilities of the Three Lines for establishing effective controls in business processes. Neste’s values and management

system containing the formal Code of Conduct are the foundation of the control environment. The President and CEO and corporate management are responsible for emphasizing the importance of ethical principles and correct financial and sustainability reporting.

Risk assessment

As a prerequisite for risk assessment, the organization’s objectives need to be established.

With respect to financial reporting, the general objective is to have reliable reporting and ensure that transactions are recorded and reported completely and correctly. The assessment of risk includes risks related to fraud.

With the inclusion of the statutory sustainability reporting in the 2024 statements, additional risks and controls have been identified by the Double Materiality assessment.

More information about risk management principles is available in the [Risk management](#) section of the Annual Report.

Control activities

Neste control activities include instructions, guidelines and procedures to ensure that the actions identified by management to address the relevant risks are carried out effectively. The most important guidelines related to financial and sustainability reporting systems and practices are documented in the Neste Corporate Governance Policy, Neste Internal Control Principle, Access Risk Management Principle, the Controls over Financial and Sustainability Reporting Standard (COFR), Internal Control Process Standard, process charts, month end workflows and detailed Finance Instructions.

Key control activities are documented in a global control catalog covering each business or financial process. Group-level policies and guidelines are documented in the Neste Management System. The control catalog is maintained in SAP GRC, the platform used for internal control management.

Information and communication

Neste corporate-level communication practices support the completeness and correctness of financial and sustainability reporting. Neste personnel have access to adequate information and communication regarding accounting and reporting principles and control guidelines, including clarity on control responsibility and accountability. Sustainability reporting requirements and processes are communicated to the personnel, with emphasis to data correctness. The main means of communicating the relevant matters for appropriate financial and sustainability reporting consist of internal control training, detailed Finance Instructions containing accounting principles, sustainability manuals, guidelines for forecasting and reporting, information sessions, on-the-job training, process walkthroughs, and postings on internal channels and pages.

Neste business areas prepare regular financial and management reports for the management review, including analysis of and comments on financial performance. The Neste Leadership Team and the Board receive financial reports monthly. Interim reports, Financial statements and the Sustainability statement are reviewed at Audit Committee meetings, and thereafter by the Board.

Monitoring

The Audit Committee oversees the Company's finances, financial reporting, statutory sustainability reporting, risk management, as well as the Internal Control and Internal Audit functions, as part of the Company's corporate governance. Internal control deficiencies are communicated in a timely manner to those parties responsible for taking corrective action, and to management and the Board's Audit Committee as appropriate.

The Internal Control function acts on behalf of the stakeholders to monitor the performance and assess the adequacy of the controls. Results are reported regularly to the Neste Leadership Team.

Corporate Internal Audit assesses the operational model and practices of internal control over Neste's financial and sustainability reporting as part of business and process-level audits.

2024

In 2024, the Internal Control function further completed the control framework by developing additional controls for ongoing key ERP programs for Marketing & Services and RP Investments. Internal Control also designed new ESG controls and amended underlying policy documents, such as Controls over Financial and Sustainability Standard, in response to sustainability reporting requirements laid out by the EU Corporate Sustainability Reporting Directive (CSRD). Data governance policies, processes, and controls have been developed to support CSRD reporting.

In 2025, Internal Control plans to focus on control effectiveness testing and strengthening the culture of controls. Following a 2019–2024 development focused program, the internal control roadmap now aims to maintain the quality of the controls and a healthy control environment. Key development areas relate to production materials and inventories, fit-for-purpose subsidiary controls, and supporting additional CSRD requirements.

Building effective Internal Control is an ongoing process driven by strategy and control objectives

Remediation

Implementation of management actions to strengthen the control environment.

Scope

Defined based on Strategy, Regulatory requirements and Risk assessment.

Monitoring, testing and reporting

Management uses various approaches such as Continuous Control Monitoring, separate Internal Control assessments, management testing, etc. The findings are reported to relevant stakeholders.

Internal Control activity

Focus on controls over financial and sustainability reporting and prevention of fraud and financial losses

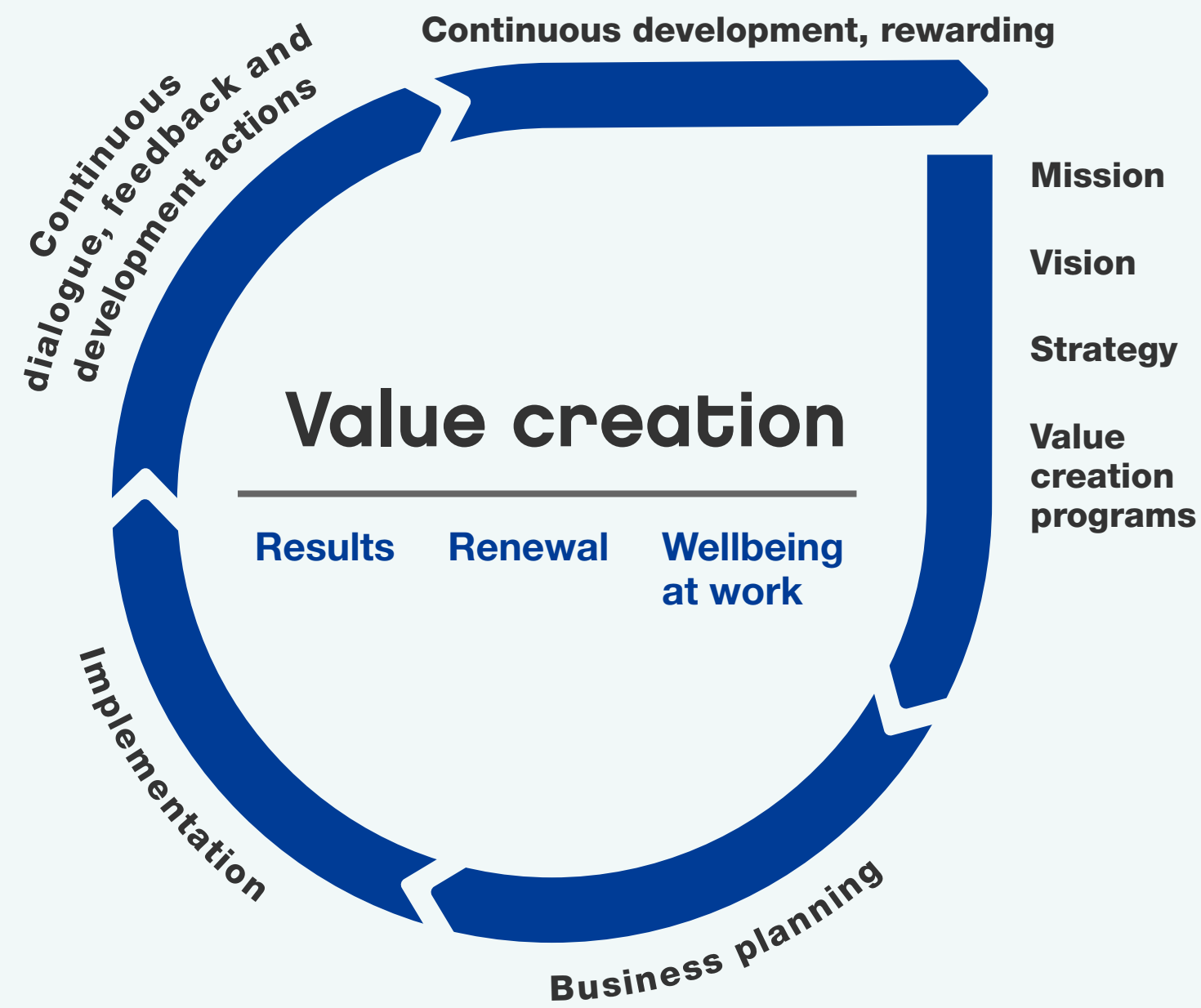
Control development

Define and enhance the controls. Increase control automation and continuous monitoring.

Training and communication

Neste personnel have access to adequate information regarding accounting and reporting principles and control guidelines.

Performance Management Process



Performance Management Process

Neste's Performance Management Process plays an essential role in helping the Group attain its strategic goals and reinforcing its performance-driven mindset. Neste has taken a step change in developing its performance leadership into a more agile model supporting daily operations.

Performance management comprises daily leadership, through which individuals, teams, units and the Company can achieve selected strategic priorities and develop organizational capability. Performance leadership is used to ensure that everyone knows the values and objectives of the Company, and their short- and long-term objectives, and what kind of competence is needed and developed to achieve these objectives.

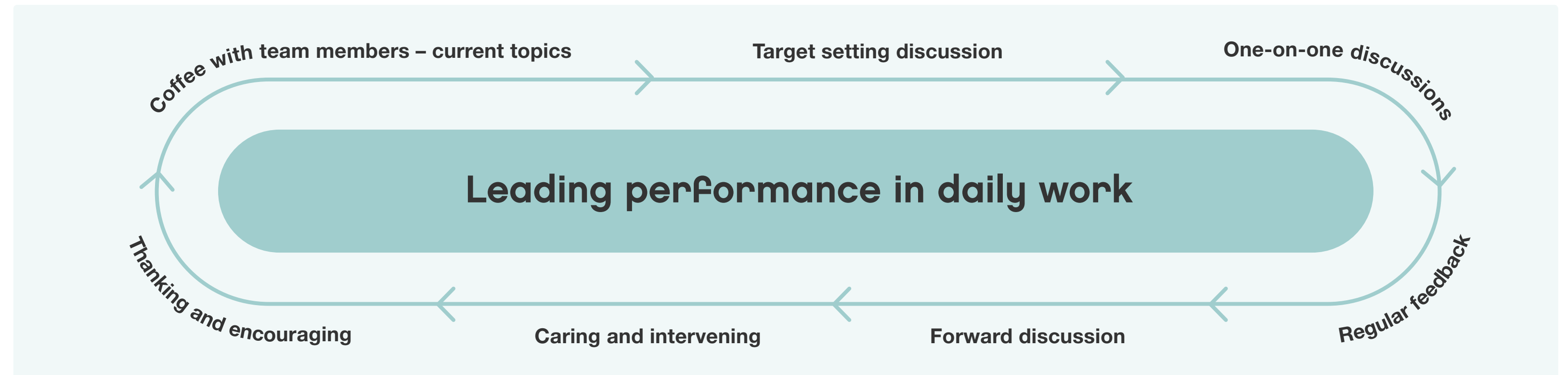
Individual and team goals are based on Neste's strategy and way of working. There is a clear link between wellbeing at work and good leadership performance.

The key elements in the Neste daily performance leadership approach are:

- setting challenging goals and following them through;
- supporting the achievement of goals with regular feedback;
- evaluating one's own performance and results;
- developing ways of working and taking responsibility for one's own competence development; and
- holding regular personal development discussions and check-in discussions that support day-to-day work.

From a financial outlook and reporting perspective, the Neste Performance Management Process consists of long-term financial projections based on the strategy and planning and forecasting in a midterm. During the year, performance is evaluated in weekly and monthly Management Reporting and in the Monthly and Quarterly performance reviews.

Financials and KPI-related information is evaluated against the strategic goals and business plans, and required actions are steered and followed throughout the year.



Risk management

Risk management objectives and scope

Neste recognizes risk management as an integral part of sound management practice and an essential element of good corporate governance. As an element of uncertainty (opportunity or threat), risk is an inevitable component of running the business. Systematic risk management practices are the means to ensure that Neste is successful in achieving the set strategic goals and business objectives and can maintain continuous operations in a changing business environment. Neste's risk management practices can be characterized by the following statements:

- The company emphasizes a risk aware culture and proactive management of risks;
- Risk management is a continuous process that is subject to improvement to reflect changes in the external and internal environment;
- The purpose of risk management is to analyze and manage all opportunities and threats the company may encounter. By exploiting opportunities and reducing threats, Neste gains a competitive advantage;
- Risks are managed as an integrated part of planning, decision making, and operational processes with a defined structure of roles and responsibilities; and
- The sufficiency of risk treatment actions and controls is monitored systematically.

Risk management framework and principles

Framework and principles for risk management have been defined in the Neste Corporate Risk Management policy, which has been approved by the Board of Directors. The policy is supplemented by risk management principles, guidelines and instructions for specific risk disciplines. Neste's risk management framework and processes are aligned with the internationally recognized best practices for risk management (COSO: Enterprise Risk Management – Integrating with Strategy and Performance; and ISO 31000 standard).

In Neste's risk model, risks are classified as external, strategic and preventable risks that are more operational in nature.

- External risks are exposures that Neste cannot fully influence or control. The main risk classes are changes in the external environment and risks in the extended enterprise;
- Strategic risks relate to strategic choices, strategy implementation and risks in the planning and execution of major projects (e.g., refinery turnarounds). Strategic risks are not inherently undesirable, as they typically contain both upside and downside risk potential; and
- The third category of risks, preventable risks, consists of various risk classes that arise within the organization and are mostly controllable. In general, Neste does not gain strategic benefits from taking these risks.



Risk governance

The Neste Board of Directors has the ultimate accountability for risk oversight. Among other duties, the Board is in this role responsible for setting the Group’s risk appetite and for approving the Corporate Risk Management Policy. The practical implementation, development and monitoring of risk management processes is based on the three lines of defense model. The model distinguishes between:

1st line of defense

The first line of defense is responsible for setting the objectives, managing day-to-day performance and reinforcing risk responses to achieve the set targets. At Neste, the first-line actors include Business Areas and Functions in their first-line roles. As a part of the first line of defense, Neste’s President and CEO and the Neste Leadership Team have the overall accountability for appropriate risk management practices.

In practice, Business Areas and Functions own and manage risks with the help of a dedicated network of risk champions and coordinators. The role of the risk champions/coordinators is to represent different risk disciplines and to ensure that risk discussions are embedded in everyday management routines.

2nd line of defense

The role of the actors in the second line of defense is to provide guidance, support, facilitation and consultation for risk management. The second line of defense needs to have some degree of independence from the first line of defense to be able to challenge the first line in managing performance and making risk-informed decisions. At Neste, the second line of defense includes Functions in their second-line roles and specialist teams (corporate risk management, compliance and internal controls).

The Chief Risk Officer (CRO) assisted by the corporate risk management team has the overall responsibility to confirm that risk management activities are carried out consistently throughout Neste Group and all risk classes. Corporate risk management also drives the overall development of risk management practices and tools. The team is supported by the network of risk champions and coordinators. In addition, Neste has established a separate Ethics and Compliance Committee that aims to increase management oversight of compliance and ethics-related issues within the Group. The Committee also ascertains the adequacy of mitigation actions in higher-risk compliance areas.

3rd line of defense

As an independent team, Internal Audit evaluates the effectiveness and efficiency of the corporate-level risk governance model and related risk management processes, including the effectiveness of internal controls and other risk treatment actions in the scope of each audit. Internal Audit also provides recommendations for improvement areas.

Risk reporting

Risk reporting aims for the transparent, consistent and comprehensive communication of risk status in different areas. As a result of risk reporting, the Company’s risk profile can be compared with the defined risk appetite, and it can be concluded whether additional risk treatment actions are needed.

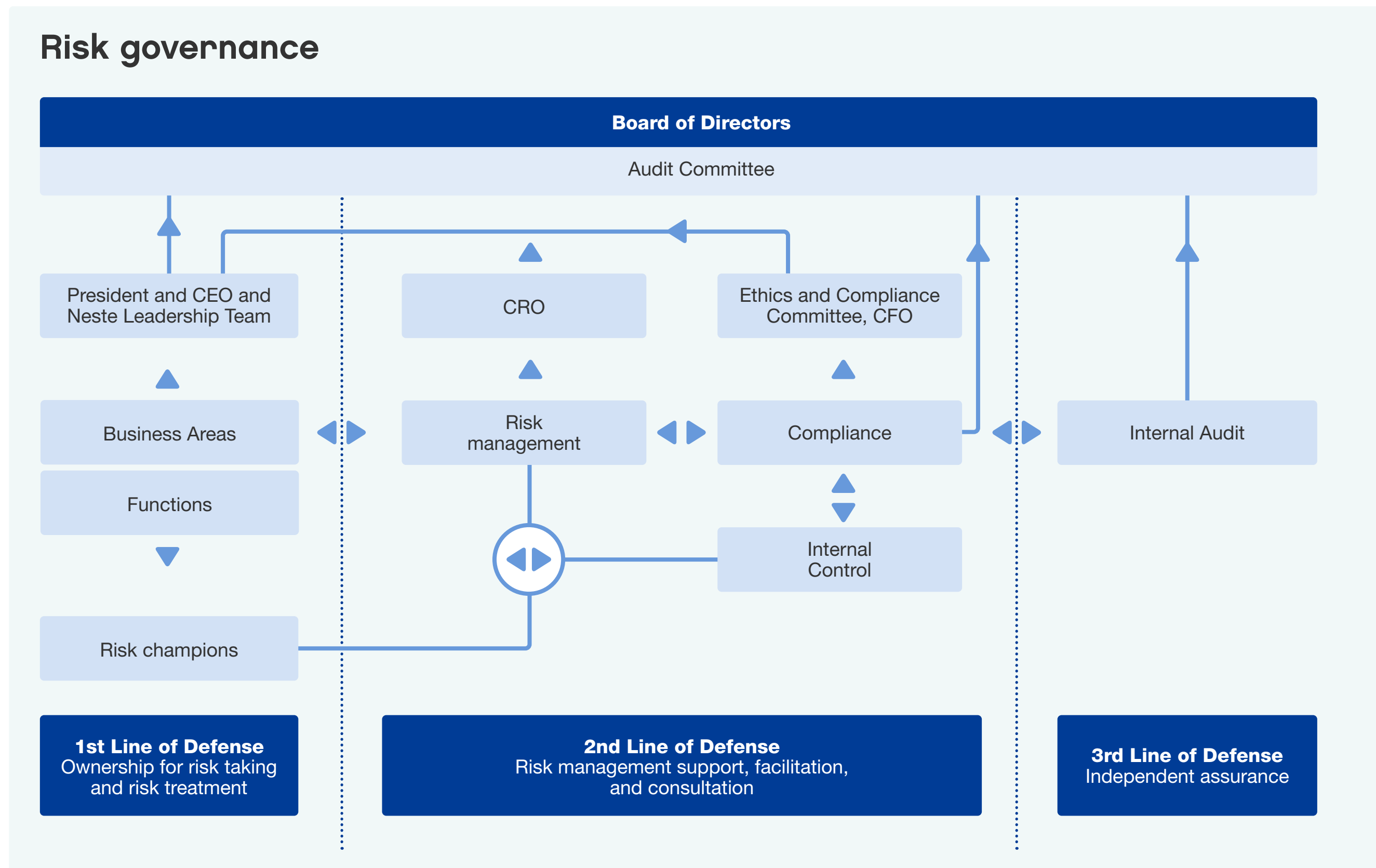
Communication regarding the most important risk issues takes place along the strategic planning and performance management cycle. Formal risk reporting is directed to the Business Area and Function management teams, the Neste Leadership Team, the Audit Committee and the Board of Directors. The corporate risk management team is responsible for aggregating risk information for reporting to different internal and external audiences.

Risk management focus in 2024

In 2024, special risk management initiatives focused on strategic and external risks including scenario analysis on potential market environment drivers. Likewise business continuity management continued to be an area of risk management focus. Risk management also played an important role in implementation of Corporate Sustainability Reporting Directive (CSRD) risk management requirements and in enhanced cyber risk management practices.


Risks related to Neste’s business


In the pursuit of its objectives and targets, Neste is exposed to various risk factors that stem from the external environment, internal decision making, operating processes and systems in use. The most significant risk factors relate to the areas mentioned below. Any one of the risks, either singly or in the aggregate, may have a material adverse effect on Neste’s business, financial condition, operating results and future prospects.












Risks related to Neste's business


	Risk type	Risk level
 External	Economic conditions Despite some easing of the macroeconomic outlook, incl. decline in the headline inflation, overall economic activity in Neste's key markets still falls short of full recovery, and growth expectations are low. Continued slowing economic growth could have an indirect impact on the demand for Neste's products. Due to economic concerns, the energy market has already seen temporary reductions in climate ambition and targets. Macroeconomic uncertainty has also slowed down the implementation of climate policies that would support demand for Neste's solutions.	
	Geopolitics Oil and gas markets have remained volatile largely due to geopolitics. Geopolitical tensions such as the continuing war in Ukraine, conflicts in Middle Eastern countries, and other emerging military or trade conflicts could have adverse effects on international trade and finance. If geopolitical tensions increase and lead to the imposition of additional or more comprehensive trade restrictions, there could be a material adverse effect on Neste's ability to access feedstocks, deliver products and complete investment projects. For example, US-China trade tensions could increase volatility in the renewable feedstock and oil products markets.	
	Climate change Neste's strategic ambition is to be the global leader in renewable and circular solutions. Growing pressure to combat climate change and reduce greenhouse gas emissions is therefore primarily a positive driver for Neste's business. However, political and societal focus on the low-carbon transition and the energy sector's carbon footprint also creates risks. The indirect economic and political consequences of climate change may contribute to the general uncertainty in the business environment and hence have an adverse effect on Neste's business. Various governments have been forced to consider the affordability and funding of the green energy transition. As a result the market has seen temporary reductions in climate ambition and targets. It has also slowed down the implementation of the climate policies that support demand for Neste's solutions. In addition, changes in carbon emission trading schemes or similar initiatives at EU-, US- or individual Member-State-level may have a significant effect on Neste's business.	
	Laws and regulation Changing regulation presents both an opportunity and a threat to Neste's business. Neste's business units mainly benefit from increased support for biofuels and renewable fuels (for example, requirements related to renewable content in diesel and gasoline). However, changes in regulation, especially in the European Union and the United States, also create uncertainties, as these may influence the speed at which the demand for renewable products develops, and new raw materials sources are brought into use. For renewable products, a significant source of uncertainty is the fragmented regulation around the acceptability and use of waste and residue feedstock and incentives supporting domestic production, for example Clean Fuel Production Credit in US.	


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	Risk type		Risk level
 <p>Strategic</p>	Technology	Neste's competitive position in the selected key markets is good. Neste's proprietary NEXBTL production technology is a proven technology for producing high-quality diesel and sustainable aviation fuel from renewable raw materials. However, there is no assurance that this competitive position will continue as new players enter the market, and current competitors develop their technologies or preferences, either customer or legislative, for clean mobility change. The more rapid than anticipated development of alternative feedstocks and production technologies for liquid fuels, the evolution and adoption of engine technologies, and the introduction of alternative powertrains could increase competition for NEXBTL, which may decrease demand and lower margins for Neste's products. Furthermore, the demand for and margins of Neste's products could be adversely affected by regulatory preferences for technologies or products that compete with Neste's.	
	Competition	Increases in global renewable refining and co-processing capacity relative to growth in demand for the renewable products may have a material adverse effect on Neste. Staying ahead of the competition requires continuous improvement, the ability to challenge current business models and a strong focus on innovations such as new production technologies and feedstock platforms. Neste's ability to source sustainable feedstocks at quantities sufficient for its production targets and at acceptable prices is vital to achieving its strategic objectives. If new competitor capacities lead to supplies of renewable products exceeding demand, or if Neste's renewable products become less competitive, it may reduce Neste's refining margins for renewable products.	
	Project risks	Successful projects play a key role in Neste's strategy deployment, operational development and the digitization of processes. Possible delays in growth projects or in the ramp-up of new production facilities pose a risk to Neste. Significant delays in project planning or execution may also reduce operational efficiency or impair Neste's ability to secure its competitive position in the future.	
	Talent management	Strong governance practices and the continued contributions of Neste's senior management, personnel and partners are vital for the company's success. Due to fierce competition for talent, there is a risk that Neste may not be able to recruit and retain the highly skilled employees who are needed for strategy deployment and successful operations in the future.	
 <p>Preventable</p>	Business continuity	<p>The importance of business continuity management has been highlighted in the changing environment. Neste has continued with the design and implementation of strategic and operational business continuity measures. At the company level, scenario work has also played an important role, e.g., in testing potential market environment drivers and resilience to various climate change scenarios.</p> <p>At the operational level, Neste's business performance greatly depends on the continuous reliability of refining activities in Finland (Porvoo), Singapore and the Netherlands (Rotterdam). Any shutdown of Neste's operations, whether planned or unplanned, could have a material adverse effect on Neste's business. In addition to the planned maintenance turnarounds, disruptions in the supply of utilities or breakdown of critical machinery could cause unexpected shutdowns that would affect Neste's ability to fulfill demand for end products. Likewise, interruptions in the supply chain and logistics network are a risk for Neste. For example, the vessels owned, leased or chartered by Neste are subject to inherent risks, including the risks of maritime disaster, damage to the environment, and loss of or damage to cargo and property. Such events may be caused by mechanical failure, human error, adverse weather conditions, warfare or piracy, among other factors, in the areas where the vessels operate.</p> <p>Neste is subject to operational risks common in the renewable fuel and oil industry and has insurance in place to reduce the financial impact of property damage, business interruption, and maritime disasters. However, insurance does not cover all potential losses, and Neste could therefore be seriously harmed by operational catastrophes or deliberate sabotage.</p>	
	Quality	Neste's products and services must continuously meet customer requirements related, e.g., to product quality and sustainability. Evolving customer requirements, with more complex sourcing and logistics networks and production methods, increase the exposure to quality risks that need to be managed well to maintain the high-quality brand image. As risk mitigation, Neste has implemented systematic quality management measures, both in its own operations and in partner networks.	


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 <p>Preventable</p>	<p>Market risks</p> <p>Neste's financial results are primarily affected by the price differential, or margin, between refined petroleum and renewable product prices; and the prices for the crude oil, different vegetable oils and other feedstock used. Historically, refining margins have been volatile, and they are likely to continue to be so in the future. The main factors that may affect the refining margins include:</p> <ul style="list-style-type: none"> • Changes in the aggregate demand for and supply of raw materials and products; • Changes in the demand for and supply of specific raw materials and products; • Raw materials and product price fluctuations; and • The evolution of worldwide refining capacity, and especially the development of refining capacity related to petroleum and renewable products similar to Neste's. <p>In the renewable fuels market, fuel supply and demand are still balancing in the face of changing regulation, both on the feedstock and product side. Overall supportive trend for green transition has incentivized growth in renewables production capacity. At the same time, energy markets have seen a decrease in mandatory and voluntary demand. Stagnant demand growth has continued to place pressure on renewable fuel prices in Europe. In the US, development of federal and state level biofuel programs is decisive for the renewables margin levels.</p> <p>As a part of risk management, Neste uses derivative instruments to protect its position against fluctuations in commodity prices. Neste is exposed to foreign exchange risks because most of the sales are denominated in US dollars, whereas operating expenses (except the purchase of raw materials) are recorded in euros. Neste limits the uncertainties related to changes in foreign exchange rates by hedging its currency risks in contracted and forecasted cash flows and balance sheet exposures. More information about market risks can be found in the Financial statements Note 3 section of the Annual Report.</p>	
	<p>External compliance</p> <p>Neste's refining operations and products are subject to extensive regulation (incl. environmental, health and safety, sustainability). General regulatory requirements in areas like commodity trading and data protection have also contributed to the formalization of operating procedures. As Neste's supply base has become more fragmented and diversified, and global supply chains have expanded, there is an increased exposure to regulatory requirements, as well as business conduct and sustainability risks. It is critical that Neste stays at all times compliant with various regulatory acts related to feedstock eligibility and product characteristics. Non-compliance with applicable regulation or external requirements would have both adverse financial and reputational impact on Neste.</p>	
	<p>Counterparty and credit risks</p> <p>Counterparty risk arises from all business relationships where Neste is exposed to the counterparty's failure to perform according to Neste's requirements and contractual commitments. The extent of counterparty risk has increased along the continued diversification of Neste's supply base and customer segments. To manage the risk, Neste has implemented systematic controls for counterparty screening and monitoring. Especially on the sales side, Neste is also exposed to credit risk, i.e., the potential failure of a counterparty to meet its contractual payment obligations. Risk magnitude depends on the size of the exposure concerned and the counterparty's creditworthiness, which is assessed systematically both during onboarding and during the relationship.</p>	
	<p>Sustainability risks</p> <p>The most significant sustainability risks that relate to Neste's own operations or to the extended enterprise have been reported in line with the requirements of the Sustainability statement as a part of the Review by the Board of Directors.</p>	
	<p>Information security and cyber</p> <p>Neste's core business processes rely heavily on the secure and reliable operation of its information technology (IT) systems and the availability of critical data. While Neste leverages digitalization and emerging technologies to enhance operational efficiency and innovation, it recognizes the evolving threat landscape posed by increasingly sophisticated cyberattacks, particularly targeting the oil and gas sector.</p> <p>Neste acknowledges that disruptions to its key IT systems, data breaches, violations of data privacy regulations, malicious cyberattacks or any other malicious attempts targeting operational technology (OT) and industrial control systems (ICS) could significantly impact business operations, profitability, and reputation. Therefore, Neste is committed to implementing and maintaining a robust cybersecurity program to ensure the confidentiality, integrity, and availability of its critical assets.</p>	

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