

NESTE

# Annual Report

## 2024 | CHANGE RUNS ON RENEWABLES

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## How to read this report

Neste's Annual Report 2024 consists of the Annual review, Governance, Review by the Board of Directors and Financial statements. This report covers the period from 1.1.2024 to 31.12.2024.






In 2024, a pivotal shift in sustainability reporting took effect with the implementation of the Corporate Sustainability Reporting Directive (CSRD), mandating companies to disclose comprehensive information about their environmental and social impacts, risks and opportunities. To ensure comparability and accountability, the EU has adopted the European Sustainability Reporting Standards (ESRS). Companies subject to the CSRD must adhere to these standards in their reporting.

The Review by the Board of Directors within this report includes Sustainability statement prepared in accordance with the CSRD and ESRS.

To complement the Sustainability statement, the Annual review includes additional relevant sustainability topics and describes Neste's sustainability work in 2024.

All sustainability indicators and metrics are collected under Neste's Sustainability data package.

**Throughout this report, the following icons are used to indicate links to supplementary information:**

-  Sustainability statement in the Review by the Board of Directors
-  Sustainability data package in the Annual review
-  Information on Neste's website
-  Information in the Annual Report
-  Video on Neste's external channels

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# Annual review

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# In brief 2024

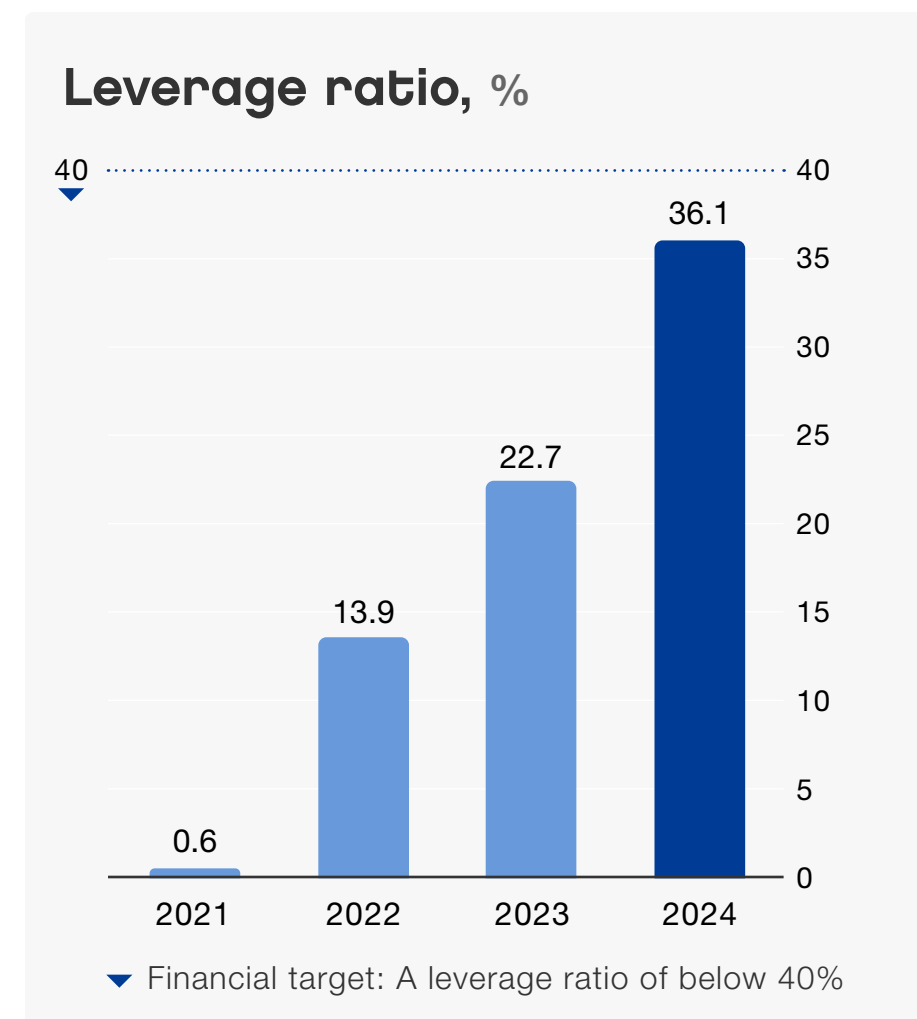
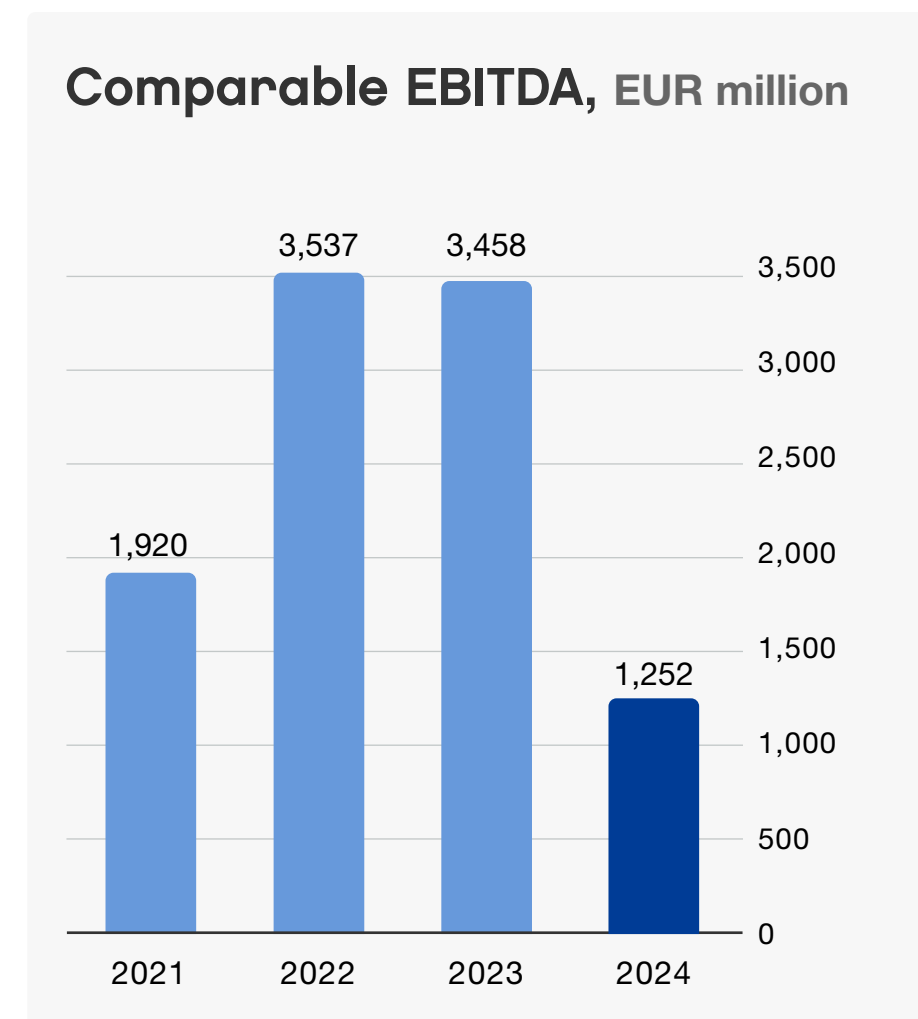
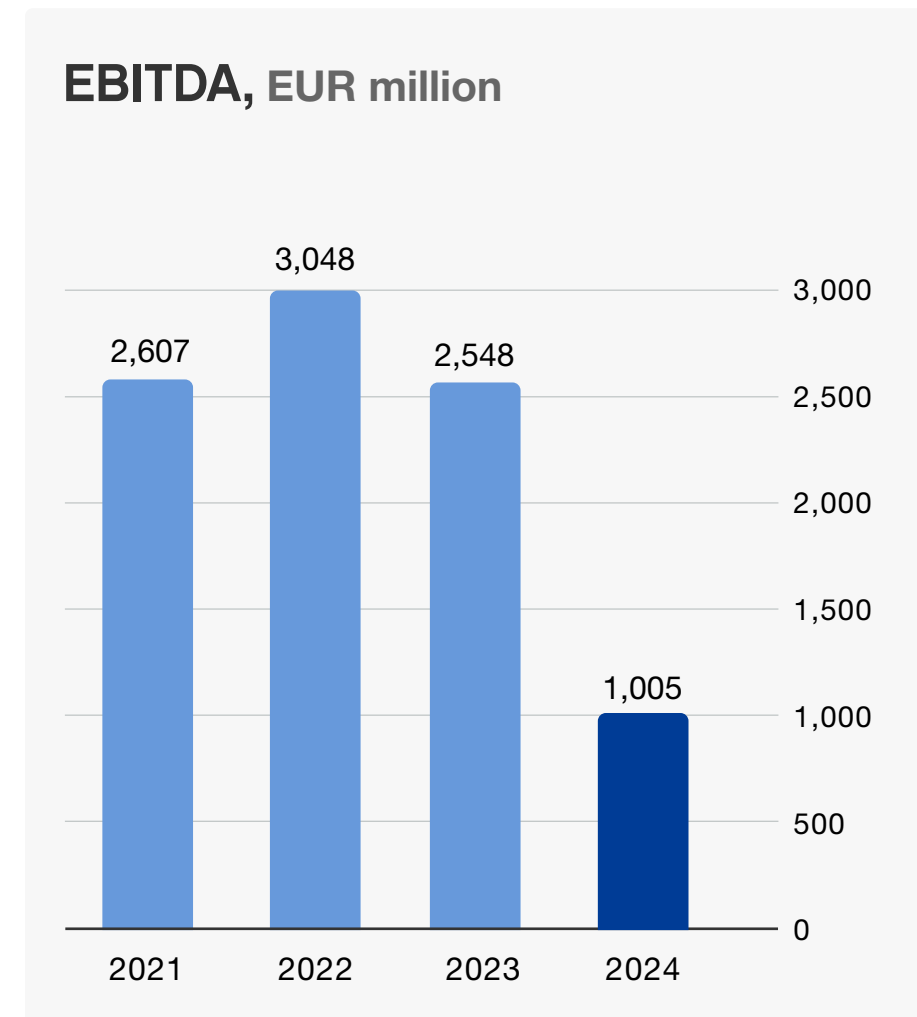
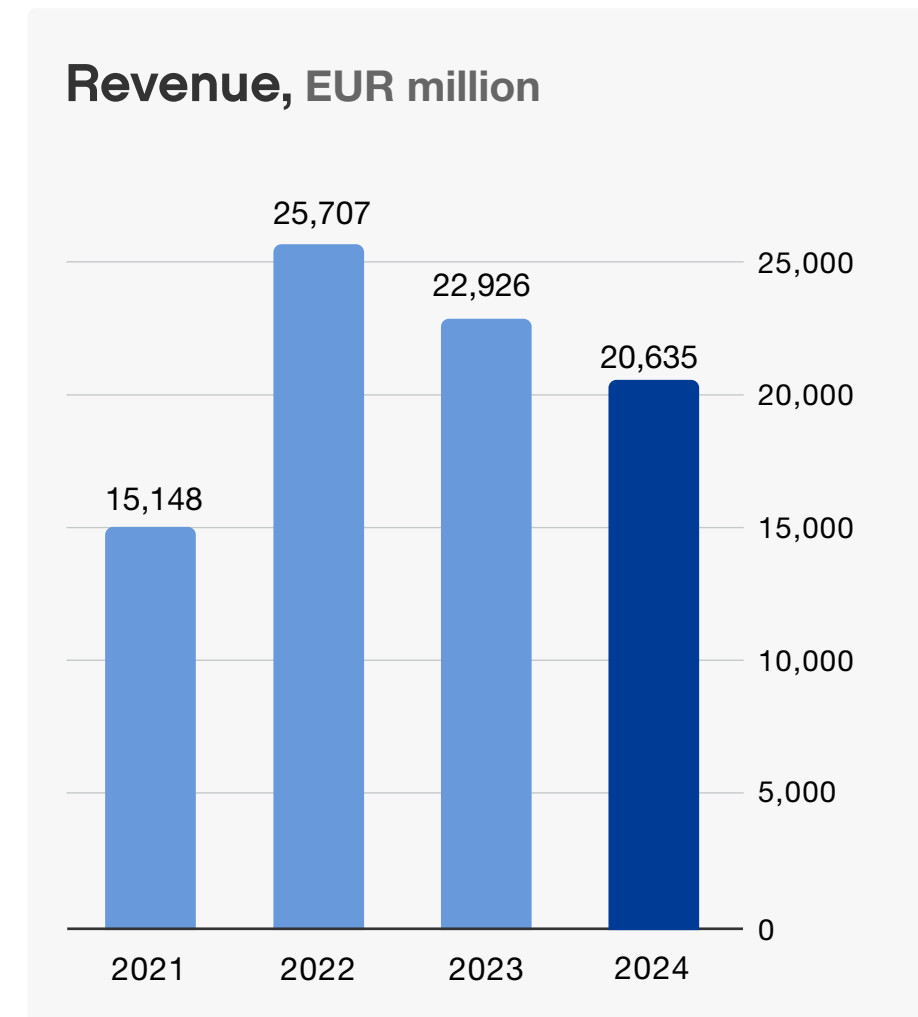


Neste is the world's leading producer of sustainable aviation fuel (SAF) and renewable diesel and a forerunner in creating solutions for mitigating climate change and accelerating a shift to a circular economy.

▶ Watch [video](#) of Neste's year 2024

<b>Revenue</b> <b>20,635 MEUR</b>	<b>1,252 MEUR</b> <b>Comparable EBITDA</b>	<b>Our dividend proposal For 2025 per share</b> <b>0.20 EUR</b>
<b>278</b> <b>Safe Days</b>	<b>Average number of personnel</b> <b>5,796</b>	<b>Our renewable products helped reduce greenhouse gas emissions</b> <b>12.1 MtCO<sub>2</sub>e</b>

# Key Figures 2024



## Financial targets

**EBITDA**  
**€350 million**  
 run rate improvement  
 by the end of 2026, of  
 which €250 million from  
 operational costs

**Leverage**  
**< 40%**  
 maintaining our  
 investment grade  
 credit rating

On 13 February 2025,  
 Nestle announced updated financial targets for 2025–2026

## CEO's review

# Focusing on performance improvement

The year 2024 was challenging for Neste, as the renewable Fuels market changed dramatically. We operate at the ForeFront of climate change mitigation, and in the long term the company's prospects are positive, but the path forward is non-linear.

The year 2024 was marked by geopolitical, economic and regulatory uncertainty. For Neste, the year was particularly challenging. New players and increased capacity have entered the renewables industry, resulting in a decline in product prices and intensified demand for waste and residue raw materials. Consequently, sales margins fell significantly below previous years' levels. In addition, our refineries faced some operational challenges that have since been resolved.

Our 2024 full-year comparable EBITDA totaled EUR 1,252 million, compared to EUR 3,458 million in 2023. This result level is unsatisfactory. In October 2024, we initiated a full potential analysis. The goal was to identify all necessary measures to ensure solid performance in all market conditions. In October 2024, we also restructured our organization and appointed a new leadership team to expedite decision-making to navigate the complexities of the current business environment.

The company's Board of Directors proposes that a dividend of 0.20 euros per share be distributed for 2024 (1.20 euros in 2023).

### Rotterdam growth project proceeds

As the world's leading producer of renewable diesel and sustainable aviation fuel (SAF), we refine renewable fuels on three continents, and our nameplate capacity of renewable and circular products is 5.5 million tons per year. During 2024, we proceeded with our significant growth investment project in Rotterdam. After its completion in 2027, our renewables production capacity will be 6.8 million tons per year.

In Porvoo, we successfully completed a major turnaround in a shorter time frame than before. During the turnaround, the Porvoo refinery was one of Finland's largest construction sites, with approximately 7,600 people, more than 1.4 million working hours and a total investment of around 390 million euros. In Porvoo, we continue refining crude oil and renewable and recycled raw materials into more than a hundred different products, which we deliver to our customers globally. In 2024, we also had planned maintenance shutdowns at the renewable products refineries in Singapore and Rotterdam.





### **Solutions for decarbonization**

Neste has been a pioneer in the green transition for years, and we have made substantial investments in renewables. We source a wide range of renewable waste and residue raw materials and refine them into high-quality renewable fuels. In this way, we help our customers meet their obligations and achieve their own sustainability targets.

Sustainability is deeply rooted in Neste. In 2024, we were again recognized for our sustainability efforts in numerous evaluations and rankings by external independent parties.

Despite recent headwinds in the green transition, the challenge of climate change continues to be urgent. The coming decades necessitate a significant reduction in the use of fossil energy sources. Neste is well-positioned to address this challenge, offering solutions that enable decarbonization even in hard-to-abate sectors like aviation. Thus, our long-term business fundamentals remain strong.

### **Towards efficiency and cost-competitiveness**

In 2025, the market for renewable fuels is expected to grow, driven by mandates and incentives like ReFuelEU Aviation. However, voluntary demand for sustainable aviation fuel is likely to remain constrained. The year 2024 showed that the markets for renewable products are more volatile than before, emphasizing the need to deliver value for our stakeholders consistently, regardless of market conditions. We have the prerequisites for this, but decisive measures are also needed. The company's cost structure and operating model must be adjusted to reflect the current market realities.

In mid-February 2025, we launched a multi-faceted performance improvement program. The objective is to improve Neste's performance through cost discipline and refocusing on the core so that we can continue to invest in growth and deliver strong shareholder returns in the future. We have also updated our financial targets to reflect the current priorities.



The coming decades necessitate a significant reduction in the use of fossil energy sources. Neste is well-positioned to address this challenge, offering solutions that enable decarbonization even in hard-to-abate sectors like aviation. Thus, our long-term business fundamentals remain strong.

With safety as our top priority and the operational reliability of our refineries as a key enabler for success, we are now focusing on ensuring efficiency and excellent performance in all parts of the organization and successfully completing the Rotterdam growth investment. It is clear that there are numerous uncertainties in the operating environment in the future as well. We cannot influence all of them, but we can improve our own performance and competitiveness. This is how we can best create value for our stakeholders in the future.

I took on the position of President and CEO of Neste in October 2024 with enthusiasm and determination. Neste is a unique company that I am honored to lead. I have been impressed by the company's own innovations, engineering, sustainability expertise and resilience. I want to thank Neste's personnel, shareholders, customers and other stakeholders for the good cooperation, and I look forward to the joint journey we have ahead of us!

# Strategy

At Neste, we are leading the way towards a sustainable future. We are committed to further strengthening our position as the world's leading producer of sustainable aviation fuel and renewable diesel.

We at Neste have a successful history with strong value creation over the past 20 years. Our investments in renewable fuels have made us the market leader in sustainable aviation fuel (SAF) and renewable diesel. As the world needs to mitigate climate change and shift away from fossil fuels, there will be a growing market for lower-emission fuels in the long term. Successful decarbonization of hard-to-abate industries such as aviation is heavily dependent on drop-in solutions like SAF.

Neste is able to utilize low-quality renewable raw materials to produce high-quality renewable fuels at scale. Our key sources of competitive advantage stem from global raw material sourcing and unique pretreatment capabilities. We also have refining capacity on three continents, enabling global value-chain optimization.

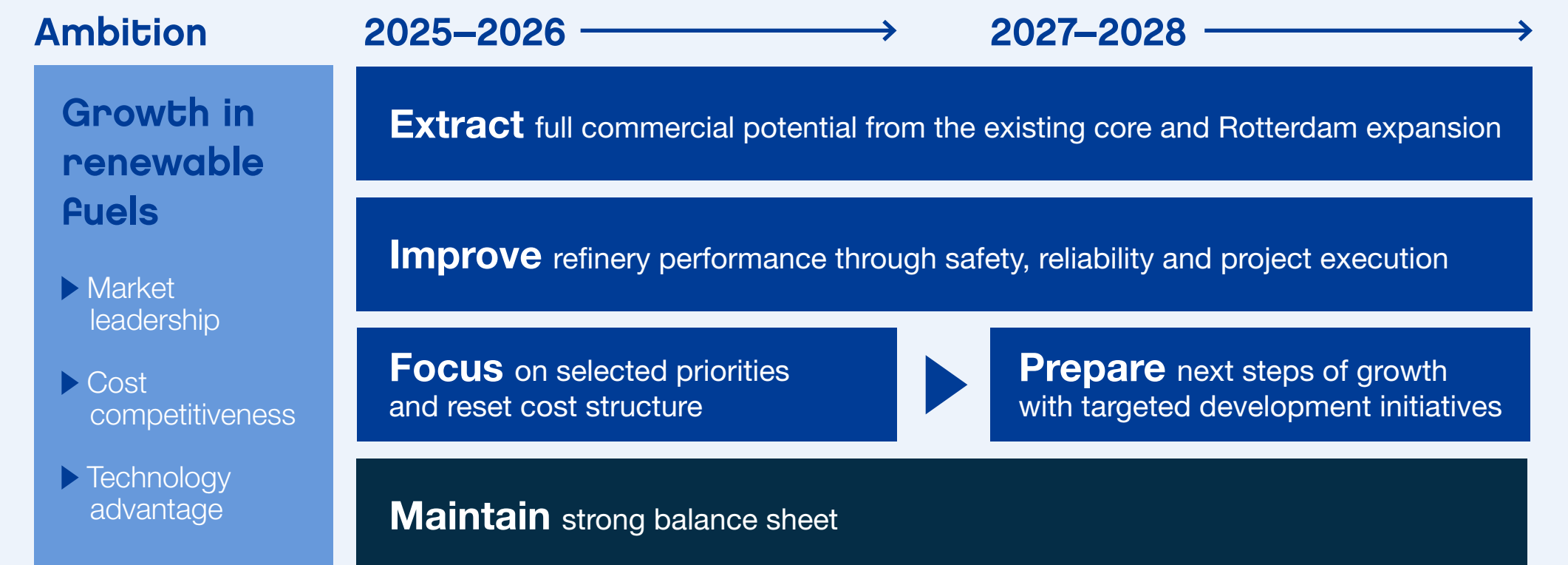
Neste continues to seek growth in renewable fuels targeting market leadership, cost competitiveness and technology advantage. During the coming few years, the company will extract the full commercial potential from its existing operations and the Rotterdam refinery expansion. Neste aims to improve refinery performance through better safety, reliability and project execution. In 2025–2026, the company will focus on defined priorities

and reset its cost structure, while in 2027–2028 it will prepare next steps of growth, focusing on selected development initiatives. Maintaining a strong balance sheet will be crucial in both of these phases.

As the renewables industry matures, Neste will increase its focus on competitiveness and capital discipline. Our Marketing & Services and Oil Products business areas play an important role as cash generators enabling growth in renewables. As a global industrial company, we must improve safety and operational efficiency throughout the company, while continuing our efforts to broaden the raw material base and to develop scalable and cost-efficient production technologies in renewables.

While the recent market environment has been challenging, we are committed to further strengthening our position as the world's leading producer of sustainable aviation fuel and renewable diesel. We have local market expertise combined with global scale. Our renewable fuels capacity will be increased to 6.8 million tons in 2027. With world-class operations on three continents, Neste will be well positioned to create value in the future.

## Neste's priorities







## Our businesses

Neste provides renewable, lower-emission Fuels for transportation, aviation, marine and other industrial uses, as well as renewable and circular solutions for the chemical and plastics industries.



### Production capacity on three continents

We produce renewable products at our refineries in Finland, the Netherlands and Singapore, as well as through our joint operation with Marathon Petroleum in Martinez, California, the U.S., entirely from renewable raw materials with an annual nameplate capacity of approximately 5.5 million tons. When completed, Neste's Rotterdam refinery capacity expansion project will further increase the company's total production capacity of renewable products to 6.8 million tons annually. This will help us meet the increasing global demand for lower-emission products.

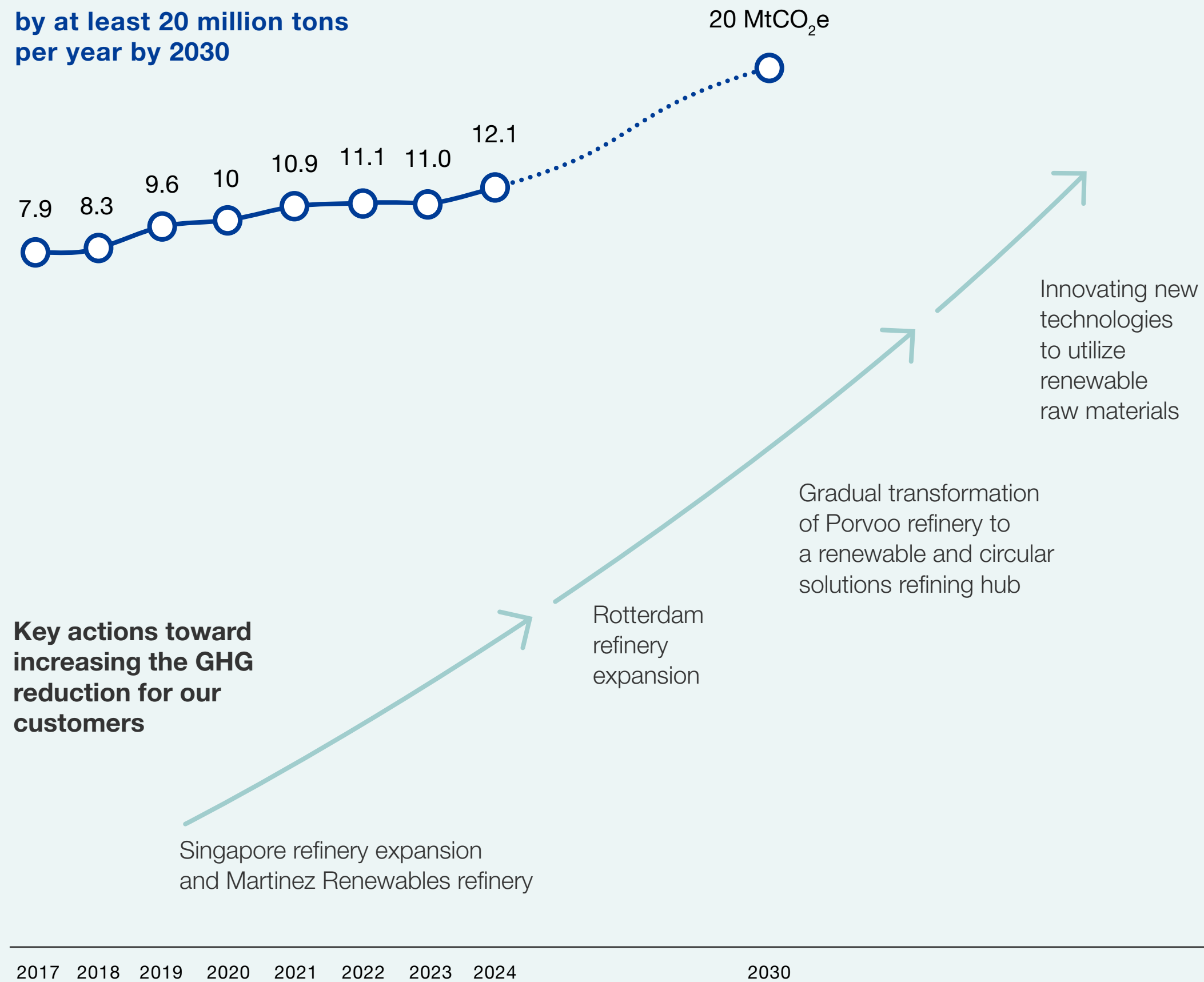
Neste is also a technologically advanced refiner of high-quality oil products with a commitment to reach carbon neutral production by 2035. The annual production capacity of fossil products at the Porvoo refinery was some 10 million tons in 2024, impacted by the major turnaround in the spring of 2024. Neste has been introducing renewable and recycled raw materials such as liquefied waste plastic at its oil refinery in Porvoo, with the ambition of making it the most sustainable refinery in Europe. Neste has initiated a strategic roadmap to gradually transform its Porvoo refinery to a leading renewable and circular solutions refining hub. The company expects the Porvoo refinery's long-term capacity potential of renewable and circular products after the transformation to be about 3 million tons.

### Achieving our carbon handprint target by growing our renewable and circular solutions capacity

Our target is to help our customers reduce their greenhouse gas (GHG) emissions by at least 20 million tons annually by 2030 with our renewable, lower-emission and circular solutions. In 2024, our renewable products enabled our customers to reduce GHG emissions by 12.1 million tons.

### Achieving our carbon handprint target by growing our production capacity

We aim to help our customers reduce their GHG emissions by at least 20 million tons per year by 2030





## Renewable Products business area

Neste's Renewable Products business area helps customers replace fossil products in aviation, road transportation, polymers and chemicals and other sectors.

### Sustainable aviation fuel: Decarbonizing aviation

Neste continues to support the aviation industry achieve its ambitious goal of net-zero carbon emissions by 2050 by providing a solution for reducing the emissions from air travel and transportation.

**Neste MY Sustainable Aviation Fuel™** (Neste MY SAF) is made from 100% renewable waste and residue raw materials such as used cooking oil and animal fat waste. In its neat form, Neste MY SAF can reduce greenhouse gas emissions by up to 80% over the fuel's life cycle compared to using fossil jet fuels (calculation method: CORSIA). The use of Neste MY SAF also significantly reduces non-CO<sub>2</sub> emissions such as soot particle emissions compared to fossil jet fuel use. The fuel can be used as a drop-in solution, as it is compatible with existing aircraft engines and airport fuel infrastructure, requiring no extra investment in them.

We are actively working with partners in the aviation fuel supply chain to grow the availability of Neste MY SAF globally. The fuel is already used by leading commercial airlines in Europe, North America and Asia-Pacific, including Lufthansa, Air France-KLM, IAG, Finnair, American Airlines, United Airlines, Emirates, Singapore Airlines and cargo carriers such as DHL Group and Cargolux. It is available at an increasing number of major airports, including San Francisco International Airport, Los Angeles International Airport, Amsterdam Airport Schiphol, Frankfurt Airport, Narita International Airport and Singapore Changi Airport.

In addition, we offer businesses our **Neste Impact** emission reduction solution: a tailored service to help them easily and credibly reduce their aviation related emissions by purchasing Neste MY SAF. This solution delivers in-sector emission reductions that can credibly be used to meet science-based targets or similar sustainability targets.

## Examples of partnerships and progress in 2024

### Progress in establishing Neste as a partner to airlines and cargo carriers

- Providing Neste MY SAF to [United Airlines](#) for use at Chicago O'Hare International Airport in the U.S.
- Supplying Neste MY SAF to [Air Canada](#) – the first time Neste's SAF is supplied to Canada.
- Providing Neste MY SAF to [Emirates](#) for flights from Amsterdam Airport Schiphol.
- Supplying Neste MY SAF to [Air New Zealand](#) marking the airline's largest SAF purchase to date.

### Expanding partnerships along the fuel supply chain to grow the availability of SAF

- Delivery of the first batch of CORSIA-certified sustainable aviation fuel for purchase in Japan in cooperation with [ITOCHU and GS Caltex](#).
- Supply of locally produced Neste MY SAF to [Singapore Airlines](#) using Neste's integrated supply capabilities into Changi Airport.

### Expanding our solution offerings

- Launching our new emission reduction solution [Neste Impact](#) for businesses looking to reduce the carbon footprint of their air travel and transportation activities.



### Renewable diesel: Lower-emission solution for road transportation and other sectors

Neste provides renewable diesel to enable businesses, other organizations and individuals to take immediate action in reducing their climate impact and advancing towards carbon neutrality. We partner with a diverse range of customers – from transportation companies, data centers, retailers and municipalities to leaders in mining, marine, construction and railways – to provide renewable diesel that supports their climate goals.

In 2024, the greenhouse gas (GHG) emission reduction customers could achieve by switching fossil diesel to [Neste MY Renewable Diesel™](#) was up to 75% or up to 95% <sup>1)</sup> over the life cycle of the fuel compared to fossil diesel. Neste MY Renewable Diesel is a drop-in solution, which means it can be used in existing diesel vehicles and fuel infrastructures as such.

Neste MY Renewable Diesel is available at over 900 stations for customers in Belgium, Denmark, Estonia, Finland, France, Germany, Latvia, Lithuania, the Netherlands and Sweden, and in the United States in California and Oregon.

### Examples of partnerships and progress in 2024

#### Expanding the availability of renewable diesel in road transportation

- [France approved the sales of transport fuels from 100% renewable raw materials](#) also to the general public.
- [Germany approved unrestricted sales of unblended, 100% renewable diesel.](#)
- Supplying renewable diesel to [BMW for initial fueling of the company's newly-produced vehicles in Germany.](#)
- Helping [New Jersey Natural Gas](#) reduce their fleet emissions with Neste MY Renewable Diesel.
- Enabling [North Brunswick](#) to be the first township in New Jersey, the U.S., to transition to renewable diesel.

#### Driving more sustainable practices in inland shipping

- Joining forces with [OK Slurink and Scylla](#) to supply Neste MY Renewable Diesel to Scylla's 40 river cruise ships in the Netherlands.

#### Advancing sustainability in the data center industry

- Helping data center company [ST Telemedia Global Data Centres](#) become the first in the industry in Singapore to power its backup power generators with Neste MY Renewable Diesel.
- Providing renewable diesel to [Verne](#), a provider of sustainable data center solutions for high intensity computing, to transition its operations from fossil to renewable fuels.

<sup>1)</sup> The GHG emission reduction varies depending on the region-specific legislation that provides the methodology for the calculations (e.g. EU RED II 2018/2001/EU for Europe and US California LCFS for the US), and the raw material mix used to manufacture the product for each market.



### Renewable and recycled feedstock: Defossilizing polymers and chemicals

Neste provides the polymers and chemicals industries with renewable and circular solutions that help mitigate climate change, combat plastic waste pollution and reduce dependence on fossil resources.

**Neste RE™** is a more sustainable feedstock for polymers and chemicals, produced with renewable and recycled raw materials. With our feedstock, polymers and chemicals producers, as well as global brands, can manufacture lower carbon footprint products and reduce the use of fossil resources.

Renewable Neste RE is produced with renewable raw materials, primarily waste and residue oils and fats of renewable origin such as used cooking oil. Neste can offer two ways to produce Neste RE using renewable raw materials. We can utilize a segregated process with our proprietary NEXBTL technology at our renewable products refineries. Alternatively, we can co-process renewable raw materials at our oil refinery and apply mass balancing. Life cycle assessment (LCA) shows renewable Neste RE produced via our renewable refineries has a more than 85% <sup>1)</sup> smaller carbon footprint over its entire life cycle compared with fossil feedstock.

Recycled Neste RE is a product from the chemical recycling of hard-to-recycle plastic waste or discarded rubber tires. LCA on recycled Neste RE shows a reduction of more than 35% <sup>2)</sup> of GHG emissions when plastic waste is chemically recycled instead of incinerated and then used to replace fossil feedstock in plastics manufacturing. At the same time, chemical recycling helps us add value to plastic waste, contributing to circularity and combating plastic pollution.

### Examples of partnerships and progress in 2024

#### Partnerships to defossilize plastics supply chains

- Partnering with leading companies such as [Lotte Chemical](#), [Marubeni Corporation](#) and [Resonac Corporation](#), [Mitsubishi Corporation](#), [Braskem](#) and [PCS](#) to create more sustainable plastics made with our renewable and recycled Neste RE.
- Providing renewable Neste RE as part of the [world's first supply chain established for more sustainable polyester fiber](#).

#### Advancing chemical recycling

- Successful first processing trial run with a challenging new raw material, [liquefied discarded tires](#).
- Strengthening chemical recycling logistics infrastructure in Europe in cooperation with [Tepco Netherlands](#) and at the [Porvoo refinery](#).
- Cooperating with [Alterra and Technip Energies](#) to accelerate scale up of liquefaction capabilities.

#### Driving circularity in plastics value chains

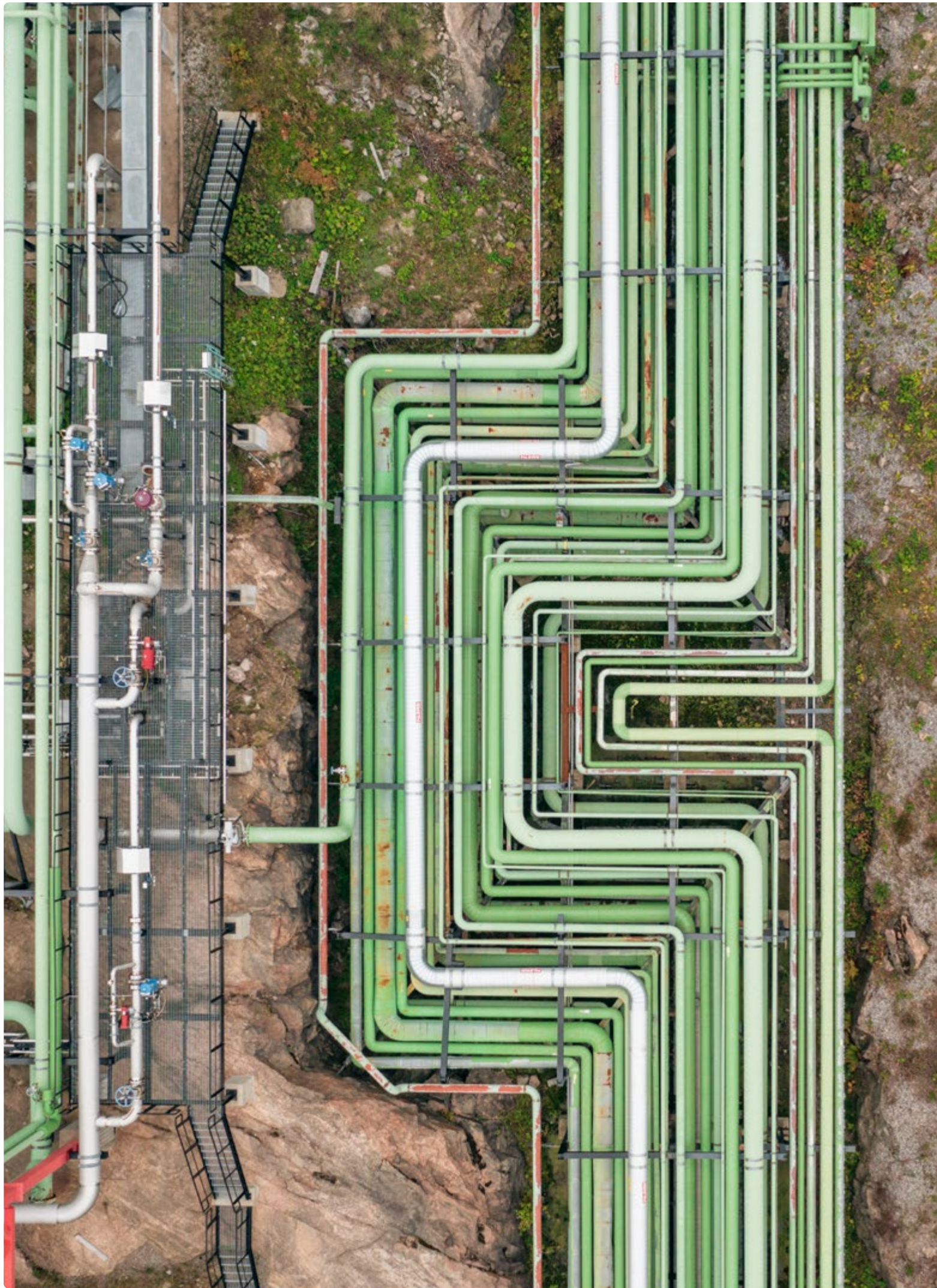
- [Project agreement with Borealis and Covestro](#) to enable the recycling of discarded tires into high-quality plastics for automotive applications.

#### Expanding availability of renewable solutions for plastics

- Introduced [co-processed renewable Neste RE feedstock](#) for the polymers and chemicals industry.

<sup>1)</sup> Life Cycle Assessment on Environmental Impacts of Neste Renewable Polymers and Chemicals (30 June 2021).

<sup>2)</sup> Life Cycle Assessment on Environmental Impacts of Chemical Recycling of Waste Plastic – Case Neste (October 2022).



### Oil Products business area

Our offering includes high-quality oil products and related services for the road transportation, heavy machinery, agriculture, aviation and marine sectors, as well as products for the oil and petrochemical industries. Our customers include retailers and distributors, oil majors and trading companies, petrochemical companies and companies marketing lubricants and solvents.

Oil products of fossil origin are processed at our refinery in Porvoo, Finland, which is among the most efficient and versatile oil refineries in Europe. At the Porvoo refinery, we process crude oil as well as renewable and recycled raw materials into more than 100 products for customers globally. We are known for reliability and flexibility with a comprehensive offering, high security of supplies and consistent quality.

Neste's ambition is to gradually transform the oil refinery in Porvoo, Finland into a leading renewable and circular solutions refining hub. To achieve the ambition at the Porvoo refinery, Neste is, for example, building an upgrading unit for liquefied waste plastic, and has started modifying existing refinery units to enable co-processing of renewable and recycled raw materials with fossil raw materials in the conventional refining process. With the help of co-processing in Neste's oil refining processes, the company can produce additional volumes of products that have lower GHG emissions than conventional fossil products.

### Examples of partnerships and progress in 2024

#### Major turnaround 2024

- Neste's scheduled maintenance works, i.e., the major turnaround, took place at the Porvoo refinery in the spring of 2024. In the **successfully completed turnaround**, the refinery was subjected to statutory inspections, maintenance works and asset improvement initiatives. During the major turnaround, the Porvoo refinery was one of the largest construction sites in Finland. In total, some 7,600 people took part in the turnaround works and completed over 1.4 million working hours. The major turnaround investment in 2024 totaled approximately 390 million euros.

#### Supporting our customers in reducing their emissions

- Partnering with **PVG** to enable households in Europe to heat their homes with a co-processed lower-emission solution for portable liquid fuel heaters.



### Marketing & Services business area

Marketing & Services creates value with customer-centric solutions, quality products and sustainable partnerships in Finland and in the Baltic countries. We serve consumers, heating fuel customers, fuel distributors and transportation service providers as well as customers in a wide range of sectors including aviation, shipping, industry and agriculture. We seek to develop a diverse range of services aiming to provide the best customer experience, enhanced by digitalization and innovations.

We support our customers in reducing their greenhouse gas emissions by offering Neste MY Renewable Diesel™, Neste MY Sustainable Aviation Fuel™ and electric vehicle charging services. We also create additional value for our customers with solutions like Neste ReNew™ lubricants and our emission calculation and reporting solution, Neste MY Carbon Footprint™.

Neste has an extensive station network of nearly 1,000 stations in Finland and the Baltics. We are continuously expanding the availability of Neste MY Renewable Diesel at our stations, and we also serve our customers with the expanding public electric vehicle charging service, Neste MY Renewable Charge™. Neste offers a network of 44 Neste MY Renewable Charge stations in Finland and the Baltics.

### Examples of partnerships and progress in 2024

#### Supporting our customers in reducing their emissions

- [Valtra's](#) Suolahti factory in Finland reported to have used 5 million liters of Neste MY Renewable Diesel, reducing greenhouse gas emissions by over 15,000 tons since our partnership began in 2017.

#### Accelerating the electrification of heavy-duty vehicles in close collaboration with our customers

- Opening our [first high-power charging service](#) for heavy-duty vehicles along the main highway 3 in Finland.

# Innovation

Innovation has enabled our progress toward transformation and global leadership in renewable fuels and circular solutions, and it has been the driving force in ensuring the success of Neste.

Our core approach in innovation and R&D is to convert low-quality raw materials into high-quality solutions. A great example of how we create competitive advantages and new business opportunities is our proprietary NEXBTL™ technology, which allows us to turn renewable oils and fats into renewable fuels and feedstock for polymers and chemicals production.

But we do not stop there. We are continuously working towards expanding the availability of renewable and recycled raw materials while developing cutting-edge technologies to diversify our current portfolio.

## R&D as a cornerstone of our success

In addition to exploring new growth opportunities, we constantly develop, test and analyze our existing renewable and circular solutions. In 2024, our R&D expenditure was EUR 86 million.

In 2024, we increased our focus on supporting existing businesses and enhancing their competitiveness. We prioritized research investments, among others, to advance chemical recycling and develop innovative pre-treatment technologies.

In 2024, we continued to build chemical recycling capacities at the Porvoo refinery in Finland. The new upgrading facility will be completed in 2025, increasing our processing capacity for recycled raw materials, such as liquefied waste plastics, to 150,000 tons annually.

## Powering innovation through collaboration

Partnerships strengthen innovation by fostering the collaboration needed for groundbreaking advances. Neste is collaborating with a network of leading universities and research institutes as well as with technology companies, startups and value chain partners to introduce innovations in renewable and circular solutions to global-scale businesses. We collaborate with startups that provide valuable insights and help us stay informed about emerging technologies. In the [Neste Veturi](#) program together with numerous partners, we continued to develop more sustainable, globally scalable solutions for fuels and chemicals from untapped renewable and recycled raw materials.

## Protecting intellectual property

Neste's intellectual property is strategically integrated with our business and research organizations. We actively manage and develop a world-class intellectual property portfolio that ensures strong control and protection of Neste's core technology and brand assets. Neste's portfolio includes over 2,200 patents and over 800 trademark registrations.

## Innovating to diversify our raw material portfolio

Our research and innovation teams have been actively exploring a range of promising new raw materials and technologies, such as algae, lignocellulose, liquefied waste plastic, novel vegetable oils from regenerative agricultural practices, Power-to-X and renewable hydrogen.

These globally scalable raw material pools, together with related technologies, will play an important role in further reducing dependence on crude oil and mitigating climate change.

↩ Read more about [future raw materials](#)





# Sustainability

Global greenhouse gas emissions continue to rise, making the path to limiting warming to 1.5°C increasingly narrow. The urgency of climate action is undeniable.

Our direction is clear: Neste wants to be at the forefront of accelerating the green transition with its renewable and circular solutions and to create value for its customers, partners and the society. We create solutions for mitigating climate change and shifting toward the circular economy by refining waste, residues, and innovative raw materials into renewable fuels and sustainable feedstock for polymers and chemicals. We partner widely across industries, for example with the aviation and road transportation sectors, to help them reduce their greenhouse gas emissions, and we provide the polymers and chemicals industries with viable pathways to transition away from fossil resources.

Sustainability is the key driver of our business. Our work is guided by our sustainability vision covering

climate, biodiversity, human rights, and supply chain and raw materials. With our partners, we are aiming for a carbon neutral and nature positive value chain by 2040.

While working to tackle the global climate challenge and ecosystem decline, we acknowledge our social, environmental and economic role locally and globally. We have an impact on people and the environment within our own operations and throughout the value chain. We are committed to high ethical standards, we act responsibly and respect human rights wherever we operate. We expect the same from our suppliers and business partners.

[Read more about sustainability at Neste](#)

## Global climate challenge

Global GHG emission growth in comparison to 1990 <sup>1)</sup>

**>60%**

Global GHG emissions of the transport sector <sup>2)</sup>

**~22%**

of which road transport represents

**75%**

Aviation accounts for approximately

**2–3%**

of global GHG emissions.

Air travel is expected to

**DOUBLE**

by 2040 <sup>3)</sup>

<sup>1)</sup> Source: EDGAR Community GHG Database, a collaboration between the European Commission, Joint Research Centre (JRC), the International Energy Agency (IEA).

<sup>2)</sup> Source: IEA World Energy Outlook (2024).

<sup>3)</sup> Source: IEA, IATA.

# Neste sustainability vision



## Climate

We lead transformation toward a carbon neutral value chain by 2040.



## Carbon footprint

We reduce emissions in our own production (scopes 1 & 2) by 50% by 2030 and reach carbon neutral production by 2035.

We reduce the use phase emission intensity of sold products by 50% by 2040 compared to 2020 levels.



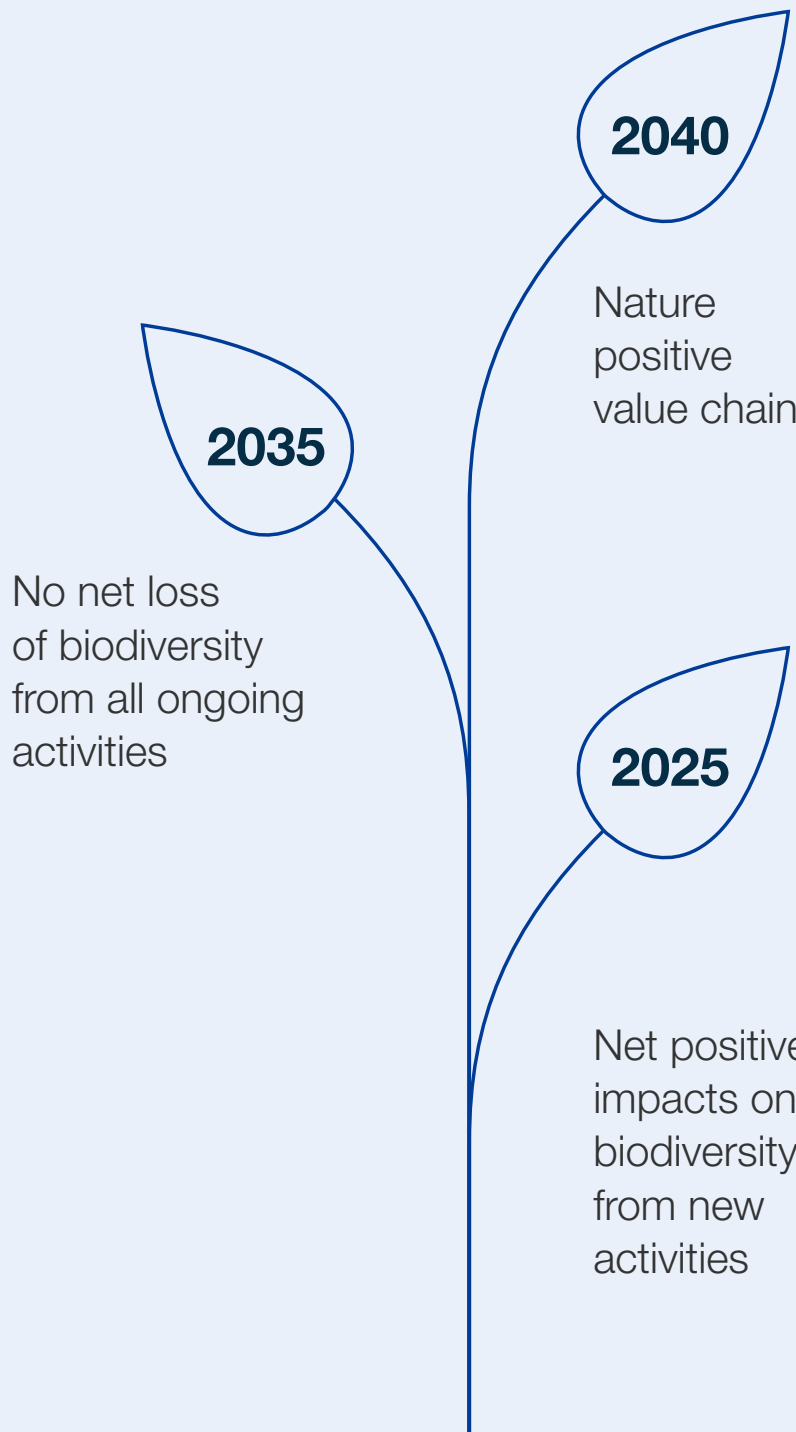
## Carbon handprint

We help our customers to reduce their GHG emissions by at least 20 Mt annually by 2030 with our renewable and circular solutions.



## Biodiversity

We aim to drive a positive impact on biodiversity and achieve a nature positive value chain by 2040.



## Human rights

We strive to create a more equitable and inclusive value chain by 2030 in which everyone works with dignity.



Pay all of our employees a living wage and advance living wages in our value chains.



Advance responsible recruitment practices and the elimination of recruitment fees for workers.



Collaborate to promote respect for children's rights and increase access to education for children.



Tackle inequality and promote diversity and inclusion across the value chain.



## Supply chain & raw materials

We drive a safe and healthy workplace, fair labor practices and increased commitment to sustainability across the supply chain.



We expect all our suppliers and business partners to commit to Neste Supplier Code of Conduct requirements.



We include social, environmental and ethical criteria for suppliers as we drive diversification and increased availability of sustainable raw materials.

# Climate

We lead transformation toward a carbon neutral neutral value chain.

Our climate work is divided into three priority areas: carbon handprint, carbon footprint and use phase emission intensity. We enable our customers to reduce their greenhouse gas (GHG) emissions by offering renewable and circular solutions to replace fossil products. Our carbon handprint target is to help our customers reduce their GHG emissions by at least 20 million tons annually by 2030. At the same time, we need to reduce our own carbon footprint. We are committed to halving the GHG emissions from our own production (scopes 1 & 2) by 2030 and reaching carbon neutral production by 2035. We are also committed to reducing the use phase emission intensity<sup>1)</sup> of sold fuel products and work with our suppliers and partners to reduce the indirect GHG emissions from our entire value chain (scope 3).

## Our climate commitments drive transformation toward a carbon neutral value chain



### Carbon handprint:

We help our customers to reduce their GHG emissions by at least 20 MtCO<sub>2</sub>e annually by 2030 with our renewable and circular solutions.



### Carbon footprint (scopes 1 & 2):

We reduce emissions in our own production by 50% by 2030 and reach carbon neutral production by 2035.



We reduce the **use phase emission intensity<sup>1)</sup>** of sold products (scope 3) by 50% by 2040 compared to 2020 levels, and work with our suppliers and partners to reduce emissions across our value chain (scope 3).

<sup>1)</sup> Use phase emission intensity is calculated by dividing the emissions from the use of products sold by Neste by the total amount of sold energy (gCO<sub>2</sub>e/MJ).





### Neste partnered with the Exponential Roadmap Initiative

Neste and the Exponential Roadmap Initiative (ERI) started collaboration that aims to align with the criteria of the UN Climate Change High-Level Champion's Race to Zero. The aim of the [collaboration](#) is to reach net-zero greenhouse gas emissions by accelerating climate action in the business and its global value chains. In 2024 ERI supported Neste with advice on identifying and closing key gaps in meeting the criteria for becoming a member of ERI and the Race to Zero.

## Our carbon handprint

We aim to achieve our carbon handprint target by growing our renewable and circular solutions capacity. Through our strategic investment project in Rotterdam, our total production capacity of renewable products will expand to 6.8 million tons annually in the coming years. Moreover, we diversify our raw materials portfolio, increasing the use of raw materials with lower GHG impact throughout product life cycle. This will help us address the increasing global demand for lower-emission products. In 2024, our renewable products enabled our customers to reduce their GHG emissions by 12.1 million tons.

### What is a carbon handprint?

Carbon handprint quantifies how much our solutions reduce our customers' carbon footprint. It is the difference between the carbon footprint over the life cycle of a baseline product or service and a lower-emission product or service. The bigger the handprint is, the better. All our renewable and circular solutions have significantly lower GHG emissions over their life cycle compared to fossil alternatives, which help our customers reduce their GHG emissions and reach their climate targets.

To assess the carbon handprint, we first calculate the GHG emissions of our renewable and circular products over their entire life cycle from the production of their raw materials to the end use of the final product. For fuels, the life cycle ends when the product has been used, and for other (non-fuel) products such as renewable feedstock for new polymers and chemicals, the life cycle ends in end-of-life treatment and potential recycling. The life cycle GHG emissions of each of our renewable and circular products is then compared with the carbon footprint of the fossil reference defined in the relevant regulation.

 Read more in [the Sustainability statement](#)

In 2024, our renewable products helped reduce greenhouse gas emissions

**12.1 Mt,**

which equals the greenhouse gas emissions from around 4.8 million road cargo trips from Rome to Stockholm; or more than 24,000 full aircraft round trips from Amsterdam to San Francisco.



## Our carbon footprint

Reducing greenhouse gas emissions (GHG) in our own operations as well as across our value chain is essential to be able to lead the transformation toward a carbon neutral value chain.

### What does our footprint consist of?

Neste reports both direct and indirect GHG emissions from its production and value chain under scopes 1, 2 and 3, as defined by the GHG Protocol. GHG emissions from the use of Neste's products (scope 3) is the most significant emissions source, followed by the raw materials sourcing and transportation. In 2024, the indirect value chain emissions (scope 3) were 56.5 MtCO<sub>2</sub>e, totaling 95% of Neste's carbon footprint. Direct operational process emissions and fuel combustion (scope 1) were 2.3 MtCO<sub>2</sub>e and indirect emissions from purchased energy (scope 2) 0.4 MtCO<sub>2</sub>e.

Neste recognizes the need to reduce global GHG emissions by approximately 50% every decade and reach global net-zero GHG emissions by 2050 or sooner to limit global warming to 1.5°C compared to pre-industrial levels, aligned with the goal of Paris Agreement. We aim to achieve this by reducing the GHG emissions from our own production, sold products and throughout the value chain.

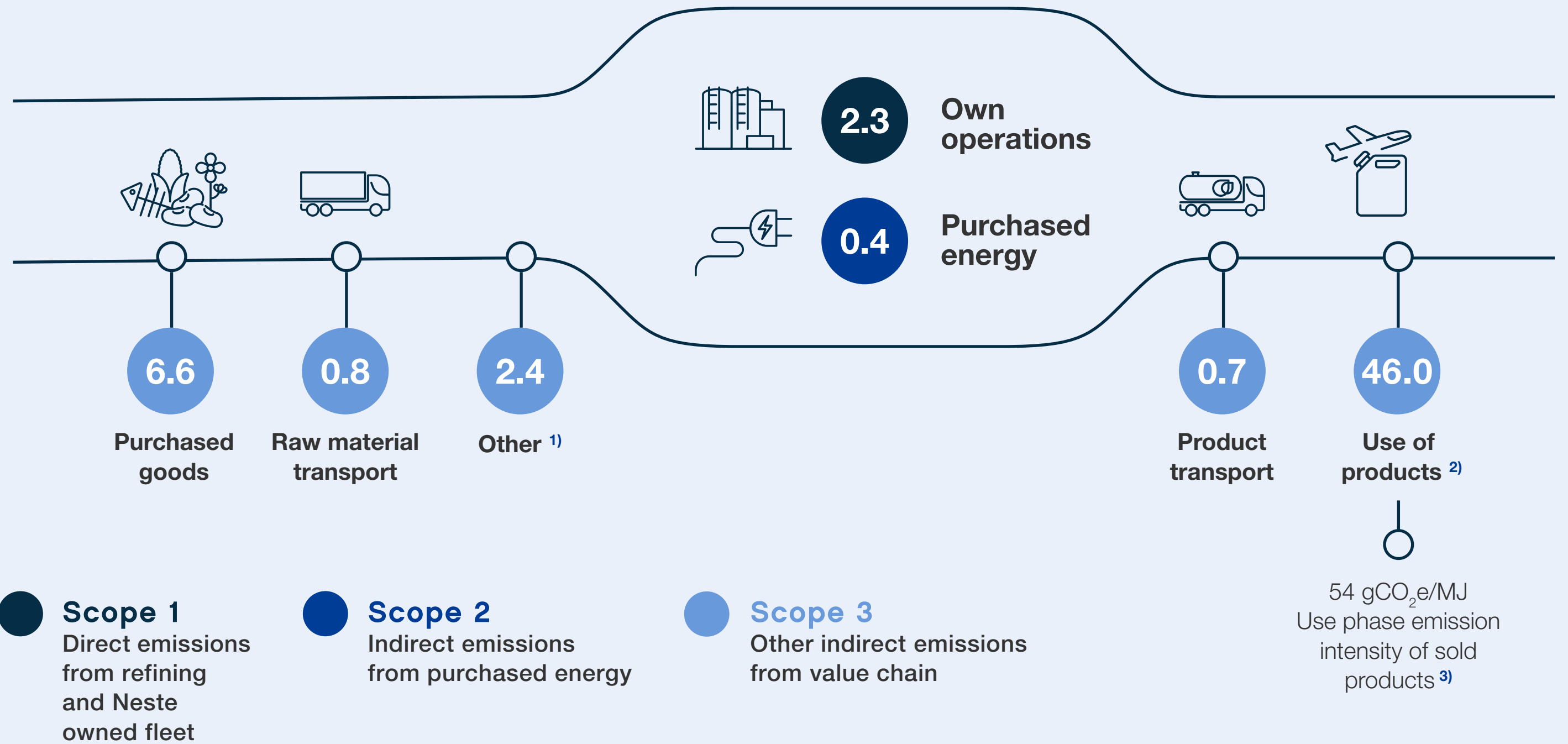
### Our roadmap toward a carbon neutral value chain

We closely monitor the development of the latest climate science, sectoral guidance, best practises and the leading climate frameworks such as the Science Based Targets initiative (SBTi), Transition Pathway Initiative (TPI) and Exponential Roadmap Initiative (ERI) to develop our climate commitments. As a result, achieving significant emissions reductions within our own operations and across the value chain remains the central approach to meeting our climate targets.

## Our footprint: Neste's value chain GHG emissions

We use the scope framework defined in the Corporate Standard by GHG Protocol to assess the GHG emissions across our value chain. Scopes 1 & 2 cover the emissions related to our own production. Scope 3 includes all other relevant emissions throughout our value chain.

### Reported GHG emissions in 2024, MtCO<sub>2</sub>e



<sup>1)</sup> Including purchased services, waste generated in operations, fuel- and energy-related activities and investments.

<sup>2)</sup> Includes Use of sold products and End-of-life treatment of sold products.

<sup>3)</sup> Use phase emission intensity is calculated by dividing the emissions from the use of fuel products sold by Neste (part of scope 3) with the total amount of sold energy (gCO<sub>2</sub>e/MJ).

We have identified and taken several measures to reduce GHG emissions in our production (scopes 1 & 2). We met our short-term target of 100% renewable electricity procurement globally in 2023 with electricity supplier contracts and additional market measures. In 2024, solar power supply started from the Lakari solar plant in Rauma, Finland. In the medium-term, we will focus on improving energy efficiency and electrification, and in the long-term, our decarbonization actions include scaling new technologies.

In October 2024, we announced a decision to re-evaluate our renewable hydrogen plans and withdraw from investing into a 120 MW electrolyzer at the Porvoo refinery. We still plan to utilize renewable hydrogen at the Porvoo refinery and are actively evaluating alternative pathways for securing renewable hydrogen. Together with our partners, we continue the work to develop hydrogen ecosystems connected to our Porvoo refinery.

After the first target of halving our scopes 1 & 2 emissions by 2030, we are committed to reaching carbon neutrality in our own production by 2035. To achieve this, on top of the identified short-, medium- and long-term decarbonization measures, credible additional actions are needed within or beyond our value chain to neutralize or mitigate the residual emissions.

Use phase emissions of our sold products are a key priority on our journey toward a carbon neutral value chain by 2040. Thus, we are committed to halving the use phase emissions of our own sold products by 2040.

Furthermore, we recognize the need for comprehensive scope 3 emissions management. We are committed to working with our suppliers and partners to reduce the indirect GHG emissions across our value chain (scope 3). In 2024, we continued our internal pilot to assess scope 3 hotspots and to identify our critical suppliers and partners with a significant role in supporting us in our efforts to decarbonize our value chain.

Our climate commitments remain connected to the remuneration of Neste's key personnel, as a performance measure in Neste's long-term incentives (LTIs) to further drive the commitment and implementation of actions across the organization.



### Naantali bio-steam boiler

In 2024, a new steam boiler was completed at the Neste Naantali terminal. The new energy facility produces steam for the Naantali terminal heating tanks with a bio-steam boiler using domestic wood chips and recycled wood as an energy source and an electric boiler using renewable energy. The supply of steam produced with renewable fuels and energy supports Neste's aim of reducing emissions in our own production.

Since 2020, evaluating the production carbon footprint (scope 1 & 2) emission impact of investment decisions has been mandatory at Neste. To increase the transparency of the different GHG emission impacts of our investments, we have introduced new criteria and guidelines to enable our project teams to evaluate all the potential climate impacts of the possible investments. To align our investment decisions to support our climate commitments, Neste applies an internal carbon price for our scope 1 & 2 GHG emissions in investment calculations, business case evaluations and strategic planning.



### Progress of Porvoo refinery transformation

In 2023, Neste completed the strategic study on gradually transforming its crude oil refinery in Porvoo, Finland, into a leading renewable and circular solutions refining hub. The planned transformation will proceed in phases, and requires multiple separate investment decisions during the next decade before targeted completion. The transformation will complete Neste's journey to a 100% renewable and circular solutions producer when finalized.

# Biodiversity

We aim to drive positive impact on biodiversity and to achieve a nature-positive value chain by 2040, where positive biodiversity impacts outweigh negative ones.

Neste is dedicated to contributing to a more sustainable future for people and nature. We are taking a proactive, comprehensive and a phased approach to biodiversity:

- We aim to create net positive impacts (NPI) for biodiversity from new activities in our own operations from 2025 onward.
- We target No Net Loss (NNL) of biodiversity from all ongoing activities in our own operations by 2035.
- We aim to create nature positive impact throughout our value chain by 2040.

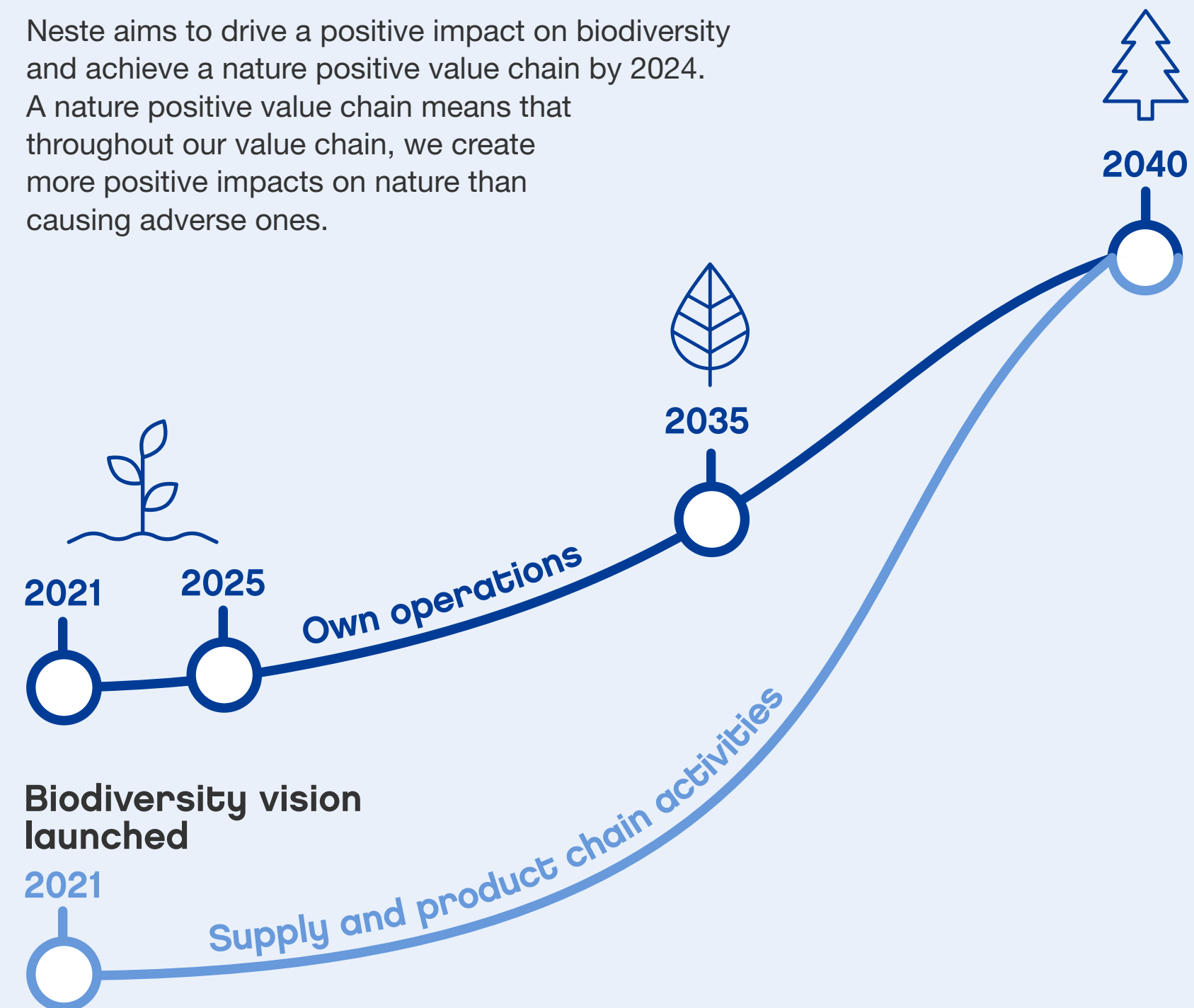
To achieve these goals, we apply the mitigation hierarchy to manage our biodiversity impacts: Avoid and minimize all negative impacts, restore affected areas and finally compensate for the residual impacts from our own operations.

Our focus areas for biodiversity management include:

- **Land:** We avoid the conversion of habitats with valuable biodiversity and aim to prevent deforestation.
- **Water:** We promote sustainable water use.
- **Pollution:** We mitigate environmental impacts from pollution as required under the applicable environmental regulations.

## Nature positive value chain by 2040

Neste aims to drive a positive impact on biodiversity and achieve a nature positive value chain by 2040. A nature positive value chain means that throughout our value chain, we create more positive impacts on nature than causing adverse ones.



### Biodiversity vision launched

2021

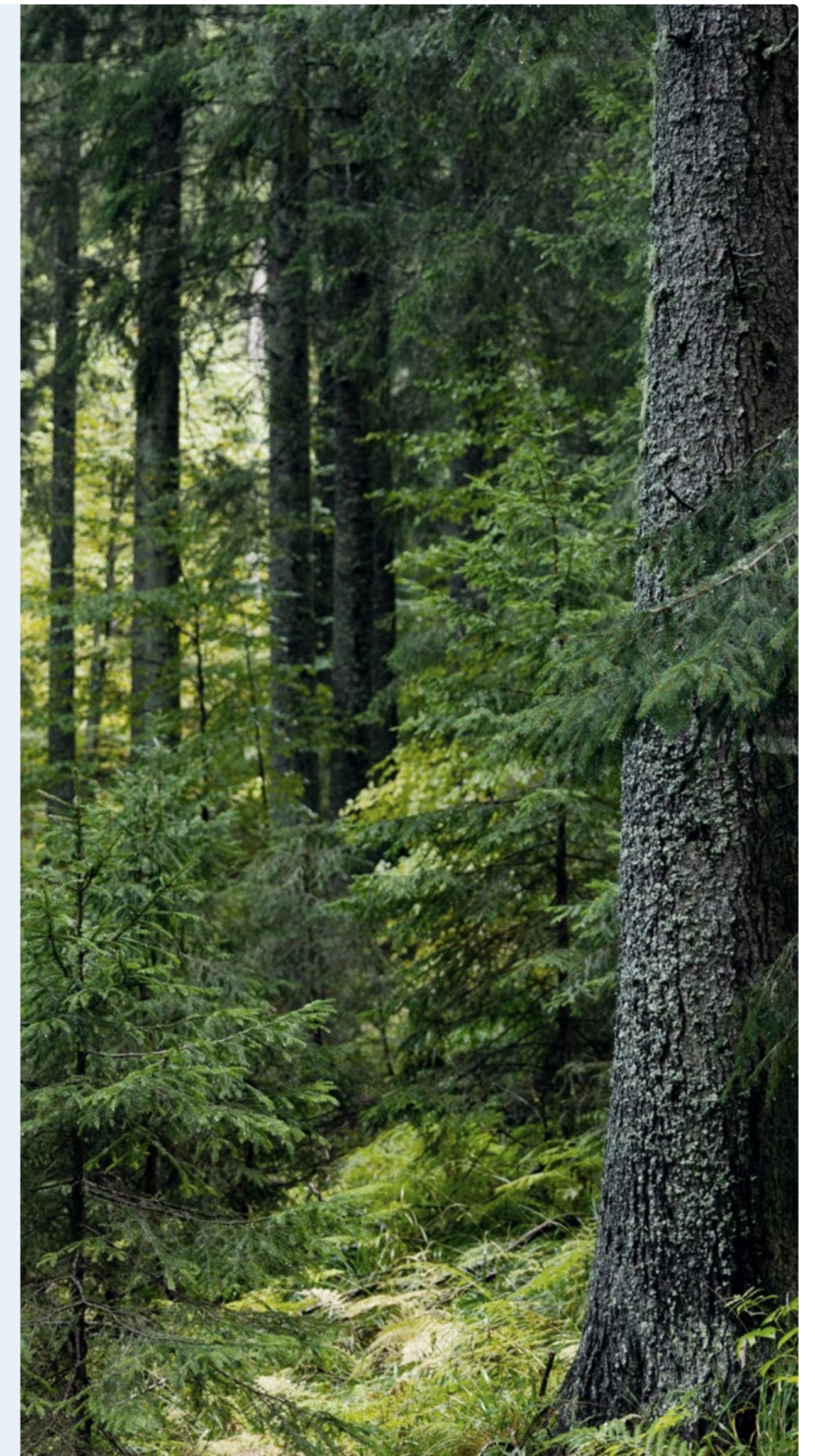
### Net positive impacts

Aim to create net positive impacts (NPI) for biodiversity from **new activities** from 2025 onward.

### No net loss

Target no net loss (NNL) of biodiversity from **all ongoing activities** by 2035.

The scope of “Net positive impact” (NPI) and “No net loss” (NNL) approach is set for Neste’s own operations. No net loss means net zero impact on biodiversity. “Own” means Neste’s direct operations covering activities over which Neste has direct operational control. NPI and NNL aim to address impacts through a mitigation hierarchy: avoiding and minimizing losses, restoring affected areas, and finally compensating the residual impacts, so that no biodiversity loss remains, and a positive impact is created.





## Management of biodiversity impacts in our own operations

### Developing our NPI approach for new investments

Building on the development of our No Net Loss (NNL) and Net Positive Impact (NPI) methodology pilots in 2023, we continued to refine our NPI approach in future investment projects.

In 2024, we defined criteria for application of the mitigation hierarchy within Neste's new investments. This included development of new internal guidance for investment projects to follow. The first investment projects have started to implement the criteria in their development.

Implementing this approach is a key step toward creating net positive impacts on biodiversity from new activities starting in 2025.

### Biodiversity focus areas on our sites

We believe that by implementing water stewardship, we can also build more resilient operations. We are therefore working to update our approach to water and related targets to achieve a nature positive value chain by 2040. In 2024, we continued to develop our water stewardship

approach at our sites as part of the update of our environmental management principle. Currently, we are focusing on strengthening the water balance management. A new wastewater treatment unit is being completed at the Rotterdam refinery and will start operation with the expansion of the production unit. New wastewater treatment units have been recently installed in Porvoo and Singapore.

The most recent water risk evaluation of Neste sites was undertaken in 2024, based on the WWF water risk filter tool's 2024 update and new Water Availability data layer that is in line with SBTN criteria. All our refineries are located in low-risk areas, but the updated evaluation indicates that Neste has six small-scale collection and recycling sites for waste and residue raw material in high and two sites in moderate water availability risk areas.

Elevated water risks can cause potential pressure in the pricing of water resources. Both water intake and wastewater treatment have been considered in long-term operational financial planning. According to our company-wide Environmental Management Principle, major investment projects include an Environmental Compliance Analysis and a compliance review when building new production capacity or increasing current capacity.

Neste has identified some vulnerable species and habitats to protect on our land, and within the Naantali terminal three hectares of forest have been protected. We follow strict criteria to mitigate pollution related environmental impacts and risks.

## Management of biodiversity impacts in our supply chain

In 2024, we reinforced our commitment to a nature-positive value chain. Building on insights from the SBTN pilot, we continued to map material impacts on our supply chain by identifying, assessing and prioritizing raw materials and regions critical for biodiversity. Beyond deforestation, we evaluated our landscape initiatives to refine our internal criteria guiding their development. Our goal is to address key biodiversity impacts across our value chain, focusing on land, water and pollution, while developing effective metrics and indicators to achieve a nature-positive value chain. We are also exploring the introduction of time-bound targets to support our efforts.

## Our collaborations for biodiversity

### Piloting science-based targets for nature

Neste was included in the initial target validation group for science-based targets (SBTs) for nature, by the Science Based Targets Network (SBTN) from May 2023 to September 2024.

We have been applying the pilot methodology and testing its feasibility in close collaboration with SBTN. Eventually, we did not set targets for nature based on the SBTN pilot methodology, but we want to continue supporting the development and our learning journey with the methodology in the future.

We have applied the lessons learned in the pilot to set and develop our own focus areas for mitigating impacts on nature and biodiversity. We completed our materiality analysis of biodiversity impacts according to SBTN guidance for upstream and direct operations, and concluded that freshwater and land use aspects are material for biodiversity and nature in Neste's value chain.

## Biodiversity approach development with Fauna & Flora

Our collaboration with Fauna & Flora, initiated in 2022, has been instrumental in developing Neste's biodiversity work. As an international, world's oldest wildlife conservation charity, they have supported us in creating an approach to net positive impacts and nature positive value chain.

## Developing practices for the Chemical industry in Finland

In Finland, Neste has been actively participating in the Chemical Industry Federation of Finland's biodiversity development work. The group of industry representatives has focused on raising biodiversity awareness within the chemical industry. Actions have included e.g. meetings with NGOs, arranging training, giving advice on several files, supporting advocacy, and contributing to the industry's overall biodiversity impact mapping.

## WBCSD's roadmaps to nature positive

Neste has participated in World Business Council for Sustainable Development (WBCSD) work on developing biodiversity and soil health metrics for regenerative agriculture. This work supports us in developing sustainability indicators for the novel vegetable oils (NVOs) supply chain via regenerative agricultural practices. These practices promote soil health and biodiversity on agricultural land. In 2024, we tested a set of sustainability indicators when piloting the new concepts. We will continue the development based on the lessons from the pilots and from the collaboration with WBCSD and other research institutes.

[Read more about biodiversity](#)

[Read more in the Sustainability statement.](#)



# Human rights

In line with the United Nations Guiding Principles on Business and Human Rights, our [Human Rights Principle](#) sets the path and standards for a rights-based approach in all of Neste's business decisions.

## Embedding respect for human rights across the business

We implement an ongoing process of human rights due diligence to identify, assess and address adverse human rights impacts across our business operations and value chains. Stakeholder engagement is a key component of Neste's human rights due diligence, extending across our operations, supply chains, and communities. When assessing human rights risks, we pay special attention to vulnerable groups such as women, children, migrant workers and Indigenous Peoples.

## Neste's human rights ambition 2030

We strive to create a more equitable and inclusive value chain by 2030, in which everyone works with dignity.



### Responsible recruitment

We commit to and promote the Employer Pays Principle, with implementation in high risk areas by 2030, to ensure that no worker pays for a job and the costs of recruitment are paid for by the employer, not the worker.



### Living wages

We pay all of our employees a living wage, take action to promote living wages in Neste's supply chains, and require strategic contractors and suppliers to pay their employees a living wage by 2030.



### Children & education

We work together with our stakeholders to increase children's access to education by 2030, and promote respect for children's rights by actively supporting and participating in initiatives aimed at keeping children in school.



### Reducing inequality

By 2030, we will reduce inequalities across the value chain and address the root causes of systemic human rights issues. Advance diversity, equity and inclusion in our own businesses and supply chains.



## Respecting human rights

Ensure respect for human rights across Neste's operations and value chains by carrying out ongoing human rights due diligence to identify, assess and address adverse human rights impacts and communicate on our performance.



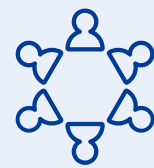
## Our most salient human rights issues



**Fair employment**



**Health & safety**



**Equity, diversity & non-discrimination**



**Children & young workers**



**Modern slavery**



**Fair treatment**



**Economic, social & cultural rights**

### Focusing on salient issues

Our Human Rights Principle outlines seven priority areas for human rights at Neste: fair employment; health & safety; equity, diversity & non-discrimination; children & young workers; modern slavery; fair treatment and economic, social & cultural rights. 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.

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 and granular 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 2024, we held internal workshops to expand the depth and scope of our saliency assessment across our business areas.

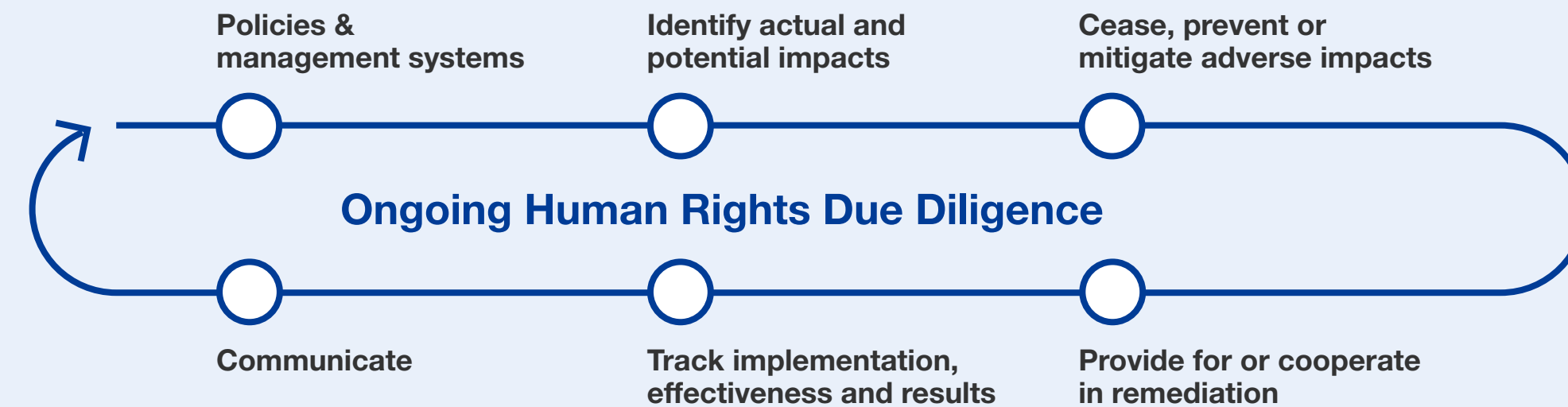
### Human rights due diligence for our own operations

Recognizing that our human rights impacts may change over time as our business continues to grow and evolve, we are committed to embedding ongoing human rights due diligence across our own operations and communities:

- 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 2024, we made progress on this commitment by carrying out human rights due diligence maturity assessments for Neste's terminals in Finland, the Netherlands and the Baltics.
- We continue to use human rights criteria and assessments to inform decision-making on strategic business development, investments and innovation

## Embedding human rights due diligence at Neste

Neste has put in place ongoing management processes to identify, prevent, mitigate and remedy adverse human rights impacts. We continuously monitor and track the effectiveness of our response, with transparent reporting and communication on how impacts are addressed.



- projects. For example, in 2024, we completed a human rights impact assessment for the potential construction and operation of a new unit at Neste's Porvoo refinery. The assessment identified and evaluated potential human rights risks to local communities, construction workers, and future employees at the facility, providing recommended mitigation measures to ensure human rights are respected throughout the project.
- In 2024, we continued to work proactively to prevent exploitation and promote respect for labor rights across our production sites. We pay special attention to safeguarding the rights of migrant workers and third-party employees working for contractors and subcontractors on Neste sites, especially during peak times such as our expansion projects, shutdowns and turnarounds. We use a range of practices to inform these workers about their rights and address their concerns, e.g. informative posters and leaflets, induction sessions, contractor social audits, social toolbox meetings, and site-level complaints channels.

### Human rights due diligence for our supply chains

We assess human rights risks when planning to enter new sourcing regions for our renewable raw materials, and expect all of our suppliers to comply with applicable laws and to follow equivalent ethical business standards as stated in Neste [Supplier Code of Conduct](#). Our sustainability screening for raw material suppliers and our sustainability audits have a strong human rights focus and prioritize the assessment of impacts on people.

- ➔ Read more about [the site-level complaints channels for third-party workers](#).
- ✔ Read more in [the sustainability data package](#).
- ↶ Read more about our [supply chain due diligence](#).



### Training and capacity building

We are committed to training our employees and suppliers on human rights and labor standards. Human rights training is integrated into our global induction for new employees and all Neste employees are required to complete a mandatory Code of Conduct e-learning course, which includes topics on advancing respect for human and labor rights. We also carry out annual capacity building sessions for our suppliers, which cover a variety of human rights topics. For example, in 2024 we hosted an online training session for our renewable raw material suppliers and sub-suppliers on human rights and forced labor.

➤ Read more about [supplier capacity building](#).

### 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 2024, 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 Supplier Code of Conduct no-recruitment-fee policy in sustainability audits conducted on suppliers of renewable raw materials.
- Monitoring the implementation of corrective actions resulting from Neste-led audits of migrant worker recruitment agencies used by one of our suppliers in both their sending and receiving countries.
- Participating in the Consumer Goods Forum's [People Positive Palm Project](#) to 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).

➤ Read more about modern slavery risks in our [Modern Slavery Statement](#).

### Living wages and incomes

In 2024, Neste completed its annual internal living wage gap assessment covering all countries in its global operations, using data provided by the Fair Wage Network. The analysis of assessment results is ongoing, ensuring a thorough evaluation of diverse remuneration elements in all locations.

We continue to use living wage data in our onboarding process and sustainability audits for renewable raw material suppliers, with the dual aim of gaining a better understanding of our supplier wage practices and raising awareness to build supplier knowledge of this topic. In 2024, we assessed the living wage practices of 11 renewable raw material suppliers.

### Children and youth

Neste is committed to respecting and supporting children's rights and to implementing [the Children's Rights and Business Principles](#) throughout our business and value chains. We were recognized as a leader in the Global Child Forum's annual benchmark, The State of Children's Rights and Business 2024. Neste was ranked among the top 10 companies out of 1,802 benchmarked globally. This accomplishment demonstrates our ongoing commitment to safeguarding children's rights throughout our operations and value chains.

In 2024, we continued to work 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.

### Worker voice

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 2024, we continued to implement [worker voice technology](#) in Neste's operations and supply chains. The technology uses an audiovisual survey to enable direct and anonymous engagement with workers on mobile devices. In 2024, we conducted 501 anonymous worker surveys in our supply chains across Asia and North America. 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.

### Collaboration

We actively seek opportunities to collaborate with our stakeholders to advance positive systemic change and enhance our leverage to address the root causes of adverse human rights impacts. In 2024, we continued to engage in the [Nordic Business Network for Human Rights](#) (NBNHR), [Consumer Goods Forum's](#) (CGF) Human Rights Coalition, and the [World Business Council for Sustainable Development](#) (WBCSD), including the WBCSD Business Commission to Tackle Inequality (BCTI).

➤ Read more on our [collaborative initiatives](#).

### Reporting

Since 2021, we have been reporting in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPR) Reporting Framework.

➤ Read more in the [Sustainability statement](#).

# Supply chain and raw materials

We drive a safe and healthy workplace, fair labor practices and increased commitment to sustainability across the supply chain.

Our commitments to responsible and ethical business depend not only on our own people but also on forming relationships with business partners who share our commitments. Identifying and selecting good partners are crucial to the sustainability of supply chains. Nestle requires all its suppliers and other business partners to comply with applicable laws and expects them to follow equivalent ethical business standards as stated in the [Nestle Supplier Code of Conduct](#). We include social, environmental and ethical criteria for suppliers as we drive diversification and increased availability of more sustainable raw materials.

Nestle Supplier Code of Conduct outlines the basic requirements Nestle expects its suppliers and their first tier suppliers, contractors and business partners to adhere to and implement throughout their businesses. Nestle aims to include Supplier Code of Conduct in the contract terms for suppliers, contractors and other business partners participating in the delivery of raw materials, products, components, materials or services to Nestle.

## Five elements of our Supplier Code of conduct



**Compliance with laws and regulations**



**Business conduct**



**Environmental impact and climate change**



**Human and labor rights**



**Occupational health, safety and security**





**Sustainability risk assessment in our supply chains**

In 2024, we continued to develop our sustainability due diligence practices by focusing our audits on suppliers with the highest risks and most significant strategic importance. In 2025, we plan to further strengthen our supplier due diligence in accordance with upcoming regulation such as the EU's Corporate Sustainability Due Diligence Directive (CSDDD).

In 2024, we conducted a total of 141 sustainability audits: 66 on renewable and recycled raw materials; 38 on terminals; and 37 contractor audits. Of these, 66 audits were carried out for renewable raw material suppliers, of which 13 were on site, 5 were virtual, and 48 were third-party audits. In 2024, 51 audits were conducted on our direct renewable raw material suppliers and 15 on our renewable raw material suppliers' suppliers.

The majority of findings recorded in renewable raw material supplier audits in 2024 were related to health and safety.

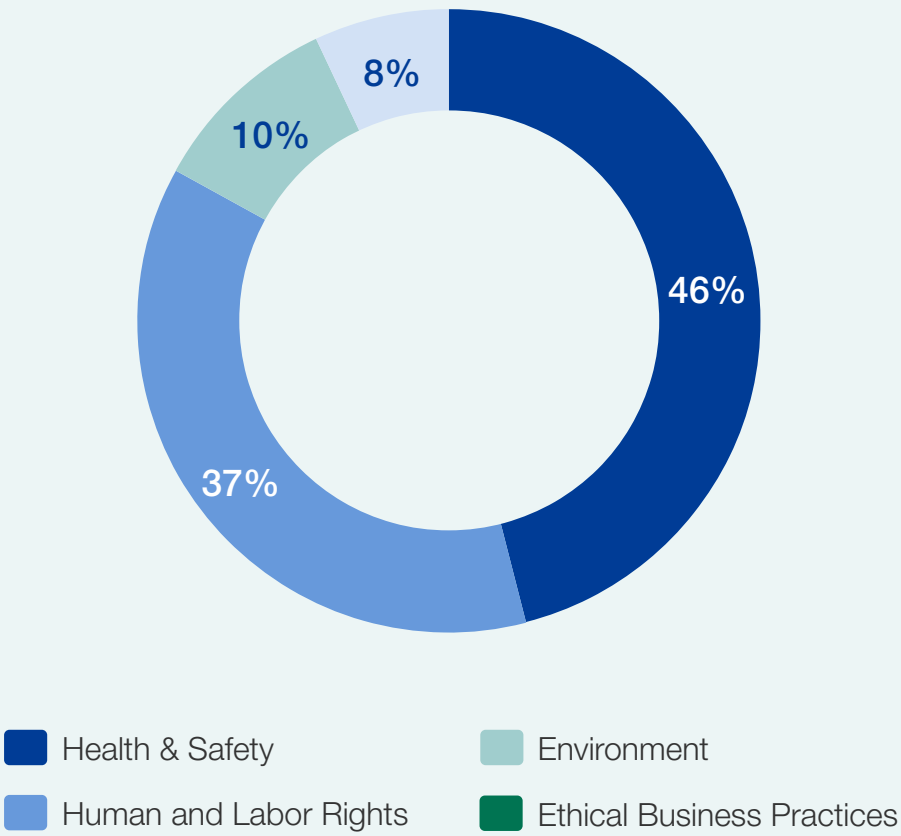
[Read more in the Sustainability data package](#)

**Renewable raw materials sourcing**

All Neste's renewable raw material suppliers are subject to rigorous sustainability due diligence, as stated in Neste's Supplier Sustainability Approval Principle. It sets the minimum sustainability requirements for approving suppliers through a multi-step process, including raw material evaluation, risk assessments, counterparty screening, a sustainability review and audits.

Neste's sustainability due diligence process 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, collect traceability data, support performance monitoring and enable active supplier engagement. Suppliers are required to insert the location of their own production and processing site(s), and where applicable, their own suppliers' production and processing site(s), to SSP. As a minimum, we require our suppliers to disclose their supply chain actors and locations as determined by

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



end-market sustainability regulation such as EU Renewable Energy Directive (EU RED). In 2024, we strengthened our sustainability survey in SSP for direct suppliers by adding enhanced risk-based criteria and introduced a risk-based survey for sub-suppliers. In 2024, the total number of renewable raw material suppliers onboarded against sustainability criteria was 222.

[Read more about renewable raw material sourcing](#)

### Liquefied waste plastics sourcing

In addition to the automated counterparty compliance screening and requiring our liquefied waste plastic (LWP) suppliers to fulfill the requirements in the Neste Supplier Code of Conduct, we only accept liquefied waste plastic that is traceable and complies with the ISCC Plus certification requirements. In 2024, we continued onboarding new liquefied waste plastic suppliers. Suppliers with which Neste has an established, ongoing business relationship are subject to additional sustainability due diligence.

### Crude oil and other fossil raw material sourcing

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.

In 2024, a total of 36 fossil raw material suppliers were assessed. We continued to assess all new suppliers and potential suppliers from countries identified as high risk in our country risk assessment. Furthermore, for ethanol suppliers from higher-risk countries, the sustainability due diligence includes an evaluation of production plant details and raw material origins.

During 2024, we continued to monitor and assess GHG emission data related to crude oil production and the crude oils that we purchase and evaluate. In addition, we include emissions and other environmental and governance aspects when assessing potential new crude oils.

### Indirect procurement

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 crude oil and other fossil raw materials or renewable and recycled raw materials.

In 2024, we internally identified gaps in sustainability due diligence within indirect procurement and prioritized key areas for improvement. We also continued and expanded the initiatives and pilots launched in 2023. This included increasing the use of standardized surveys

and incorporating sustainability due diligence clauses in more contracts. Additionally, in 2024, we established site-level complaint channels for third-party workers during the Porvoo refinery turnaround and audited construction contractors to monitor compliance with our Supplier Code of Conduct and address any impacts.

### Capacity building training of the suppliers

In 2024, we conducted capacity building training for our renewable raw material suppliers in Asia, Oceania, the Americas and EMEA. The focus last year was on health and safety, as the majority of the findings of the renewable raw material supplier audits in 2023 were related to safety practices. In addition, capacity building training was held on the topics of environmental management and human rights. Neste invited all its active suppliers and encouraged its main suppliers to invite their suppliers to the training. A selection of potential future suppliers was also invited to participate.

More than 80 raw material suppliers joined these different capacity building training sessions with over 120 participants globally.

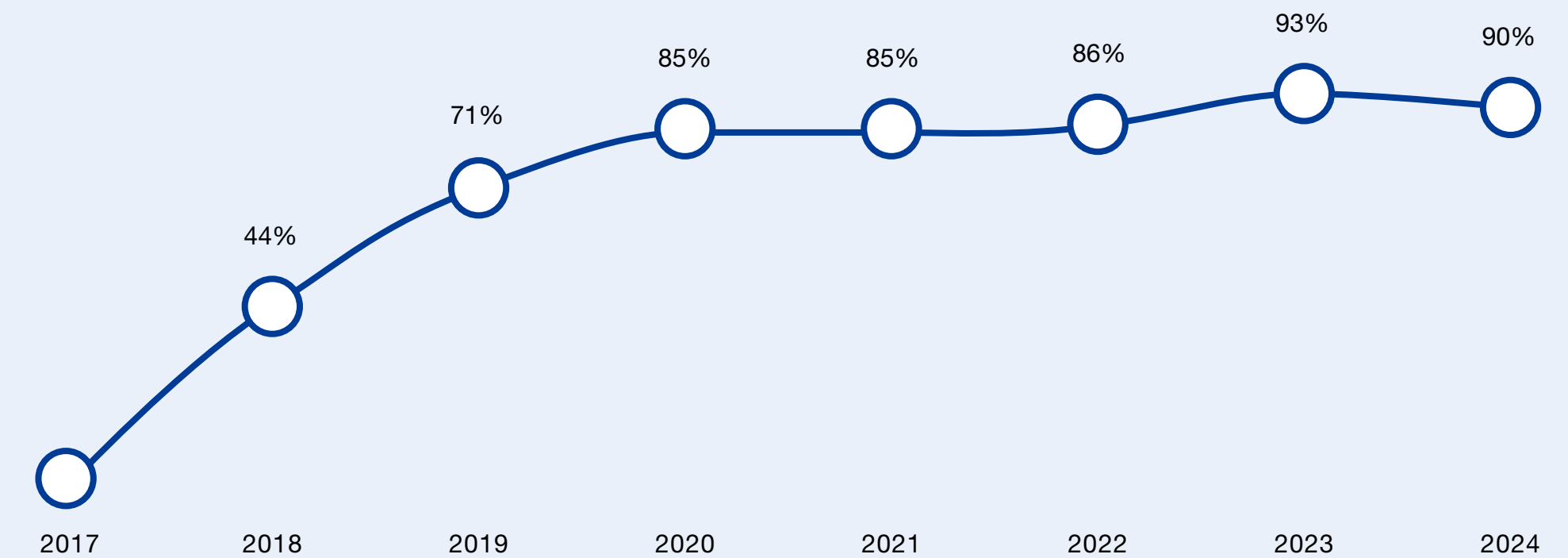
[Read more about supplier engagement](#)

### Engaging with PFAD suppliers

While Neste does not use crude or refined palm oil in the production of its renewable products, we do continue to purchase waste and residues generated in palm oil production processes, and we therefore also remain committed to developing the sustainability of the palm oil industry. Neste participates in several collaborative efforts to advance positive social and environmental impacts in the palm sector.

In 2024, we continued our tradition of hosting [annual workshops](#) with our PFAD (palm fatty acid distillate) suppliers. Alongside collaboration with the industry, Neste contracted third party deforestation monitoring service providers to monitor, verify and mitigate deforestation risks within its PFAD supply chains to complement the processes already in place.

### % of Neste's PFAD supply traceable to plantation <sup>1)</sup>



<sup>1)</sup> Based on risk-calibrated Traceable to Plantation approach. Figures are weighted by refinery volumes supplied to Neste.

Since 2017, we have been developing traceability for our entire PFAD supply chain to palm oil plantations. During 2024, we were able to independently map and validate 100% (100%) of our PFAD supply chain to the supplying palm oil mills and 90% (94%) all the way to plantations.

[Read more about traceability](#)

## Renewable raw materials

Neste uses a wide variety of renewable raw materials each year to produce renewable fuels as well as renewable feedstock for the production of polymers and chemicals.

Used cooking oil, animal fat from food industry waste, and various wastes and residues from vegetable oils processing represent the top three waste and residue raw material categories we use, based on their current and estimated shares of Neste's total annual renewable raw material inputs. In 2024, 90% of our global renewable raw material inputs were waste and residues.

Our global sourcing capabilities were further strengthened in 2024, as the total number of our renewable raw material suppliers reached 624.

We are constantly working to diversify our current portfolio with scalable new raw materials as well as to develop technologies enabling their use.

## Recycled raw materials

Neste has been advancing chemical recycling to accelerate the transition to a circular economy for plastics. We are using raw materials like liquefied waste plastic and liquefied discarded rubber tires and refine them into high-quality drop-in feedstock for the production of new plastics.

To scale up chemical recycling, we are building upgrading capacities for 150,000 tons of recycled raw materials, such as liquefied waste plastic, per year. The new unit is planned to be finalized in 2025. In 2024, we continued our processing runs at our Porvoo refinery.

[Read more about our raw materials](#)

## Growing a scalable portfolio of renewable raw materials

In 2024, globally  
**90%**  
of Neste's renewable raw material inputs were waste and residues.

Long term

Advancing our research and innovation work to scale up new raw materials and technologies in the long-term.

### Today



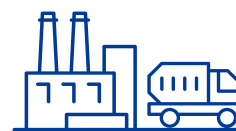
#### Used cooking oil (UCO)

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.



#### Animal fat from food industry waste.

Animal fat is derived from the food industry's meat processing waste.



#### Vegetable oil processing waste and residues

Neste's renewable raw material portfolio includes several vegetable oil processing wastes and residues, such as 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 2024, the share of vegetable oils, such as rapeseed oil, soybean oil and sunflower oil, was approximately 10% of our global renewable raw material inputs.

Growing the renewable raw materials pool short- to mid term by continuous development of new raw materials and our sourcing and pretreatment capabilities.



#### Novel vegetable oils

produced with regenerative agricultural practices, such as intermediate cropping.

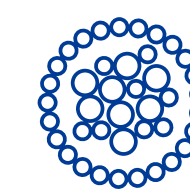


Challenging, lower-quality waste and residues such as acid oils and wastewater-derived grease (i.e., "brown grease").



#### Lignocellulose

Waste and residue streams from agriculture, forestry and the forest industry provide viable and sustainable raw material options. Our focus is on resources that are currently underutilized.



#### Algae

Microalgae can be cultivated wherever there is water and sunlight, including saline water and land areas unsuitable for other types of cultivation.



#### Renewable hydrogen

Replacing hydrogen produced from fossil raw materials with renewable hydrogen is one important means of reducing refineries' GHG emissions. In the long term, renewable hydrogen also builds a foundation for the use of Power-to-X (PtX) technologies and e-fuel production.

# Compliance

We are committed to high ethical standards and conduct our business in compliance with applicable laws and regulations. This means acting transparently, responsibly, with integrity and in accordance with our values.


Neste's Code of Conduct provides the framework for our global business operations and is a key element of our compliance program. We also expect our suppliers and business partners to comply with applicable laws and adhere to equivalent ethical business standards, as outlined in our Supplier Code of Conduct.

Neste's compliance policies, principles and standards are updated regularly and form the basis of our compliance program. They are implemented through communication and training. As part of this, we regularly communicate internally on compliance-related topics and train our employees through both e-learning courses and targeted in-person and virtual training. The target groups for the trainings are based on role and risk level. We constantly develop our compliance program with special efforts in the defined key focus areas: competition law compliance; anti-corruption; trade sanctions; privacy and anti-money laundering. We carry out annual compliance risk assessments to support us in our risk-based approach and to guide us in our compliance efforts and risk prevention and mitigation actions in the organization.

In 2024, we revised our Anti-Corruption Principle and Trade Sanctions Principle. As part of our continuous training efforts, we revised and issued three e-learning courses in 2024:

- Privacy e-learning course for approximately 5,000 employees
- Anti-Corruption e-learning course for 3,700 office workers
- Competition Compliance & Trade Association e-learning course for a defined group of approximately 120 employees

To enhance awareness, we also issue regular compliance communication via various channels, including our Compliance Hub channel and global intranet. In 2024, this communication covered topics such as the importance of speaking up, privacy, anti-corruption, competition law and information sharing, trade sanctions and gifts and hospitality.

 Read more on Neste's compliance program in [the Sustainability statement](#).





# People

At Neste, it is our people who bring the strategy to life, driven by our culture.

Our culture is based on our values – we care, we have courage, we cooperate. It fosters belonging and encourages conscious decision-making daily. We embrace diversity, equity and inclusion.

We adapt to the changing business environment and adjust our ways of working as required. To improve cost effectiveness and strengthen long-term competitiveness, Neste simplified its organizational structure and operational model and streamlined business and function-level operations during 2024.

Due to the organizational changes, a significant part of employees were impacted by line manager change, lateral move, demotion, promotion or reclassification of the job. The number of line managers was reduced as the average size of teams increased. There was also an increase in both the geographical dispersion and share of multinational teams. The organizational changes led to a reduction of approximately 390 roles globally. Neste offered change support for all employees globally. Career coaching was provided for those who were made redundant. The new organization was effective as of April 1, 2024.

In 2024, Neste's renewed short-term incentive plan (STI) was implemented to support business performance.

By the end of 2024  
Neste employed  
an average of  
**5,876**<sup>1)</sup>  
employees with approximately  
**629**  
new employees globally,  
of whom approximately  
**64%**  
were permanent  
positions.

<sup>1)</sup>The number in the Financial statements is reported as an average and does not include temporary hourly workers.



### **Everyone contributes to the company's success**

At Neste, we have a history of working together to overcome challenges and to succeed. We believe in open communication and continuous learning from one another, and encourage dialogue to build engagement. We offer versatile global services to ensure efficient ways of working and to support wellbeing at work as well as work-life balance.

We actively listen to employee feedback by conducting global employee engagement surveys regularly. The survey results are discussed systematically across the organization and translated into actionable plans at all levels of the organization. In addition, we conduct employee surveys targeted at specific groups – for example, new joiners and summer trainees, as well as employees leaving the company.

At a local level, a key element of employee cooperation is that it is driven by local requirements in each country of operation. Neste is committed to following applicable local collective agreements and has local cooperation bodies or works councils in Finland, Rotterdam and Singapore. In 2024, a works council was also established in Amsterdam.

As a result of requests from Neste employees, Neste started negotiations with employee representatives aiming to establish a European Works Council (EWC) that is based on EU legislation.

### **Empowering continuous learning and development**

We encourage everyone to be the leader of their own development by driving clarity, supporting growth and empowering renewal. We support our employees' individual development goals and develop our competences to meet business targets. This includes regular Forward discussions with line managers to discuss development plans and set learning goals.

We provide versatile learning opportunities to support the growth of our people. To support the growing demand for continuous learning, we launched a new learning platform, WeLearn, in October 2024. The platform offers personalized learning experiences to help employees discover new learning opportunities based both on role requirements and personal skills and interests.

In 2024, we organized several strategic development programs for different target groups with the help of our partners. The programs are built on strategy and leadership and are delivered by top-of-the-field professors to ensure an inspiring learning experience. By bringing together people from different business units, we ensure cross-functional cooperation and build the foundation of future success.

The average time spent in learning programs for Neste employees in 2024 was 18.5 hours, and our company-wide development programs had more than 640 participants.

### **Wellbeing at work**

At Neste, safety has always been the cornerstone of all we do, and it is interlinked with health and wellbeing. Our wellbeing model defines the various aspects of wellbeing, in which we all play a part. We follow the Neste Occupational Health Principle throughout the organization, subject to local legislation and requirements. In 2024, we supported the wellbeing of our employees by providing various services globally and additional support like webinars on change adaptation and resilience.

 Read more in [the Sustainability data package](#)

# Safety

At Neste, managing our business safely is a precondition for everything we do. We are committed to creating safety for people, the environment, our assets, operations, information and brand.

Creating safety together is our common goal, and it is integrated into daily operations and workplaces, with clear expectations of everyone working for the company. Commitment to safety leadership is the foundation for leading and managing safety.

Our Safety Leadership Principle outlines our ambitions, expectations and accountabilities for all employees and anyone working for the company. Safety management and its continual improvement is defined by the Neste Operational Excellence Management System (OEMS). This provides the underlying principles and standards for creating excellence in safety. The requirements extend not only to our employees but also to our suppliers and partners.

We take a holistic view of safety. We monitor the number of Neste Safe Days as our primary lagging safety measure, which covers all our operations and signifies the total number of days without incidents.

Neste Safe Day Incidents cover incidents related to our main safety risks: occupational accidents; process safety events; fires and leaks; environmental non-compliances; marine safety incidents; and traffic accidents.

## Creating safety together



In 2024,  
the number of  
Safe Days was

**278**

(2023: 278),

and the number  
of incidents was

**108**

(2023: 94).



## Safety of people

At Neste, the safety of our people and partners is paramount. We are committed to creating workplaces that are free from fatalities and serious injuries.

In 2024, we focused on fatality prevention by developing proactive safety practices to ensure critical safeguards are in place that were functioning and effective.

We started work to unify and develop our approach to verifying safeguards for high risk work by creating standardized Safe Work Practices such as Working at Heights and Hot Work. Different sites and locations are involved in the work, enabling the sharing of best practices and promoting learning from each other.

Proactive verifications of safeguards, along with observation tours and inspection rounds, facilitate productive safety discussions and interactions with frontline workers. During the Porvoo Turnaround 2024, over 6,000 preventive safety activities were conducted.

In 2024, we continued I Act Safe learning workshops. These reached a broad audience, with a total of 27 workshops organized and approximately 350 participants. The workshops focused on developing safety leadership and management.

Creating safety together with our contractors and suppliers is vital. We hold them to the same high standards as ourselves and proactively work with them to ensure they have the information and resources for safe work practices. Contractor safety performance is included in Neste's safety performance statistics and continuously improved through a rigorous contractor selection process, performance evaluations, mutual feedback and a strong emphasis on safe subcontracting. In 2024, our Oil Products business continued collaborative safety development and partnership with key contractors.

In 2024, our dedication to contractor safety resulted in 1,473 performance evaluations and over 34 safety management system audits. This rigorous assessment process ensures high standards and identifies key areas for improvement.

Our global Neste Safety Week, focusing on building trust, psychological safety, and a culture of open questioning, engaged all employees through various local and global events. We also recognized outstanding

contractor commitment to safety by presenting Contractor Safety Awards to numerous recipients across Neste locations worldwide.

In 2024, Neste's occupational safety performance rate including contractors (TRIF, or the rate of all recordable workplace injuries per million hours worked) did not reach the target level (1.8) and was 2.2 (2023: 2.3). We continue to prioritize contractor safety, and our efforts are reflected in a TRIF of 1.7.

## Process safety

At Neste, process safety encompasses the design and construction of safe facilities, safe operations, life cycle asset management and regular inspections.

In 2024, we continued to support the implementation of the Neste Process Safety Fundamentals at production sites, integrating them into daily work and learning processes. Process Safety Fundamentals, launched in 2023, are learning resources which define good operational practices supporting our operations in the prevention of process safety events and major accidents.

In 2024, the process safety performance rate (PSER, or the rate of process safety tier 1 and tier 2 events per million hours worked) was 1.3 (2023: 1.2), which did not reach the 2024 target level (0.9). Process safety performance is recorded according to the American Petroleum Institute (API) standards.

Total Recordable Injury Frequency (TRIF)	Process safety event rate (PSER)
<b>2.2</b>	<b>1.3</b>

## Product safety

Providing the required registrations and accurate safety data sheets in all the countries of our operations is at the core of creating product safety at Neste. This work requires continuous cooperation and monitoring of global chemical legislation. Product safety is not only

about managing our own products, it includes also our value chain.

Identifying chemical substances included in the various regulatory reporting schemes is becoming increasingly important. In 2024, we developed tools and data to manage the new EU Corporate Sustainability Reporting Directive (CSRD) requirements for reporting Substances of Concern. We also continued the work to ensure safe handling of chemicals at Neste to prevent hazardous exposure for workers.

✔ Read more in [the Sustainability data package](#)

➔ Read more about [safety](#)

## Environmental safety

In 2024, we had 15 environmental permit violation cases at refineries (12), pre-treatment plants (1) and terminals (2) with limited local environmental impact. No serious environmental incidents occurred at Neste's refineries or other production sites.

In 2024, the environmental authorities (i) imposed an order subject to a penalty on the Neste Rotterdam site relating to the exceeding of emission limits for volatile organic carbon components (VOC) and (ii) initiated an investigation under criminal law.

In addition to and separately from the above environmental incidents, the authorities informed their intention to impose an order subject to penalty relating to process safety on the Neste Rotterdam refinery.

Additionally, there are 4 orders subject to penalty pending from 2022 and 2023 as well as one investigation under criminal law following an alleged violation associated with the flaring system. Neste strives for timely execution of all orders subject to penalty. Neste has contested the legality of 4 of the above orders in objection procedures which are pending.

Neste is fully committed to having compliant operations and takes significant steps in solving the alleged issues. We remain in close contact with the authorities to address any issues relating to environmental regulation and permits as part of a tightened supervision regime.



# Sustainability data package

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# Sustainability reporting in 2024

In 2024, Neste's sustainability reporting was renewed to comply with the Corporate Sustainability Reporting Directive (CSRD).

To ensure reporting continuity, Neste's Sustainability data package serves as a single source for relevant sustainability metrics and indicators. The package includes metrics reported in accordance with the European Sustainability Reporting Standards (ESRS), as well as indicators with reference to the Global Reporting Initiative (GRI) and entity-specific sustainability indicators.

## Reporting frameworks and guidelines

We are committed to the UN Global Compact (UNGC), United Nations Guiding Principles on Human Rights (UNGP) and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Neste follows the OECD Guidelines for Multinational Enterprises and guidelines for good governance. Neste has been a signatory of the UNGC Principles since 2014. Our Communication of Progress with Global Compact Principles for 2024 information will be reported via the UNGC portal.

Our reporting meets the requirements of the European Sustainability Reporting Standards (ESRS) as set out in the Commission Delegated Regulation (EU) 2023/2772 and the Finnish Accounting Act 1997/1336. The information is disclosed in the Sustainability statement in the Review by the Board of Directors.

We use the GRI Universal Standards 2021, GRI Sector Standards for Oil and Gas Sector 2021, as well as Topic Standards with Standard versions indicated in the GRI Index. Alignment with relevant reporting frameworks is indicated for selected metrics in the data package. Scope of GRI reporting for 2024 is based on materiality assessment conducted in 2022, double materiality assessment conducted in accordance with the ESRS in 2024 and complemented by Neste's understanding of additional stakeholder expectations for sector-specific topics and metrics that are not in the scope of the Sustainability statement. In addition to material topics according to ESRS, we report in reference to GRI on selected environmental matters, including waste, water, and non-GHG emissions to air and water, social matters such as diversity and employment, and governance matters like anti-corruption. Scope of reporting is selected to ensure reporting continuity and meeting specific stakeholder and external reporting needs. The GRI index provides a navigation and overview of topics for users of the Annual report.

Neste is committed to applying the Task Force on Climate-related Financial Disclosures (TCFD) reporting principles from 2019 to disclose climate-related financial risks and opportunities in the reporting. In 2024, climate-related financial disclosures are mainly covered in

the Sustainability statement as part of the Review by the Board of Directors.

In addition, we report according to the SASB Oil & Gas Refining and Marketing Standards where applicable, as Neste is categorized under this sector standard by SASB. Neste follows the development and adoption of the ISSB Standards. By applying the ESRS, TCFD reporting principles, and SASB Standards where relevant, Neste expects to be well aligned with the ISSB Standards.

Our financial reporting complies with the international IFRS accounting standards, and governance-related reporting complies with the legislation on listed companies and the Finnish Corporate Governance Code 2025.

Changes to information disclosed in previous years (incl. restatements) or calculation principles are communicated in connection with the relevant indicators. The calculation principles for several indicators in the Sustainability data package have changed due to implementation of the ESRS.

The definitions and calculation principles of reported indicators are presented separately under "Principles for calculating the key indicators".

## Third-party assurance

An independent third party, KPMG Oy Ab, has assured the numerical GRI disclosures for economic, social and environmental indicators, as well as General GRI disclosures 2-7, 2-21, 2-27 and 2-30. Information presented in the Value creation table and Performance in figures pages of the report have also been assured.

## Scope

This report covers the period from January 1, 2024 to December 12, 2024. The Annual report is published annually. The scope of consolidation of sustainability reporting is in principle the same as for the financial statements. Entities that are subsidiaries or controlled similarly to subsidiaries are fully included in the reporting scope. The scope of consolidation differs from the financial statements for joint operations, joint ventures and associates, including Martinez Renewables: they are excluded from sustainability reporting as they are outside

of Neste's operational control and hence treated as part of Neste's value chain and excluded from information related to Neste's own operations. Individual exceptions are communicated in connection with the relevant indicators. The reporting of safety information also covers service providers and contractors.

Our Annual review and Sustainability data package are available in English as a pdf-file at [neste.com/annual-report](https://neste.com/annual-report). The Review by the Board of Directors, which includes Sustainability statement, along with separate sections for Governance and Financial statements, are available also in Finnish.



# Value creation

## Input

	Indirect	Direct
<b>Economic/Governance</b>	<ul style="list-style-type: none"> <li>Number of suppliers in                             <ul style="list-style-type: none"> <li>» Renewable Products 624</li> <li>» Oil Products 103 <sup>1)</sup></li> <li>» Indirect procurement 6,143</li> </ul> </li> <li>Coverage of Neste Supplier Code of Conduct or equivalent:                             <ul style="list-style-type: none"> <li>» renewable and recycled raw material volumes 100%</li> <li>» crude oil and fossil raw material volumes 81%</li> <li>» overall indirect contracted spend 91%</li> </ul> </li> <li>Operations in 16 countries</li> <li>Production in 3 countries</li> </ul>	<ul style="list-style-type: none"> <li>Total equity MEUR 7,417</li> <li>R&amp;D expenditure MEUR 86</li> <li>Interest-bearing net debt MEUR 4,192</li> <li>Material and services MEUR 18,388</li> <li>Other expenses MEUR 706</li> <li>Indirect procurement spend MEUR 4,090</li> <li>Cash-out investments MEUR 1,566</li> <li>Renewable raw material inputs 4.3 Mt</li> <li>Fossil raw material inputs 11.3 Mt</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>100% of Neste's new renewable raw material suppliers and 100% of new fossil raw material suppliers screened using social criteria</li> </ul>	<ul style="list-style-type: none"> <li>Highly skilled employees                             <ul style="list-style-type: none"> <li>» Number of employees 5,876 <sup>3)</sup></li> <li>» Hiring rate of permanent employees 7.4%</li> <li>» Leaving rate of permanent employees 17.2% <sup>4)</sup></li> <li>» 215 summer trainees in 2024</li> <li>» Recorded average training hours per FTE 18.5 <sup>5)</sup></li> </ul> </li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>100% of our PFAD <sup>9)</sup> supply chain is mapped to palm oil mills and 90% to plantations</li> <li>Scope 3 emissions from upstream value chain 8.6 MtCO<sub>2</sub>e</li> <li>Scope 2 emissions from purchased energy 0.4 MtCO<sub>2</sub>e</li> </ul>	<ul style="list-style-type: none"> <li>Proportion of waste and residues of Neste's global renewable raw material inputs 3.9 Mt, 90% of the total renewable feedstock <sup>10)</sup></li> <li>Water withdrawal 8,761,000 m<sup>3</sup>/a</li> <li>Energy saving measures 43.8 GWh</li> <li>Energy consumption 12.3 TWh, of which 20 % renewable energy</li> </ul>

**We provide value for society by developing renewable, lower-emission solutions for transportation, aviation, marine and other industrial uses, as well as renewable and circular solutions for the chemical and plastics industries.**



**Our sustainability vision is a carbon-neutral and nature-positive value chain by 2040, which can be achieved in collaboration with our customers and partners.**

## Output

	Direct	Indirect	Outcome
<b>Impact</b>	<ul style="list-style-type: none"> <li>Market cap MEUR 9,331 (at the end of 2024)</li> <li>Comparable EBITDA MEUR 1,252</li> <li>Comparable ROACE 2.5%</li> <li>Dividends MEUR 154 from 2024</li> <li>Revenue MEUR 20,635</li> <li>Share of Clean Revenue 35.8% <sup>2)</sup></li> <li>Share of Clean Investments 66.6% <sup>2)</sup></li> <li>Economic value retained MEUR 607</li> <li>Renewable Diesel sales 3.2 Mt</li> <li>Sustainable Aviation Fuel sales 0.4 Mt</li> <li>Sales from in-house production, Oil Products 10.1 Mt</li> <li>929 service stations in 4 countries</li> <li>Oil Products and Renewable Products in the wholesale market sold in 41 countries to approx. 257 customers</li> </ul>	<ul style="list-style-type: none"> <li>Taxes borne and collected by Neste MEUR 3,371</li> <li>New business opportunities</li> <li>Renewables help customers reduce GHG emissions, reduce their reliance on fossil resources</li> <li>M&amp;S B2B Customer satisfaction: Net Promoter Score (NPS) 48</li> </ul>	<ul style="list-style-type: none"> <li>Creating new jobs and supporting the existing ones in the company's value chains</li> <li>Redirecting customer behavior toward more sustainable solutions</li> <li>Supporting the development of customers' brand value and brand awareness</li> <li>Influencing operating environment and regulation</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Wages and salaries MEUR 472</li> <li>Other personnel expenses MEUR 110 including training costs MEUR 4</li> <li>68.7% men and 31.3% women</li> <li>3/9 members of the Board of Directors and 1/9 members of the Neste Leadership Team are women <sup>6)</sup></li> <li>Employee safety TRIF 2.8 <sup>7)</sup></li> <li>Safe Days 278 <sup>8)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Contractor TRIF 1.7</li> <li>Donations and sponsorship MEUR 0.9</li> <li>Number of Neste employees, who participated in voluntary work 394</li> </ul>	<ul style="list-style-type: none"> <li>Supporting social development and the services societies provide in countries of operation</li> <li>Enhancing competitiveness of employees in the labor market</li> <li>Wellbeing and safety of employees and suppliers</li> <li>Securing human and labor rights</li> <li>Improving gender equality</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Waste generated 252,500 t of which 25% recovered or recycled</li> <li>Water discharge 9,050,000 m<sup>3</sup>/a</li> <li>Scope 1, direct emissions 2.3 MtCO<sub>2</sub>e</li> </ul>	<ul style="list-style-type: none"> <li>Scope 3 emissions from downstream value chain 47.9 Mt CO<sub>2</sub>e</li> <li>12.1 Mt of GHG emissions reduced with Neste's renewable products <sup>11)</sup></li> <li>Neste's renewable and circular solutions helped replace 4.0 Mt of non-renewable resources in transport, aviation and polymers and chemicals sectors <sup>11)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Mitigating climate change by replacing fossil raw materials use with more sustainable alternatives</li> <li>Preventing deforestation</li> <li>Contributing to circular economy and tackling the plastic waste challenge by developing chemical recycling technologies</li> </ul>

<sup>1)</sup> Includes natural gas and industrial gas suppliers. <sup>2)</sup> See Principles for calculating the key indicators. <sup>3)</sup> Annual average number of employees. <sup>4)</sup> Leaving rate affected by organizational change. <sup>5)</sup> Full-time equivalent (FTE). <sup>6)</sup> Neste Leadership Team and former Executive Committee members as of 31 Dec 2024. <sup>7)</sup> Total Recordable Injury Frequency. <sup>8)</sup> A day without a TRI accident, process safety events, fire or ignition, breach of environmental permit, or traffic accident. <sup>9)</sup> Palm fatty acid distillate. <sup>10)</sup> The volumes are presented in millions of tons. The share of the volumes are calculated from exact figures, and the rounded figures presented may deviate from the share of volumes disclosed. <sup>11)</sup> Compared to fossil fuel. Calculation principles can be found on [page 59](#)



# Performance in Figures Climate and the environment

Related priority SDGs



Climate targets and indicators	2024	2023	2022
Reduce Neste's customers' greenhouse gas emissions by at least 20 million tons annually by 2030 with renewable and circular solutions			
Reduced GHG emissions by Neste customers with Neste's products during the reporting year (compared to fossil fuel), MtCO <sub>2</sub> e <sup>1)</sup>	12.1	11	11.1
Reduce GHG emissions in Neste's own production by 50% by 2030			
Absolute scope 1 & 2 GHG emissions, MtCO <sub>2</sub> e <sup>2)</sup>	2.7	2.8	2.5
Reduce the use phase emission intensity of sold products by 50% by 2040 compared to 2020 levels			
Use phase emission intensity, gCO <sub>2</sub> e/MJ <sup>3)</sup>	54	58	57

	2024	2023	2022	Related reporting frameworks	
				ESRS	GRI
<b>Emissions into the air, tons</b>					
Direct GHG emissions (scope 1) <sup>2)</sup>	2,290,000	2,291,000	2,075,000	X	X
Scope 1 GHG emissions from regulated emission trading schemes (%)	94	90	98	X	
Indirect GHG emissions (scope 2, location-based) <sup>2)</sup>	470,000	503,000	427,000	X	X
Indirect GHG emissions (scope 2, market-based) <sup>2)</sup>	393,000	463,000	391,000	X	X
Other indirect GHG emissions (scope 3) <sup>2)</sup>	56,490,000	58,000,000	42,000,000	X	X
Purchased goods and services	7,390,000	5,800,000	5,000,000	X	X
Fuel- and energy-related activities	100,000	<50,000	<50,000	X	X
Upstream transportation and distribution <sup>4)</sup>	820,000	2,000,000	900,000	X	X
Waste generated in operations	310,000	400,000	400,000	X	X
Downstream transportation and distribution <sup>5)</sup>	720,000	700,000	700,000	X	X
Use of sold products	45,070,000	47,700,000	33,600,000	X	X
End-of-life treatment of sold products	900,000	1,100,000	1,100,000	X	X
Investments	1,180,000	-	-	X	X
VOC	3,540 <sup>6)</sup>	2,380	3,160		X
NOX	1,170	1,210	1,150		X
SO <sub>2</sub>	1,570	2,470	2,430		X
Particulate matter	67	72	78		X

<sup>1)</sup> Calculation principles can be found on page 59. Includes deliveries from the joint operation Martinez Renewables.

<sup>2)</sup> Scope of reporting aligned with the European Sustainability Reporting Standards (ESRS). 2024 data is not comparable with 2022 and 2023 disclosures.

<sup>3)</sup> Use phase emission intensity is calculated by dividing the emissions from the use of fuel products sold by Neste (part of scope 3) with the total amount of sold energy (gCO<sub>2</sub>e/MJ).

<sup>4)</sup> Part of upstream transportation emissions are accounted in other categories.

<sup>5)</sup> Part of downstream transportation emissions are accounted in category 4.

<sup>6)</sup> Increase due to new calculation method for the integrated refinery in Singapore.

## Performance in Figures Climate and the environment

				Related reporting frameworks	
	2024	2023	2022	ESRS	GRI
<b>Energy use</b>					
Total energy consumption, MWh <sup>2)</sup>	12,272,000	12,600,000	10,900,000	X	X
Share of fossil sources in total energy consumption, %	80	-	-	X	X
Share of consumption from nuclear sources in total energy consumption, %	0	-	-	X	X
Share of renewable sources in total energy consumption, %	20	16	18	X	X
Total energy consumption per net revenue, GWh/MEUR <sup>2)</sup>	0.6	0.6	0.4	X	X
Energy efficiency, energy saving measures, GWh	43.8	27.2	42.6		
<b>Water, m<sup>3</sup>/a</b>					
Total water withdrawal by source	8,761,000	9,402,000	8,788,000		X
Process water & other water use					X
Surface water	7,489,000	8,485,000	7,839,000		X
Third-party water (municipal)	1,271,000	917,000	949,000		X
Total water discharge by destination	9,050,000	8,720,000	7,899,000		X
Surface water	147,000	148,000	141,000		X
Seawater	8,102,000	8,024,000	7,241,000		X
Third-party water (municipal)	800,000	548,000	517,000		X
<b>Effluents to water, tons</b>					
Effluents of oil to water	2.3	1.8	1.4		
Chemical oxygen demand	190	235 <sup>7)</sup>	175 <sup>7)</sup>		
Effluents of nitrogen to water	15	18	19		
Effluents of phosphorus to water	1.6	1.2 <sup>7)</sup>	1.4 <sup>7)</sup>		

<sup>2)</sup> Scope of reporting aligned with the European Sustainability Reporting Standards (ESRS). 2024 data is not comparable with 2022 and 2023 disclosures.

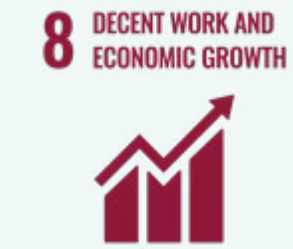
<sup>7)</sup> Figure revised.

Calculation principles can be found on [page 59](#).

				Related reporting frameworks	
	2024	2023	2022	ESRS	GRI
<b>Waste generated, tons</b>					
Non-hazardous	52,600	71,200	35,000		X
Preparation for reuse	1,500	1,400	150		X
Recycling	23,200	170	3,000		X
Other recovery operations	22,800	63,800	23,000		X
Incineration (with energy recovery)	2,200	2,200	2,000		X
Incineration (without energy recovery)	200	320	550		X
Landfill	2,200	3,300	4,300		X
Other disposal operations	400	40	2,000		X
Hazardous	199,900	230,000	259,000		X
Preparation for reuse	1,600	1,400	160		X
Recycling	11,200	5,800	7,300		X
Other recovery operations	2,800	14,200	4,500		X
Incineration (with energy recovery)	92,200	87,800	70,700		X
Incineration (without energy recovery)	7,300	5,200	3,000		X
Landfill	1,000	4,700	11,500		X
Other disposal operations	84,000	111,000	162,000		X
<b>Environmental safety</b>					
Emission limits and overruns: Deviations from environmental permits	Permit violations: 15, of which 3 in OP, 11 in RP, and 1 in M&S	Permit violations: 13, of which 6 in OP, 6 in RP, and 1 in M&S	Permit violations: 3, of which 2 in OP, and 1 in RP		
Number and magnitude of significant releases	6 pc / 1,674 m <sup>3</sup>	1pc / 60 m <sup>3</sup>	3 pc / 1146 m <sup>3</sup>		X
Availability of pollution prevention technology on average at refineries, terminals and retail sites, %	92	91	98		

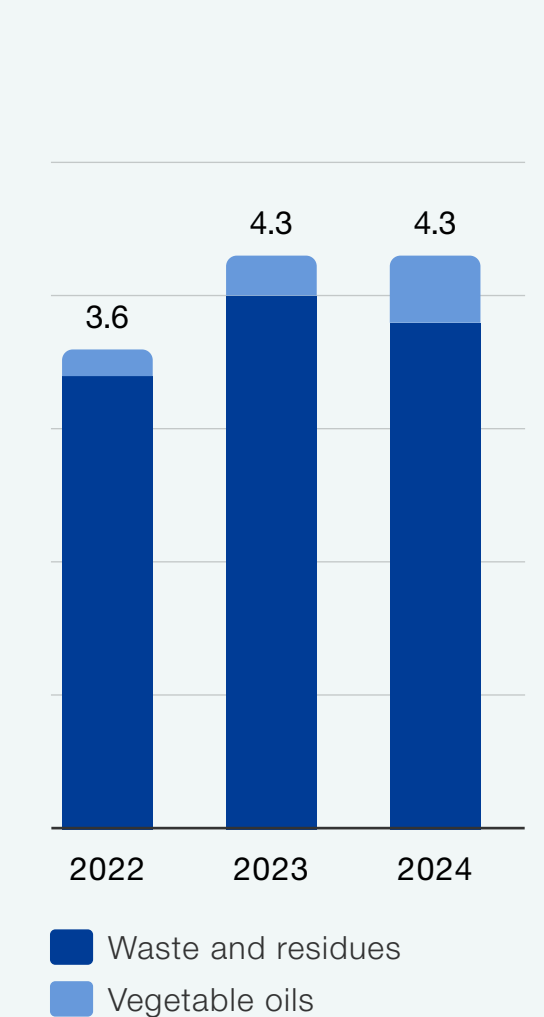
# Performance in Figures Supply chain and raw materials

Related priority SDGs

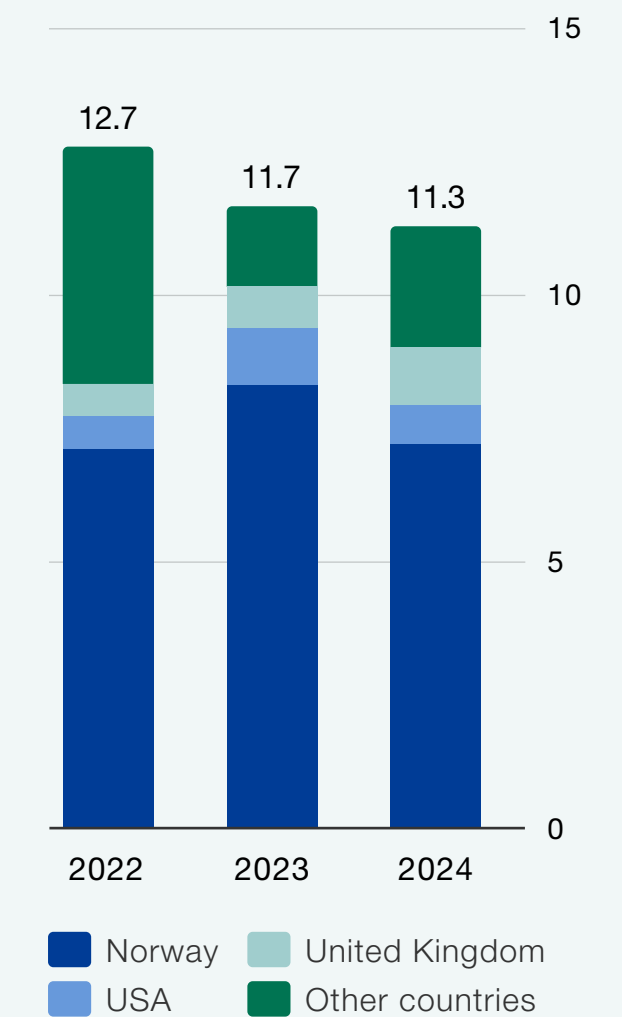


Supply chain and raw materials	2024	2023	2022
Business partners who have committed to Neste's minimum sustainability requirements covered in the Supplier Code of Conduct or equivalent <sup>1)</sup>	100% of the renewable and recycled raw material volumes, 81% of the crude oil and fossil raw materials volumes and 91% of overall indirect contracted spend	100% of the renewable raw material volumes, 86% of the crude oil and fossil raw materials volumes and 91% of overall indirect contracted spend	99% of the renewable raw material volumes, 84% of the crude oil and fossil raw materials volumes and 73% of overall indirect contracted spend
Renewable raw material inputs globally, Mt <sup>2)</sup>	4.3	4.3	3.6
Share and use of waste and residues of global renewable raw material inputs <sup>2)</sup>	90% 3.9 Mt	92% 4.0 Mt	95% 3.4 Mt
Amount of non-renewable resource use that Neste's renewable and circular solutions helped replace in transport, aviation and polymers and chemicals sectors, Mt <sup>3)</sup>	4.0	3.0	3.1
Number of all renewable raw material suppliers	624	614	557
Number of renewable raw material suppliers' sustainability assessments and their outcome <sup>4)</sup>	Total: 222 New approved suppliers: 104 All approved: 170 Pending: 48 Rejected: 4	Total: 388 New approved suppliers: 249 All approved: 279 Pending: 102 Rejected: 7	Total: 325 New approved suppliers: 223 All approved: 236 Pending: 74 Rejected: 15
Number of fossil raw material suppliers sustainability assessments	36	46	24
Number of sustainability audits conducted	141	154	118
Crude oil and fossil raw material sources by region, Mt	11.3	11.7	12.7
Norway	7.2	8.3	7.1
United Kingdom	1.1	0.8	0.6
USA	0.8	1.1	0.6
Other countries	2.3	1.5	4.5

Renewable raw material inputs, million tons <sup>9)</sup>



Crude oil and Fossil raw material sources by region, million tons



<sup>1)</sup> After the assessment of the supplier's or business partner's own policies and principles, Neste may agree that compliance with their own code of conduct is sufficient for the purpose of complying with the Neste Supplier Code of Conduct.

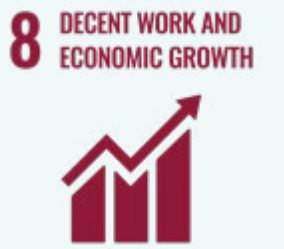
<sup>2)</sup> The volumes are presented in millions of tons. The share of the volumes are calculated from exact figures and consequently the rounded figures presented may deviate from the share of volumes disclosed. Includes Neste's share of raw material inputs for Martinez Renewables joint operation, in addition to raw material inputs for refineries operated by Neste.

<sup>3)</sup> Calculation principles can be found on page 59.

<sup>4)</sup> Figures include existing suppliers, which undergo a sustainability assessment process every 3–5 years. Supplier data includes only main contractual parties, excluding second-tier suppliers.

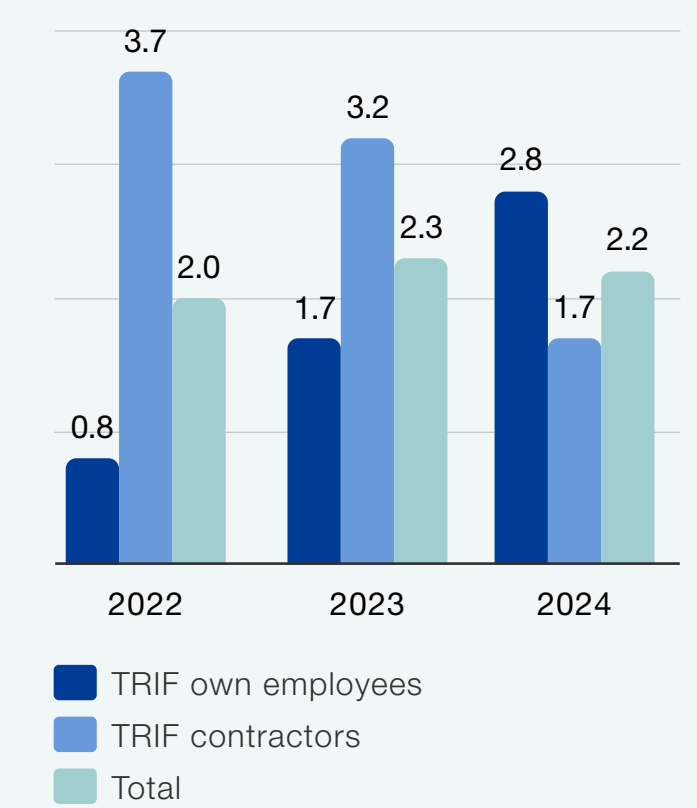
# Performance in Figures **Safety**

Related priority SDGs

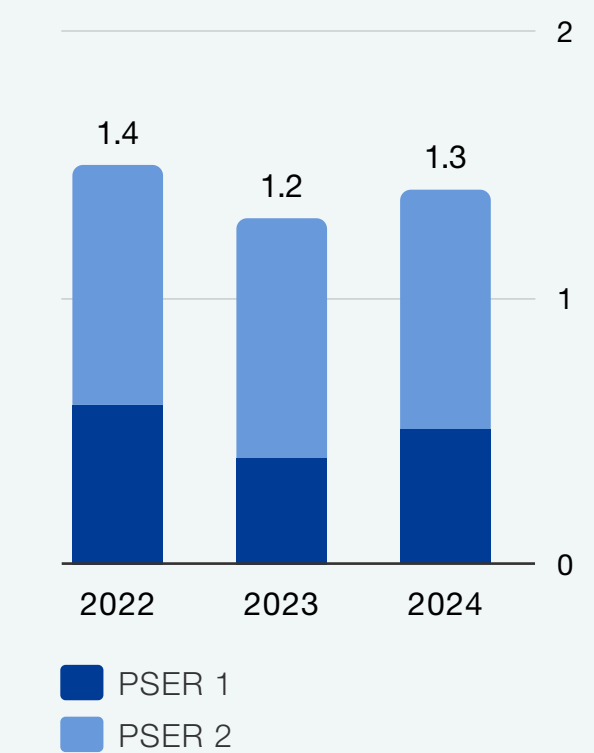


Safety	2024	2023	2022	Related reporting frameworks	
				ESRS	GRI
Total recordable injury frequency (TRIF) total <sup>1)</sup>	2.2	2.3	2.0		
TRIF own employees	2.8	1.7	0.8	X	X
TRIF contractors	1.7	3.2	3.7		X
Lost workday injury frequency (LWIF) total	1.4	1.8	1.9		
LWIF own employees	1.7	1.1	0.7		
LWIF contractors	1.2	2.8	3.6		
Process safety event rate (PSER) total	1.3	1.2	1.4		
PSER 1	0.5	0.4	0.6		
PSER 2	0.9	0.9	0.9		
Safe Days <sup>2)</sup>	278	278	314		
Fatalities	0	0	0	X	X

**Total recordable injury frequency (TRIF)**



**Process safety event rate (PSER)**

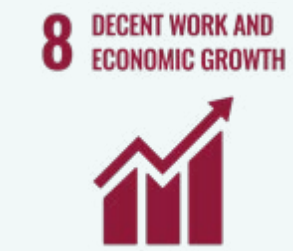


<sup>1)</sup> Total Recordable Incident Frequency, number of cases per million hours worked. Includes both Neste's and contractors' personnel, except for Demeter, Walco and SeQuential, and green-field expansion projects, which were internally reported and followed up separately in 2024.

<sup>2)</sup> A day without any personal safety accident (TRI), process safety incident (PSE 1 and PSE 2), fires, leaks, environmental permit violations, traffic accidents or marine safety incidents.

# Performance in Figures People

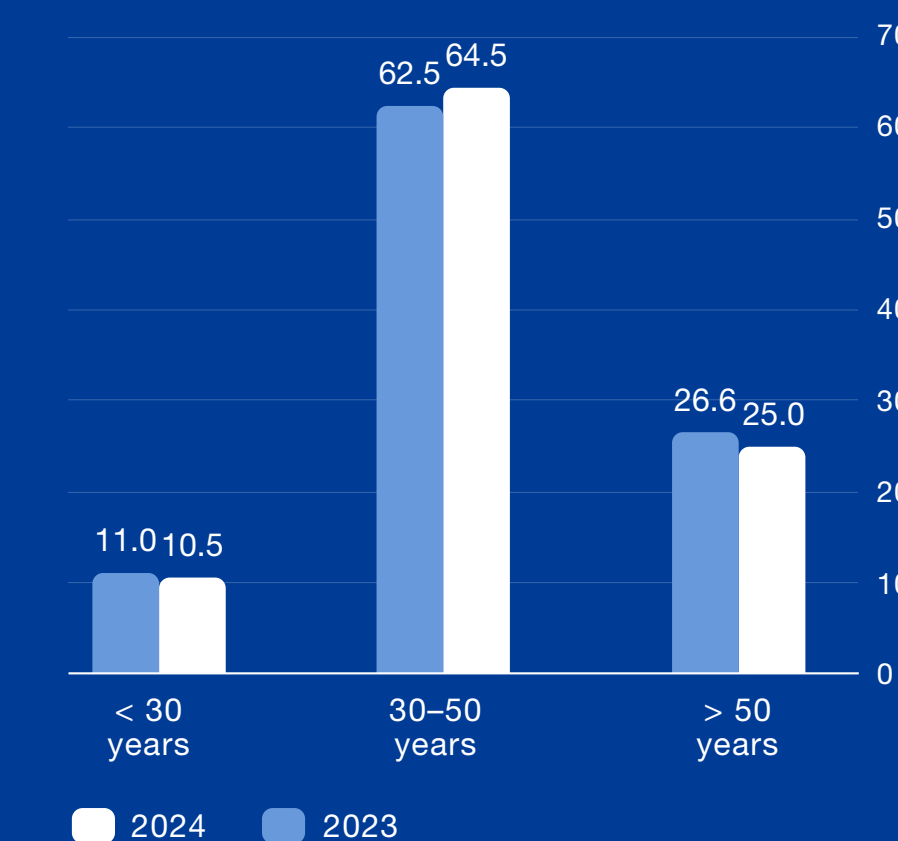
Related priority SDGs



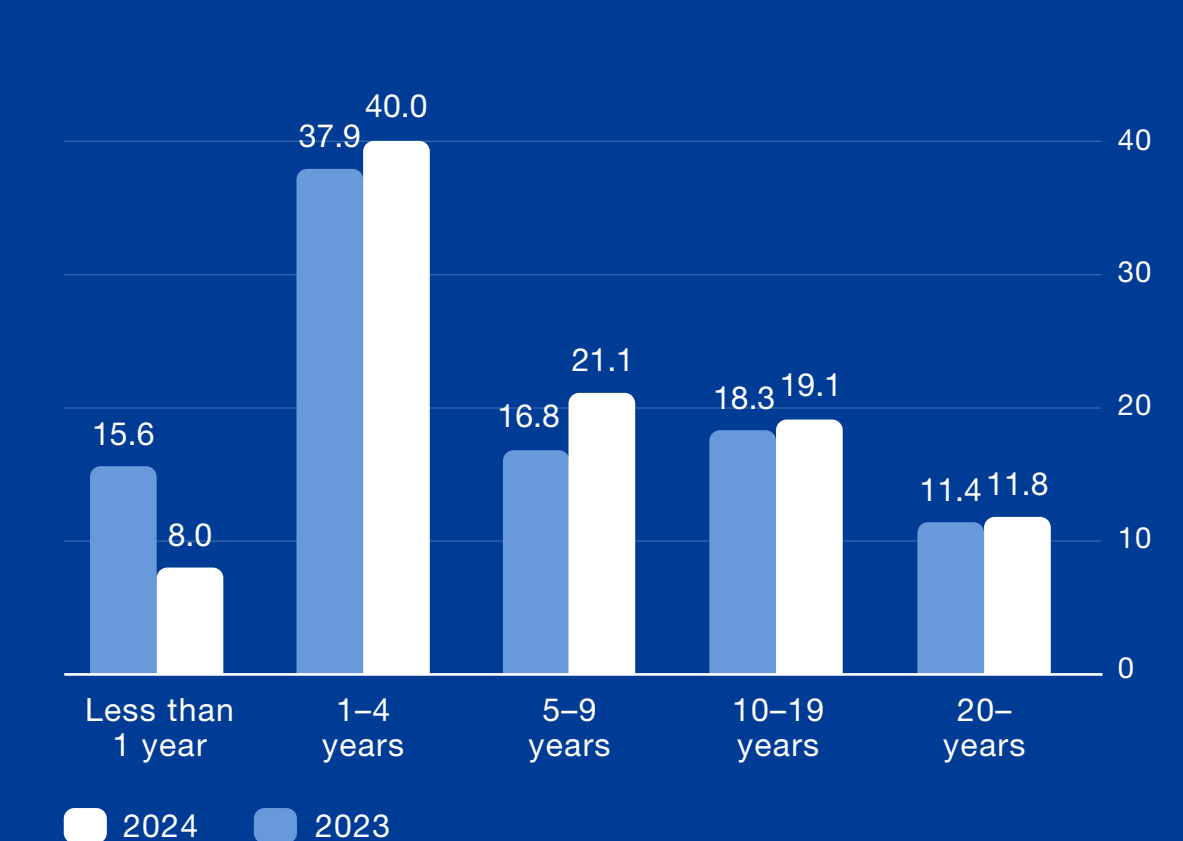
Our people	2024	(2023)
Employee engagement	Employee engagement score 53 <sup>1)</sup> (70). 74% (82%) said their team has everything they need be safe at work, 74% (83%) felt comfortable being themselves at work.	
Response rate to employee engagement survey, %	77	(84)
Hiring rate of permanent employees, %	7.4	(15.3)
Leaving rate of permanent employees, %	17.2 <sup>2)</sup>	(9.6)
Recorded average training hours per FTE	18.5	(27.2)
Multi-country teams, %	23	(18)

<sup>1)</sup> Due to major organizational changes no broader engagement survey was conducted in 2024. Instead, one shorter employee pulse survey with a limited number of questions was conducted.  
<sup>2)</sup> Leaving rate affected by organizational change.

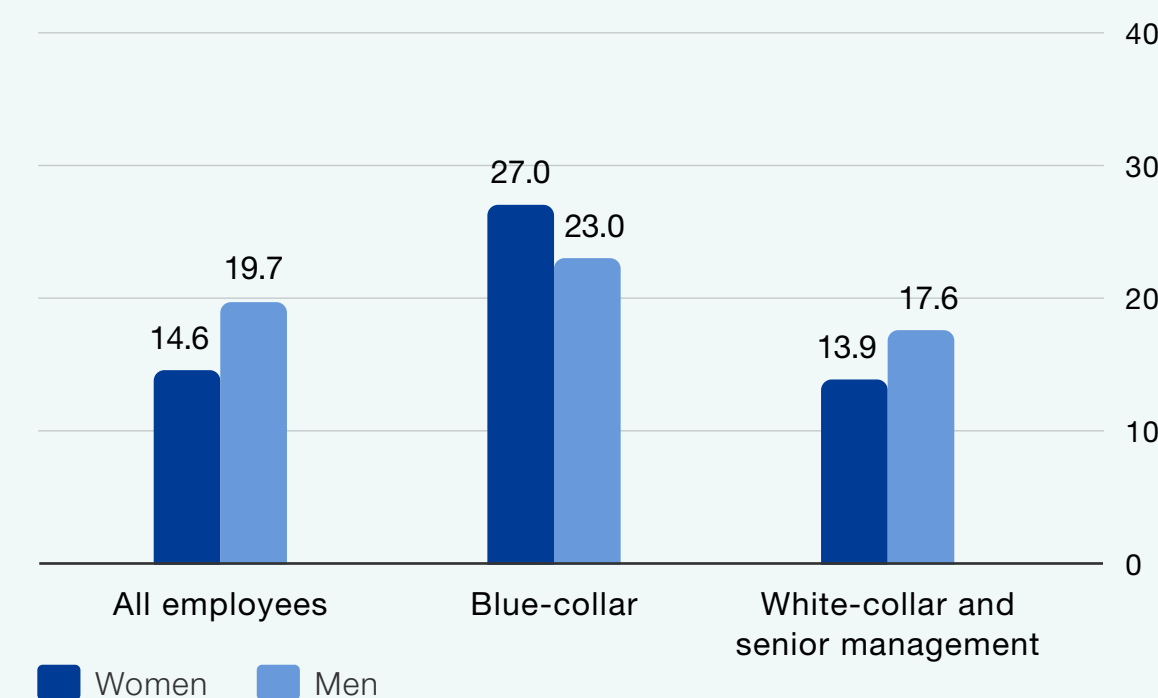
## Employee breakdown by age as of 31 December 2024, %



## Employment length of employees as of 31 December 2024, %

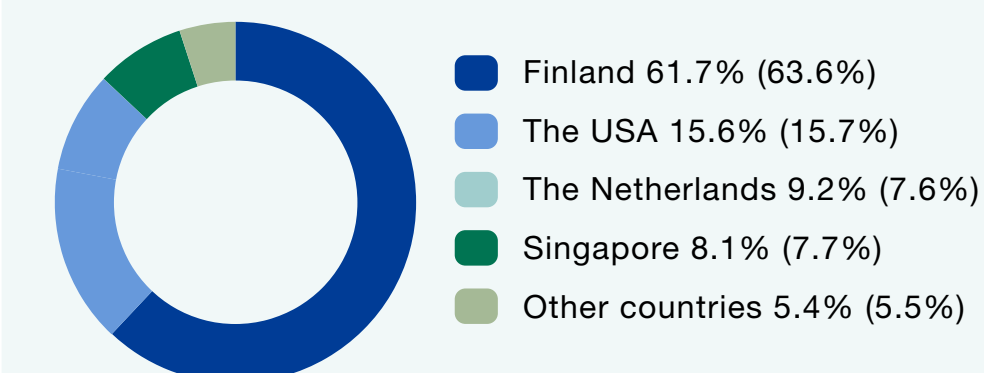


## Average training hours per employee as of 31 December 2024, %

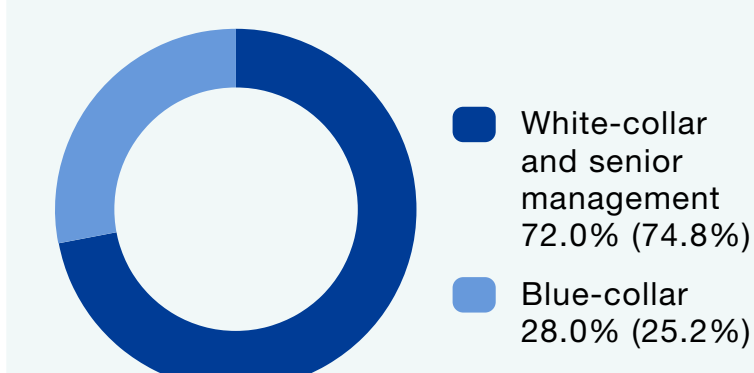


Average number of personnel <sup>3)</sup> **5,876** (6,018)

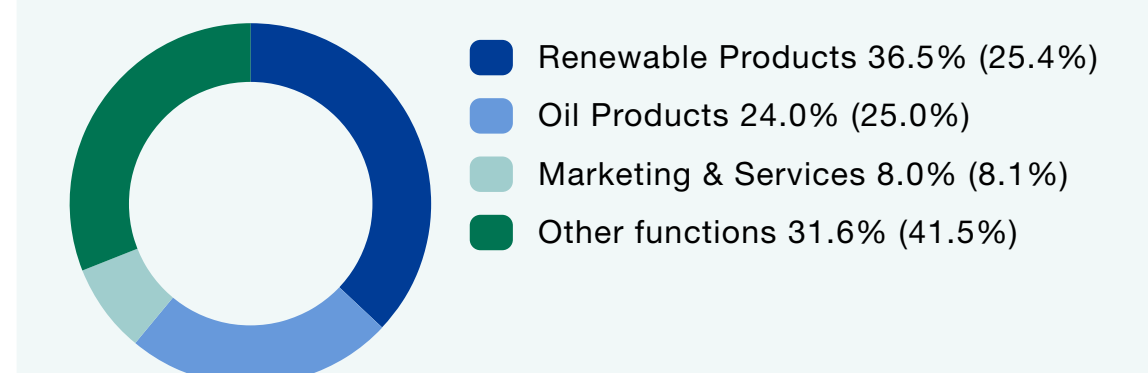
## Personnel by country as of 31 December 2024, %



## Personnel by personnel group as of 31 December 2024, %



## Personnel by segment as of 31 December 2024, %



<sup>3)</sup> The number in the Financial statements is reported as an average and does not include temporary hourly workers.

Scope of reporting aligned with the European Sustainability Reporting Standards (ESRS). 2024 data is not fully comparable with 2023 disclosures.

# Performance in Figures People

Employee distribution and turnover as of 31 December 2024, %

	Total		Finland		USA		Singapore		The Netherlands		Other countries	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<b>All employees</b>	31.3	68.7	34.1	65.9	22.8	77.2	30.6	69.4	17.0	83.0	49.2	50.8
under 30	3.7	6.8	4.5	6.9	2.0	7.2	2.7	6.0	2.0	7.6	5.3	3.6
30–50	20.3	44.1	21.5	42.2	15.1	44.8	23.7	52.3	11.6	51.7	32.3	38.9
over 50	7.2	17.8	8.1	16.8	5.8	25.2	4.2	11.1	3.5	23.7	11.6	8.3
<b>Hiring rate of permanent employees, all</b>	5.1	8.4	2.1	2.5	9.1	18.8	5.9	10.3	12.8	20.4	17.9	9.9
<b>Proportion of permanent hires</b>	21.8	78.3	30.8	69.2	12.5	87.5	20.0	80.0	11.3	88.7	63.4	36.6
under 30	20.8	45.1	22.2	43.5	15.1	44.8	24.0	52.9	11.4	52.0	32.7	39.7
30–50	3.2	5.8	3.6	5.3	2.0	7.2	2.7	6.1	2.0	7.7	4.7	3.4
over 50	7.3	17.9	8.4	17.1	5.8	25.2	3.8	10.5	3.5	23.4	11.5	8.1
<b>Leaving rate of permanent employees, all</b>	19.6	16.1	21.3	14.7	17.7	27.1	8.8	10.3	14.0	6.6	22.8	25.7
<b>Proportion of permanent leavers</b>	35.6	64.5	42.8	57.2	16.1	83.9	27.3	72.7	30.0	70.0	45.8	54.2
under 30	3.2	5.8	3.6	5.3	2.0	7.2	2.7	6.1	2.0	7.7	4.7	3.4
30–50	20.8	45.1	22.2	43.5	15.1	44.8	24.0	52.9	11.4	52.0	32.7	39.7
over 50	7.3	17.9	8.4	17.1	5.8	25.2	3.8	10.5	3.5	23.4	11.5	8.1
<b>Permanent employees</b>	29.4	59.1	32.8	63.3	16.7	26.7	30.2	68.7	16.8	82.6	47.9	50.2
<b>Temporary employees</b>	0.7	1.0	0.8	1.5	0.0	0.0	0.4	0.7	0.2	0.4	1.3	0.0
<b>Non-guaranteed hours employees</b>	1.2	8.6	0.4	1.1	6.1	50.6	0.0	0.0	0.0	0.0	0.0	0.7
<b>Full-time employees</b>	29.6	67.0	31.8	63.6	22.8	77.2	30.6	69.4	13.9	80.2	48.2	50.2
<b>Part-time employees</b>	1.7	1.7	2.2	2.4	0.0	0.0	0.0	0.0	3.1	2.7	1.0	0.7

Information on employees and governance bodies by gender ratio as of 31 December 2024, %

	Women		Men	
	2024	2023	2024	2023
All employees	31.3	32.6	68.7	67.4
Blue-collar	5.7	5.5	94.3	94.5
White-collar and senior management	41.2	41.7	58.8	58.3
Managers	29.3	33.3	70.7	66.7
Senior managers	35.7	28.7	64.3	71.3
Neste Leadership Team <sup>1)</sup>	11.1	33.3	88.9	66.7
Board of Directors	33.3	25.0	66.7	75.0
Permanent	29.4	32.1	59.1	66.7
Temporary	0.6	0.5	1.0	0.7
Non-guaranteed hours employees	1.2	-	8.6	-
Full-time	29.6	31.4	67.0	66.6
Part-time	1.7	1.3	1.7	0.8

<sup>1)</sup> Neste Leadership Team and former Executive Committee members as of 31 Dec 2024

Scope of reporting aligned with the European Sustainability Reporting Standards (ESRS). 2024 data is not fully comparable with 2023 disclosures.

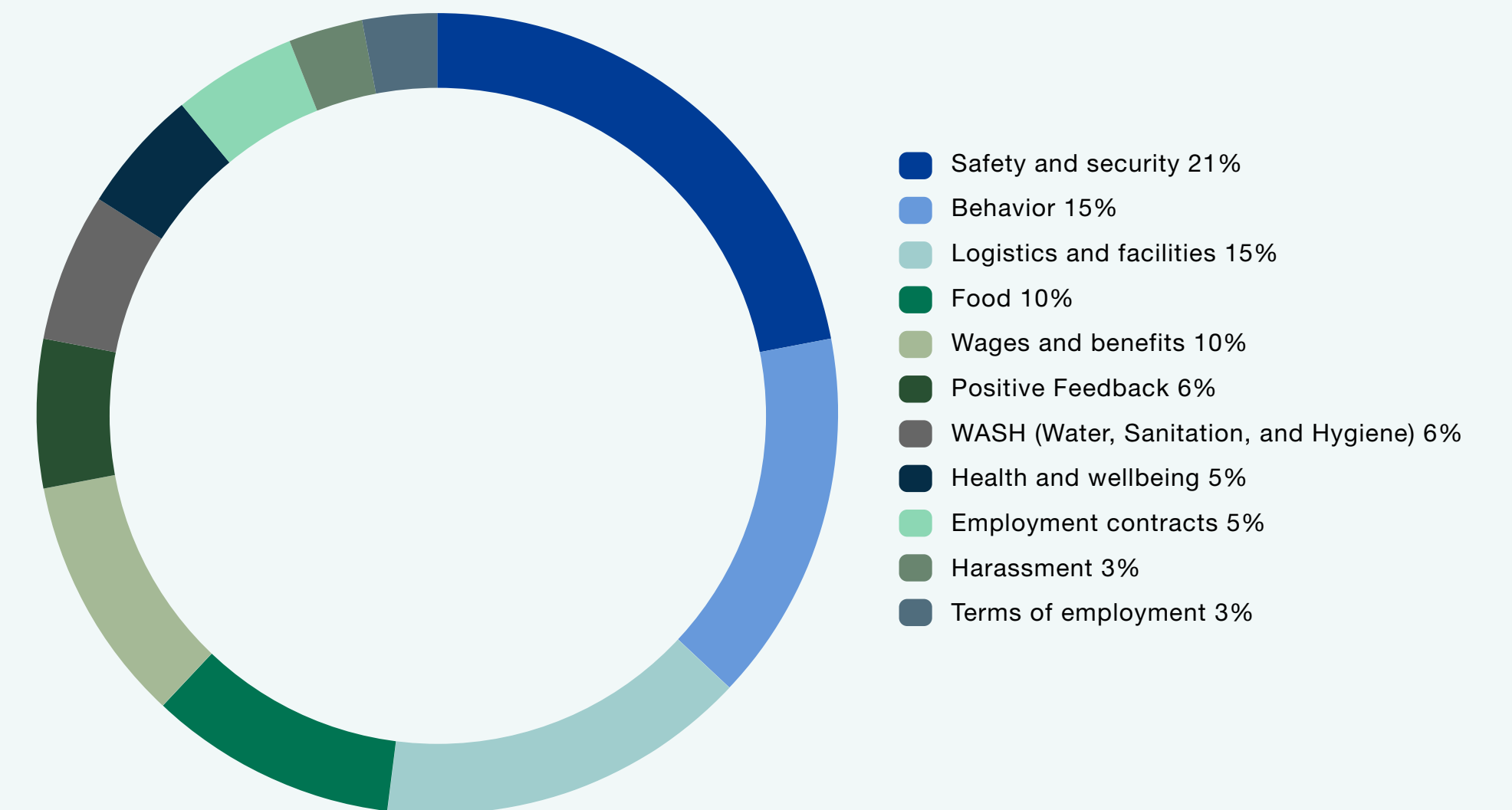
# Performance in Figures Human rights and compliance

Related priority SDGs



Human rights	2024 (2023)
Human Rights Due Diligence (HRDD) <sup>1)</sup> carried out for key business areas/ functions.	Four major assessments/initiatives undertaken in 2024: 1) Corporate-wide assessment to review Neste's salient issues and mitigation actions. 2) Human rights impact & risk assessment completed for the potential construction and operation of a new unit at Porvoo Refinery. 3) Human rights due diligence assessments completed for Neste-owned terminals in Finland, Rotterdam and Baltics. 4) Living wage gap assessments completed for Neste's own employees globally.
HRDD maturity level for Neste own operations using the Consumer Goods Forum HRC assessment framework and KPIs. <sup>2)</sup>	33% of the "Leadership" maturity level achieved in 2024
Employee training on modern slavery and human rights policies and procedures	478 (1,667) of Neste employees, including 67% (86%) of new employees hired, received training on forced labor and vulnerability groups, as well as Neste's human rights policies and processes, through the company's Code of Conduct e-learning during 2024.
Governance and compliance	
Number of suspected misconducts reported in person or via the whistleblowing system to the Investigations Group	Number of suspected misconducts reported in person or via the available reporting channels including EthicsOnline to the Investigation Group was in total 57 (numerous reports concerning same issue) of which employment matters 21 (10) reports, health & safety 7 (0), conflict of interest 7 (3), inappropriate behavior 5 (2), supplier/business partner misconduct/unethical behavior 5 (4), discrimination and harassment 3 (6), misuse of sensitive information 3 (0), other 2 (0), fraud 1 (3), unethical conduct towards clients/suppliers/ business contacts 1 (1), theft, asset misuse, embezzlement 1 (0), bribery, corruption, facilitation payment 1 (0). Misconduct by Neste employees confirmed in 9 (5) cases, related to conflict of interest, attempted fraud, misuse of sensitive information, breach of internal rules, leadership behaviour and/or inappropriate behavior. All leading to further actions and/or process improvements. 1 investigation is pending. The confirmed cases of misconduct were not related to corruption, bribery or facilitation payments. Renewable raw material Supply chain related external grievances are reported separately by the Sustainability team on the Neste website.
Code of Conduct e-learnings completed, amount and rate	94%, including new joiners, have completed the Neste Code of Conduct e-learning course. <sup>3)</sup>

Complaints received through site-level We Care Channels For third-party workers at Neste refineries as of 31 December 2024, %



In 2024, 78 complaints were received via site-level We Care Channels for third-party workers at Neste refineries in Porvoo, Rotterdam and Singapore. Neste takes all complaints seriously and investigates all cases. All channels can be used anonymously and complaints are handled confidentially and without fear of retaliation.

<sup>1)</sup> HRDD refers to any activities carried out to identify, assess, address, prevent or mitigate forced labor risks, such as developing internal processes, carrying out impact assessments, risk mapping, gap assessments, etc  
<sup>2)</sup> The Consumer Goods Forum HRDD maturity assessments for Neste's own operations have three achievement levels: Launched, Established, and Leadership.  
<sup>3)</sup> Completions between 2021-2024 included. Mahoney and Walco excluded.

# GRI Content Index

Neste Oyj has reported the information cited in this GRI content index for the period 1 January–31 December 2024 with reference to the GRI Standards.

<b>GRI Standards Disclosure</b>	<b>Location in the report or our webpage</b>	<b>Reporting (R) / Omission (O)</b>	<b>Oil&amp;Gas Sector Standard REF #</b>
GRI 1: Foundation 2021			
GRI 11: Oil and Gas Sector 2021			
GRI 2: General Disclosures 2021			
1. The organization and its reporting practices			
2-1 Organizational details	<a href="#">243</a>	HQ in Espoo, Finland. Countries of operation: Finland, Australia, Belgium, China, Estonia, Germany, India, Ireland, Latvia, Lithuania, the Netherlands, Singapore, Spain, Sweden, Switzerland, the U.S. (R)	
2-2 Entities included in the organization's sustainability reporting	<a href="#">38–39</a>		
2-3 Reporting period, frequency and contact point	<a href="#">38–39</a> <a href="#">Safety and Environment contacts</a>		
2-4 Restatements of information	<a href="#">38–39</a>		
2-5 External assurance	<a href="#">61–62</a>		
2. Activities and workers			
2-6 Activities, value chain and other business relationships	<a href="#">28–31</a> , <a href="#">98</a> , <a href="#">103–104</a>		
2-7 Employees	<a href="#">104</a> , <a href="#">135–136</a>		
3. Governance			
2-9 Governance structure and composition	<a href="#">64–72</a> , <a href="#">101–102</a>		
2-10 Nomination and selection of the highest governance body	<a href="#">64–67</a> , <a href="#">101–102</a>		
2-11 Chair of the highest governance body	<a href="#">68–69</a>		
2-12 Role of the highest governance body in overseeing the management of impacts	<a href="#">101–102</a>		
2-13 Delegation of responsibility for managing impacts	<a href="#">101–102</a>		
2-14 Role of the highest governance body in sustainability reporting	<a href="#">65</a> , <a href="#">72</a> , <a href="#">101–102</a>		
2-15 Conflicts of interest	<a href="#">67</a>		
2-16 Communication of critical concerns	<a href="#">101–102</a>		
2-17 Collective knowledge of the highest governance body	<a href="#">101–102</a>		
2-18 Evaluation of the performance of the highest governance body	<a href="#">67</a>		
2-19 Remuneration policies	<a href="#">84–88</a> , <a href="#">102</a>		
2-20 Process to determine remuneration	<a href="#">65</a> , <a href="#">85–86</a>		
2-21 Annual total compensation ratio	<a href="#">89</a>	Neste reports the average total compensation for employees and the total compensation of the CEO. (O)	



GRI Standards Disclosure		Location in the report or our webpage	Reporting (R) / Omission (O)	Oil&Gas Sector Standard REF #
4. Strategy, policies and practices				
2-22	Statement on sustainable development strategy	<a href="#">6-7</a>		
2-23	Policy commitments	<a href="#">109</a> , <a href="#">118-119</a> , <a href="#">124-125</a> , <a href="#">128</a> , <a href="#">130</a> , <a href="#">132-133</a> , <a href="#">137-138</a> , <a href="#">141-142</a> <a href="#">Neste Policies and Principles</a>		
2-24	Embedding policy commitments	<a href="#">109</a> , <a href="#">118-119</a> , <a href="#">124-125</a> , <a href="#">128</a> , <a href="#">130</a> , <a href="#">132-133</a> , <a href="#">137-138</a> , <a href="#">141-142</a> <a href="#">Neste Policies and Principles</a>		
2-25	Processes to remediate negative impacts	<a href="#">26</a> , <a href="#">133-143</a> , <a href="#">139-140</a> , <a href="#">141-142</a>		
2-26	Mechanisms for seeking advice and raising concerns	<a href="#">74-75</a> , <a href="#">133-134</a> , <a href="#">139-140</a> , <a href="#">141-142</a>		
2-27	Compliance with laws and regulations	<a href="#">36</a>		
2-28	Membership associations	<a href="#">105-106</a> <a href="#">Memberships and engagements</a>		
5. Stakeholder engagement				
2-29	Approach to stakeholder engagement	<a href="#">105-106</a>		
2-30	Collective bargaining agreements		3,608 persons, 65%. In addition to complying with local legal requirements, Neste is committed to respecting the internationally recognized human and labor rights and ensuring fair terms of employment for all employees, as set out in the Neste Code of Conduct and Human Rights Principle. (R)	
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	<a href="#">39</a> , <a href="#">108-109</a>		
3-2	List of material topics	<a href="#">39</a> , <a href="#">107</a>		
3-3	Management of material topics	<a href="#">116-121</a> , <a href="#">124-125</a> , <a href="#">127-129</a> , <a href="#">130-131</a> , <a href="#">132-134</a> , <a href="#">137-140</a> , <a href="#">142-143</a>		<a href="#">11.1.1</a> , <a href="#">11.2.1</a> , <a href="#">11.3.1</a> , <a href="#">11.4.1</a> , <a href="#">11.5.1</a> , <a href="#">11.6.1</a> , <a href="#">11.7.1</a> , <a href="#">11.8.1</a> , <a href="#">11.9.1</a> , <a href="#">11.10.1</a> , <a href="#">11.11.1</a> , <a href="#">11.12.1</a> , <a href="#">11.13.1</a> , <a href="#">11.14.1</a> , <a href="#">11.15.1</a> , <a href="#">11.17.1</a> , <a href="#">11.18.1</a> , <a href="#">11.19.1</a> , <a href="#">11.20.1</a> , <a href="#">11.21.1</a> , <a href="#">11.22.1</a>
GRI 200: Economic				
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	<a href="#">40</a> <a href="#">Economic Responsibility</a>		<a href="#">11.14.2</a> & <a href="#">11.21.2</a>
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">107-108</a> , <a href="#">117-118</a> , <a href="#">161</a>		<a href="#">11.2.2</a>
201-4	Financial assistance received from government	<a href="#">178</a>		<a href="#">11.21.3</a>

GRI Standards Disclosure		Location in the report or our webpage	Reporting (R) / Omission (O)	Oil&Gas Sector Standard REF #
GRI 203: Indirect Economic Impacts 2016				
203-2	Significant indirect economic impacts	<a href="#">40</a>		11.4.5 & 11.14.5
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	<a href="#">141–142</a>	Neste regularly assesses its operations' risks including ia. risks of corruption and bribery. Numeric data not applicable. (R/O)	11.20.2
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">32</a> , <a href="#">141–142</a>	Neste Board Audit Committee receives regular updates on Neste compliance program and compliance activities, including such related to anti-corruption. All members of Neste Board of Directors have completed the Code of Conduct (CoC) e-learning. Neste's Anti-corruption Principle and related guidance is available in Neste's global intranet and further communicated and trained via anti-corruption e-learning issued regularly, latest in Q4 2024 to approximately 3,700 employees, and via regular newsletters. Leadership members and targeted employees are required to complete an Annual Compliance Acknowledgement confirming their compliance with i.a. the CoC and Anti-corruption Principle. Neste regularly raises awareness and trains on its Code of Conduct, including a Code of Conduct e-learning mandatory for all employees, of which the latest version was issued in 2021. The CoC e-learning is part of global induction training and therefore, the completion fluctuates. We also require our suppliers and other business partners to comply with applicable laws and expect them to follow equivalent ethical business standards as stated in the CoC (including zero tolerance to corruption), as further described in our Supplier Code of Conduct. We are continuously developing our anti-corruption training processes and aspire to extend the reporting with the remaining indicator requirements related to training when applicable. (R/O)	11.20.3
205-3	Confirmed incidents of corruption and actions taken	<a href="#">47</a>	No confirmed incidents during the reporting period. (R)	11.20.4
GRI 206: Anti-competitive Behaviour 2016				
206-1	Legal actions for anticompetitive behavior, anti-trust, and monopoly practices		No cases during the reporting period. (R)	11.19.2
GRI 207: Tax 2019				
207-1	Approach to tax	<a href="#">Neste's tax footprint</a>		11.21.4
207-2	Tax governance, control, and risk management	<a href="#">Neste's tax footprint</a>		11.21.5
207-3	Stakeholder engagement and management of concerns related to tax	<a href="#">Neste's tax footprint</a>		11.21.6
207-4	Country-by-country reporting	<a href="#">Neste's tax footprint</a>	Neste discloses tax information for countries representing 90% of the external revenue of the group. (O)	11.21.7
GRI 300: Environmental				
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	<a href="#">42</a> , <a href="#">121–122</a>	Neste's reporting on energy consumption is aligned with the European Sustainability Reporting Standards and does not include disaggregated amounts of electricity, heating, cooling and steam consumed or sold. (R/O)	
302-3	Energy intensity	<a href="#">121</a> , <a href="#">123</a>		11.1.4
302-4	Reduction of energy consumption	<a href="#">21–22</a> , <a href="#">42</a> , <a href="#">59</a>	Energy savings consists of different initiatives in our production covering steam. (R)	
GRI 303: Water and effluents 2018				
303-1	Interactions with water as a shared resource	<a href="#">23–24</a>		11.6.2
303-3	Water withdrawal	<a href="#">42</a> , <a href="#">59</a>	Neste will be assessing its relevant water reporting categories for potential later use. (O)	11.6.4
303-4	Water discharge	<a href="#">42</a> , <a href="#">59</a>		11.6.5
303-5	Water consumption	<a href="#">42</a> , <a href="#">59</a>		11.6.6

GRI Standards Disclosure		Location in the report or our webpage	Reporting (R) / Omission (O)	Oil&Gas Sector Standard REF #
GRI 304: Biodiversity 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<a href="#">127</a>		11.4.2
304-2	Significant impacts of activities, products, and services on biodiversity	<a href="#">24, 127–128</a>		11.4.3
304-3	Habitats protected or restored	<a href="#">24, 127</a>		11.4.4
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	<a href="#">41, 122–123</a>		11.1.5
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">41, 122–123</a>		11.1.6
305-3	Other indirect (Scope 3) GHG emissions	<a href="#">41, 122–123</a>		11.1.7
305-4	GHG emissions intensity	<a href="#">41, 122–123</a>		11.1.8
305-5	Reduction of GHG emissions	<a href="#">41, 119–121</a>		11.2.3
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	<a href="#">41, 59</a>	Neste considers the reported emissions as significant. (R/O)	11.3.2
GRI 306: Effluents and Waste 2016				
306-3	Significant spills	<a href="#">42</a>	No significant environmental impacts identified. (R)	11.8.2
GRI 306: Waste 2020				
306-3	Waste generated	<a href="#">42, 59</a>		11.5.4
306-4	Waste diverted from disposal	<a href="#">42, 59</a>		11.5.5
306-5	Waste directed to disposal	<a href="#">42, 59</a>		11.5.6
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	<a href="#">28–30, 142–143</a>	100% of Neste's new renewable raw material suppliers and 100% of new fossil raw material suppliers screened using environmental criteria. Screening process for indirect procurement suppliers is being standardized and hence, data is currently not available. (R/O)	
GRI 400: Social				
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	<a href="#">46, 135–136</a>		11.10.2
401-3	Parental leave		All Neste employees are entitled to parental leave at a minimum according to the local legislation. All together 281 employees took parental leave in 2024, of which 192 were women and 89 were men. 243 employees returned to work from parental leave during 2024, of which 109 were women and 134 were men. Neste does not disclose return to work and retention rates. (R/O)	11.10.4 & 11.11.3
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes		Neste follows the local laws and when applicable, bargaining agreements regarding operational changes. (R)	11.7.2 & 11.10.5

GRI Standards Disclosure		Location in the report or our webpage	Reporting (R) / Omission (O)	Oil&Gas Sector Standard REF #
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	<a href="#">35–36</a> , <a href="#">132–135</a>		11.9.2
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">35–36</a> , <a href="#">133–134</a>		11.9.3
403-3	Occupational health services	<a href="#">34</a>		11.9.4
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">36</a> , <a href="#">133–134</a>		11.9.5
403-5	Worker training on occupational health and safety	<a href="#">36</a> , <a href="#">134</a>		11.9.6
403-6	Promotion of worker health	<a href="#">34</a> , <a href="#">35–36</a>		11.9.7
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">36</a> , <a href="#">134</a>		11.9.8
403-8	Workers covered by an occupational health and safety management system	<a href="#">134</a> , <a href="#">135</a>		11.9.9
403-9	Work-related injuries	<a href="#">35–36</a> , <a href="#">44</a> , <a href="#">135–136</a>	In 2024 there were 49 injuries, of which 20 happened to contractors. In 2024 we did not have any injury that would have resulted permanent effect on health. All together we had 6 cases which resulted in long absences from work. Main injury types were cuts, puncture or scrapes, slips, trips and falls, or caught in, under or between. Total amount of working hours was cirka 10,290,000 hours for employees and 11,614,000 hours for contractors.	11.9.10
403-10	Work-related ill health	<a href="#">135–136</a>	Neste records all work-related injuries. Occupational diseases are recorded separately. Neste has defined and implements practices in the Operations Excellence Management System (OEMS) to minimize hazards and to mitigate risks relating to any work-related ill health or injuries. (R/O)	11.9.11
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	<a href="#">45</a>		11.10.6 & 11.11.7
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">33–34</a>		11.7.3 & 11.10.7
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	<a href="#">46</a> , <a href="#">67</a> , <a href="#">102</a>		11.11.4
405-2	Ratio of basic salary and remuneration of women to men		Women's mean basic salary in relation to men's by pay grade and employee category in Finland: blue-collars 88%-106% and whitecollars 91%-107%. Finland is reported as it is significant with over 61% weight of employees in total personnel. (R/O)	11.11.5
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	<a href="#">47</a> , <a href="#">141–142</a>		11.11.6
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">26</a> , <a href="#">Neste Human Rights Principle</a> , <a href="#">Neste Supplier Code of Conduct</a> , <a href="#">Modern Slavery Statement</a>	The Neste Human Rights Principle outlines our commitment to respect the rights to freedom of association and collective bargaining in Neste's global operations, and our Supplier Code of Conduct includes minimum requirements for our suppliers and business partners to recognize and respect these rights. These policies are implemented through our ongoing due diligence processes. We use a bespoke, industry leading, country risk assessment methodology from Verisk Maplecroft to identify countries or geographic areas with the highest risks to freedom of association and collective bargaining in our global operations and supply chains. Specific geographic areas and operation types considered as high risk not disclosed publicly. (R)	11.13.2

GRI Standards Disclosure		Location in the report or our webpage	Reporting (R) / Omission (O)	Oil&Gas Sector Standard REF #
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk of incidents of child labor	<a href="#">26, Neste Human Rights Principle, Neste Supplier Code of Conduct, Modern Slavery Statement</a>	The Neste Human Rights Principle outlines our commitment to respect children's rights, and our Supplier Code of Conduct includes minimum requirements regarding child labor. These policies are implemented through our ongoing due diligence processes. We use a bespoke, industry leading, country risk assessment methodology from Verisk Maplecroft to identify countries or geographic areas with the highest risks of child labor. Further details regarding management approach, high risk operations and supply chains, and measures taken by Neste to assess and address child labor risks available in Neste's annual Modern Slavery Statement. (R)	
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk of incidents of forced or compulsory labor	<a href="#">26, 137, Neste Human Rights Principle, Neste Supplier Code of Conduct, Modern Slavery Statement</a>		11.12.2
GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures		100% of Neste group security personnel have received formal training on Neste human rights policies through Neste's Code of Conduct e-learning. (R)	11.18.2
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples		Neste respects the rights of Indigenous Peoples set out in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and carries out due diligence to avoid infringing on human rights. In 2024, there were 0 incidents of violations involving the rights of Indigenous peoples reported via Neste's available reporting channels, including Ethics Online. (R)	11.17.2
GRI 204: Procurement Practices 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">105, Neste Human Rights Principle</a>	For 100% of our operations, local communities can formally raise grievances to Neste using Ethics Online, or alternatively contact us using local channels such as refinery websites and phone numbers. We engage regularly with local stakeholders, including, for example, a biennial stakeholder study to engage with communities surrounding our Porvoo refinery covering environmental, social, and safety impacts. All Neste refineries are certified as having an ISO 14001 environmental management system in place, and have undergone various environmental impact and permitting assessments, with ongoing monitoring. (R/O)	11.15.2
413-2	Operations with significant actual and potential negative impacts on local communities	<a href="#">105, Neste Human Rights Principle</a>	All Neste refineries (Porvoo, Rotterdam and Singapore) are situated on industrial sites and the closest residential communities are 5-10 kms away. Potential risks to the local communities include air and water emissions, as well as noise and light pollution from the refineries and site traffic. All of our refineries are required to with comply with strict environmental permits and other legal requirements and have put preventive and mitigation measures in place to prevent refinery operations from causing harm to people or the environment. (R)	11.15.3
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	<a href="#">28-30, 142-143</a>	100% of Neste's new renewable raw material suppliers and 100% of new fossil raw material suppliers screened using social criteria. Screening process for indirect procurement suppliers is being standardized and hence, data is currently not available. (R/O)	11.10.8 & 11.12.3
414-2	Negative social impacts in the supply chain and actions taken	<a href="#">29, 43, 139, Grievances and concerns webpage</a>	387 actions initiated to advance supply chain workers' human and labor rights in Neste raw material supplier sustainability audits. Number of suppliers with significant negative social impacts and percentage of suppliers with corrective actions and with which relationships were terminated are not disclosed. (R/O)	11.10.9

<b>GRI Standards Disclosure</b>		<b>Location in the report or our webpage</b>	<b>Reporting (R) / Omission (O)</b>	<b>Oil&amp;Gas Sector Standard REF #</b>
GRI 415: Public Policy 2016				
415-1	Political contributions		Neste does not make political contributions. (R)	11.22.2
GRI 416: Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">124–125</a>		11.3.3
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">125–126</a>		
GRI 417: Marketing and Labeling 2016				
417-3	Incidents of non-compliance concerning marketing communications		In total two cases in Lithuania in 2024, of which one case was closed in 2024 and resulted in no fines. The remaining case in Lithuania has been responded to and is pending at the end of 2024. One case in Denmark from 2023, which is pending.	

# TCFD Recommendations Disclosure

TCFD Recommendations Disclosure		Location in the report
<b>Governance</b> Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate related risks and opportunities.	<a href="#">67</a> , <a href="#">72</a> , <a href="#">101–102</a>
	b) Describe management's role in assessing and managing climate related risks and opportunities.	<a href="#">72</a> , <a href="#">74</a> , <a href="#">102</a>
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<a href="#">82–83</a> , <a href="#">107</a> , <a href="#">116–118</a>
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<a href="#">103</a> , <a href="#">107–108</a> , <a href="#">118</a> , <a href="#">161</a>
	c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	<a href="#">118</a>
<b>Risk Management</b> Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	<a href="#">108–109</a> , <a href="#">117</a>
	b) Describe the organization's processes for managing climate-related risks.	<a href="#">79–80</a>
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<a href="#">102</a> , <a href="#">109</a>
<b>Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<a href="#">41–42</a> , <a href="#">119</a>
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<a href="#">41</a> , <a href="#">122</a>
	c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	<a href="#">19</a> , <a href="#">41</a> , <a href="#">119</a>

# SASB Content Index

Neste disclosure of SASB Sustainability Accounting Standards for Oil and Gas Refining and Marketing

Code	Accounting metric	Unit of measure	Location in the report or our webpage	Additional SASB reporting information Reporting (R) / Omission (O)
<b>GHG Emissions</b>				
EM-RM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons (t) CO <sub>2</sub> -e, Percentage (%)	<a href="#">122–123</a>	
EM-RM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	<a href="#">21–22</a> , <a href="#">119–121</a>	
<b>Air Quality</b>				
EM-RM-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOx, (3) particulate matter (PM10), (4) H <sub>2</sub> S, and (5) volatile organic compounds (VOCs)	Metric tons (t)	<a href="#">41</a> , <a href="#">59</a>	
EM-RM-120a.2	Number of refineries in or near areas of dense population	Number		All 3 refineries operated by Neste located in or near (within 49km) an urbanized area. (R)
<b>Water management</b>				
EM-RM-140a.1	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m <sup>3</sup> ), Percentage (%)	<a href="#">42</a> , <a href="#">59</a>	Neste's water withdrawal from areas with water stress is not significant and seen as not material. Percentage for recycled water is not calculated separately, as most of the water withdrawn for cooling is discharged back to the source in similar condition as when withdrawn. (R)
EM-RM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number		No incidents of non-compliance associated with water quality permits, standards, and regulations. (R)
<b>Hazardous Materials Management</b>				
EM-RM-150a.1	(1) Amount of hazardous waste generated, (2) percentage recycled	Metric tons (t), Percentage (%)	<a href="#">42</a> , <a href="#">59</a>	199,900 metric tons (t), recycled 8% (R)
EM-RM-150a.2	(1) Number of underground storage tanks (USTs), (2) number of UST releases requiring cleanup, and (3) percentage in states with UST financial assurance funds	Number, Percentage (%)		25 underground storage tanks for petroleum products. No UST releases. Reporting based on Neste's environmental permits. (R)
<b>Workforce Health and safety</b>				
EM-RM-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Rate	<a href="#">44</a>	1) and (2) Neste reports the most relevant OHS performance figures in its own operations (TRIF, LWIF, PSER, Safe Days, Fatalities). (3) NMFR 88.6. (R)
EM-RM-320a.2	Discussion of management systems used to integrate a culture of safety	n/a	<a href="#">35–36</a> , <a href="#">132–134</a>	
<b>Product Specifications &amp; Clean Fuel Blends</b>				
EM-RM-410a.1	Percentage of Renewable Volume Obligation (RVO) met through: (1) production of renewable fuels, (2) purchase of separated renewable identification numbers (RIN)	Percentage (%)		Data not disclosed. (O)
EM-RM-410a.2	Total addressable market and share of market for advanced biofuels and associated infrastructure	Reporting currency, Percentage (%)	<a href="#">11–12</a>	
<b>Pricing Integrity &amp; Transparency</b>				



<b>Code</b>	<b>Accounting metric</b>	<b>Unit of measure</b>	<b>Location in the report or our webpage</b>	<b>Additional SASB reporting information Reporting (R) / Omission (O)</b>
EM-RM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation	Reporting currency, Percentage (%)		No legal proceedings. (R)
Management of the Legal & Regulatory Environment				
EM-RM-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	n/a	<a href="#">81, 83, 107–108, NBNHR Joint Statement</a>	
Critical Incident Risk Management				
EM-RM-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2)	Rate	<a href="#">44, 59–60</a>	Neste reports PSER1 and PSER2 rates as described in Principles for calculating the key indicators. (R)
EM-RM-540a.2	Challenges to Safety Systems indicator rate (Tier 3)	Rate		Rate 52.6. Tier 3 Challenges to Safety Systems indicator are followed in Neste's PSE3. (R)
EM-RM-540a.3	Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators	n/a	<a href="#">36, 133–134</a>	Process safety management system weaknesses that may cause PSE1/2 events in the future. They are followed as part of PSE4 indicator at Neste. (R)

<b>Code</b>	<b>Accounting metric</b>	<b>Unit of measure</b>	<b>Location in the report or our webpage</b>	<b>Additional SASB reporting information</b>
EM-RM-000.A	Refining throughput of crude oil and other feedstocks	Barrels of oil equivalent (BOE)		Oil Products 76 MMBOE (R)
EM-RM-000.B	Refining operating capacity	Million barrels per calendar day (MBPD)	<a href="#">14</a>	Oil Products 0.21 MBPD (R)

# UN Guiding Principles Reporting Framework Index

Section of the Framework	Location in annual report or website	Page location in 2023 Modern Slavery Statement <sup>1)</sup>
<b>PART A: Governance of Respect for Human Rights</b>		
A1 Policy Commitment		
A1	p. <a href="#">25–26</a> , <a href="#">133</a> ; <a href="#">Neste Human Rights Principle</a> .	p. 7–8
A1.1	p. <a href="#">26</a> , <a href="#">133</a> ; <a href="#">Neste Human Rights Principle</a> . Neste's Human Rights Principle was updated in 2022, incorporating extensive consultation with topic experts, NGOs, government representatives, and trade union experts. In 2024, the Principle underwent minor updates to reflect changes in Neste's governance structure for human rights.	p. 7–8
A1.2	All of Neste's rights-holders as defined on p. 14 of the <a href="#">Neste Human Rights Principle</a>	
A1.3	p. <a href="#">26–27</a> , <a href="#">30</a> , <a href="#">47</a> , <a href="#">53</a> , <a href="#">Neste Human Rights Principle</a> is published on our company website and internally accessible on the Neste intranet. It is communicated to employees via e-learnings, and to business partners via Neste's <a href="#">Supplier Code of Conduct Guidance</a> and capacity building workshops.	p. 7, 19–20
A2 Embedding Respect for Human Rights		
A2	p. <a href="#">17–18</a> , <a href="#">25–27</a> , <a href="#">NBNHR Joint Statement</a> , <a href="#">Neste Human Rights Principle</a>	p. 3, 7–8, 21–22
A2.1	Described under section 6.1 of the <a href="#">Neste Human Rights Principle</a>	p. 7–8
A2.2	p. <a href="#">72</a> , <a href="#">101–102</a> , <a href="#">Neste Human Rights Principle (p. 9–11)</a>	p. 24
A2.3	p. <a href="#">27</a> , <a href="#">47</a> , <a href="#">75</a> , <a href="#">139</a> , <a href="#">Neste Code of Conduct (p. 7)</a> , <a href="#">Neste Human Rights Principle (p. 11–12)</a>	p. 7–8, 19–20
A2.4	p. <a href="#">27</a> , <a href="#">30</a> , <a href="#">105</a> , <a href="#">143</a> , <a href="#">Supplier Code of Conduct Guidance (p. 13–21)</a>	p. 7, 12–18, 19–20
A2.5	p. <a href="#">25–27</a> , <a href="#">29–30</a> , <a href="#">36</a> , <a href="#">47</a>	p. 7–9, 10–11, 15, 19–21, 23
<b>PART B: Defining the Focus of Reporting</b>		
B1 Statement of salient issues	p. <a href="#">26</a> ; <a href="#">Neste Human Rights Principle (p. 2-9)</a>	p. 8
B2 Determination of salient issues	p. <a href="#">26</a>	p. 8
B3 Geographical focus	p. <a href="#">137</a>	p. 10–11
B4 Additional severe impacts	N/A	N/A

Section of the Framework	Location in annual report or website	Page location in 2023 Modern Slavery Statement <sup>1)</sup>
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## UN Guiding Principles Reporting Framework Index

The UN Guiding Principles Reporting Framework provides comprehensive guidance for companies to report on human rights issues in line with their responsibility to respect human rights. For full details on the framework, please visit [www.ungpreporting.org](http://www.ungpreporting.org)

<sup>1)</sup> Page numbers provided for 2023 Modern Slavery Statement, as the 2024 statement will only be published in Q2, 2025.

# Principles for calculating the key indicators

## General disclaimer

The figures in the Neste Annual report may be subject to rounding, which may cause some differences in aggregate totals calculated from exact figures.

## Environment

### Energy

Energy consumption and production data is collected either from Neste's own measurement devices or via energy invoices. Some minor consumption sources have been estimated. Neste follows the Energy Efficiency Agreement for Industries which is an agreement between the Government and industrial associations on the efficient use of energy, providing also guiding methodology for energy efficiency calculations.

### Greenhouse gas emissions (GHG)

Neste follows GHG Protocol Corporate Standard and its supplement Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The reporting includes emissions of the GHGs covered by the GHG Protocol. Emissions have been converted into carbon dioxide equivalents.

### Carbon handprint

Carbon handprint describes the difference of carbon footprint of a product or service and a baseline product or service. Neste's customer GHG emissions reduction is calculated by aggregating the customer's GHG emission reduction for each batch of renewable products delivered to Neste's customers. The GHG emission related to each batch is compared with the GHG emission that the same quantity of a fossil fuel reference (baseline) would emit. Emission factors for the fossil references are dependent on the market where the product was sold and its regulation. GHG emission reduction

comparisons are made by comparing the achieved Neste's annual greenhouse gas (GHG) emission reduction with publicly available emission data from road transportation and aviation sector.

➡ More detailed reporting principles for energy and GHG emissions are available in the [Sustainability statement](#).

### VOC, NOx, SO<sub>2</sub>, PM

Emissions to air (excluding CO<sub>2</sub>) are determined by direct measurements (on-line or periodic) or with indirect monitoring methods. On-line measurement is typically done on major emission points. Both direct measurements and indirect monitoring is based on the site environmental permit or other local environmental regulation. Relevant process parameters linked to pollutant emission measurements are monitored too. All emission monitoring is done in accordance with standards. If EN standards are not available, ISO, national or other international standard/method is used to ensure the provision of data of high quality.

### Water withdrawal

The water withdrawal volumes are based on the company's own measurements or on invoicing. Neste's water risk assessment is based on WWF Water Risk Filter. Neste annually updates the risk assessment.

### Wastewater discharges

Neste reports the wastewater volumes, chemical oxygen consumption, as well as the oil, nitrogen, and

phosphorus discharges. The figures are calculated on the basis of refinery- or terminal-specific data based on sampling or continuous metering. The figures do not include the loading values of wastewater treated in municipal or other external wastewater treatment plants. Neste operates according to local discharge permits and requirements. Our waste waters are treated to meet the requirements before they are safely discharged.

### Waste generated

The waste volumes are based on the invoicing data.

### Non-renewable resource use replacement

Calculations were updated to include all sales volumes. They include fossil resource usage over Neste's renewable and circular solutions production life cycles. An energy-based comparison is made with relevant fossil references in transport, aviation and polymers & chemical sectors. The difference is expressed as the energy content of crude oil.

### Safety

Calculations related to safety-related accident frequency rates comply with the calculation principles of Concawe (the oil companies' European association for environment, health and safety in refining and distribution).

### Total Recordable Injury Frequency (TRIF)

Workplace accidents are those accidents that occur at work or while performing work duties. Total Recordable Injuries (TRI) includes the recorded accidents at work which result in absence from work, restriction to work,

medical treatment or fatality. The formula for calculating accident frequency (number of accidents at work per million working hours): total number of accidents at work × 1,000,000 / hours worked. The calculation includes in-house personnel, contractors and service providers working at Neste's sites.

### Safe Day

A day without any personal safety accident (TRI), process safety incident (PSE 1 and PSE 2), fires, leaks, environmental permit violations, traffic accidents or marine safety incidents.

### Hours worked

The hours worked by the whole personnel and the service providers during the period under review. When recording the working hours of service providers, an estimate (e.g. accounting hours) can be used if the accurate number of hours is not known.

### LWIF (Lost Workday injury frequency)

The number of accidents at work resulting in lost workdays, relative to a million hours worked.

### Process safety event rate (PSER)

Rate of process safety events per million hours worked.

### **PSE1 (Process Safety Event)**

An unplanned and uncontrolled release of any material, including nontoxic and non-flammable materials from a process, resulting in consequences according to the PSE1 classification. Possible consequences:

- Injury leading to absence (LWI, RWI) or fatality.
- Fires or explosions with direct costs (excluding loss of production) higher than EUR 100,000.
- An officially declared community evacuation or community shelter-in-place, including precautionary community evacuation or community shelter-in-place.
- A leak exceeding the reporting threshold during a certain period, according to Concawe (European Oil Company Organisation for Environment, Health and Safety)
- Pressure relief discharge / upset emission to atmosphere that exceeds the PSE1 threshold value and has one or more of these consequences: Rainout; Discharge to a potentially unsafe location; An on-site shelter-in-place or on-site evacuation, excluding precautionary on-site shelter-in-place or on-site evacuation; Public protective measures, including precautionary public protective measures.

### **PSE2 (Process Safety Event)**

An unplanned and uncontrolled release of any material, including nontoxic and non-flammable materials from a process, resulting in consequences according to the PSE2 classification. Possible consequences:

- Workplace accident requiring medical treatment (MTC).
- Fires or explosions with direct expenses (excluding loss of production) higher than EUR 2,500.
- A leak exceeding the reporting threshold during a certain period, according to Concawe

- Pressure relief discharge / upset emission to atmosphere that exceeds the PSE2 threshold value and has one or more of these consequences: Rainout; Discharge to a potentially unsafe location; An on-site shelter-in-place or on-site evacuation, excluding precautionary on-site shelter-in-place or on-site evacuation; Public protective measures, including precautionary public protective measures.

### **Fatalities**

An workplace accident or an accident during a work-related travel causing an injury resulting in death within one year of the day of the accident.

### **Personnel**

#### **Personnel metrics**

Calculated as numbers of employees, and include, as a rule, all personnel with active contracts of employment or employees on leave. Temporary hourly paid employees are included. Unless otherwise specified, the personnel numbers are reported as at December 31.

#### **Number of permanent employees leaving the company**

The number of employees leaving a permanent contract of employment from Jan 1 to Dec 31/the number of permanent employees on Dec 31 (including all reasons for ending the employment).

#### **Number of permanent employees joining the company**

The number of employees entering a permanent contract of employment from Jan 1 to Dec 31/ the number of permanent employees on Dec 31.

### **Training costs**

The training costs include external training-related costs, such as the fees of external trainers, and the participation fees for external training events, but not, for example, the salaries of participants or the company's own trainers.

### **Economic**

#### **Clean revenue**

Clean revenue means revenue from all goods and services which have a clear environmental and/or social benefits. Clean investments are investments in such benefits consisting of Clean CAPEX, Clean R&D and Clean M&A. Clean Revenue and Clean Investments include for example revenue from, and investments in, clean transition as well as low-carbon and circular economy solutions. Clean Investments (%):

- $\text{Clean CAPEX} + \text{Clean R\&D} + \text{Clean Acquisitions} / \text{Total CAPEX} + \text{R\&D} + \text{Acquisitions}$ .
- Clean Revenue (%):  $\text{Clean Revenue} / \text{Total Revenue}$ .

# Independent Practitioners' Assurance Report

## To the Board of Directors of Neste Corporation

We have been engaged by the Management of Neste Corporation (hereafter "Neste") to provide limited assurance on selected numerical sustainability indicators (hereafter "Selected Numerical Sustainability Information") presented in the Annual review of Neste's Annual Report 2024 for the reporting period 1.1.–31.12.2024.

The Selected Numerical Sustainability Information subject to the limited assurance consists of selected numerical economic, social and environmental sustainability disclosures listed within the GRI (Global Reporting Initiative) Standards Topic-Specific Disclosures 200, 300 and 400, General Disclosures 2–7, 2–21, 2–27 and 2–30 as well as numerical information presented in the "Value Creation" and "Performance in figures" sections in Neste's Annual Report 2024.

## Management's Responsibilities

The Management of Neste is responsible for the preparation and presentation of the Selected Numerical Sustainability Information in accordance with the reporting criteria i.e. GRI Standards. This responsibility includes designing, implementing and maintaining internal control, maintaining necessary documentation, as well as making estimates relevant to the preparation of the Selected Numerical Sustainability Information that are free from material misstatement, whether due to fraud or error.

## Independent Practitioner's Responsibilities

Our responsibility is to perform a limited assurance engagement and to provide an independent conclusion based on our engagement. We performed our assurance engagement in accordance with International Standard on (ISAE) 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information". This Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement. The nature, timing and scope of the limited assurance procedures are based on professional judgement, including an assessment of material misstatement due to fraud or error, and we maintain professional skepticism throughout the engagement. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

We are independent of Neste in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG Oy Ab applies International Standard on Quality Management ISQM 1, which requires the authorized audit firm to design, implement and operate a system of quality management including policies or procedures

regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Description of the Procedures That Have Been Performed

As the methods of obtaining evidence are more limited in a limited assurance than in a reasonable assurance, an assurance obtained is more limited than in a reasonable assurance. We have designed and performed procedures to obtain sufficient and appropriate evidence for limited assurance and to provide a basis for our conclusion, therefore we do not obtain all the evidence, which is required in reasonable assurance. While we consider the design of internal controls when determining the nature and scope of our assurance procedures, our limited assurance engagement is not included the testing of the operating effectiveness of internal controls. Our procedures did not include control testing or performing procedures related to combining and calculating data within IT systems. The limited assurance engagement consists of inquiries of individuals who are responsible for preparing the Sustainability Information and related information, as well as for carrying out analytical and other procedures.

In the engagement, we have performed the following procedures, among others:

- Interviewed the members of Neste's senior management and relevant personnel responsible for providing the Selected Numerical Sustainability Information;
- Assessed the application of the reporting principles of GRI Sustainability Reporting Standards in disclosing the Selected Numerical Sustainability Information;
- Assessed data management processes, information systems and working methods used to gather and consolidate the Selected Numerical Sustainability Information;
- Reviewed the disclosed Selected Numerical Sustainability Information and assessed its quality and definitions of reporting boundaries; and
- Assessed the accuracy and completeness of the Selected Numerical Sustainability Information through a review of the original documents and systems on a sample basis.



**Inherent Limitations of the Engagement**

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

**Conclusion**

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Selected Numerical Sustainability Information for the reporting period 1.1.–31.12.2024 subject to the limited assurance engagement is not prepared, in all material respects, in accordance with GRI Sustainability Reporting Standards.

Helsinki, 28 February 2025 KPMG OY AB

**Leenakaisa Winberg**

Authorised Public Accountant, KRT



# Governance

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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>

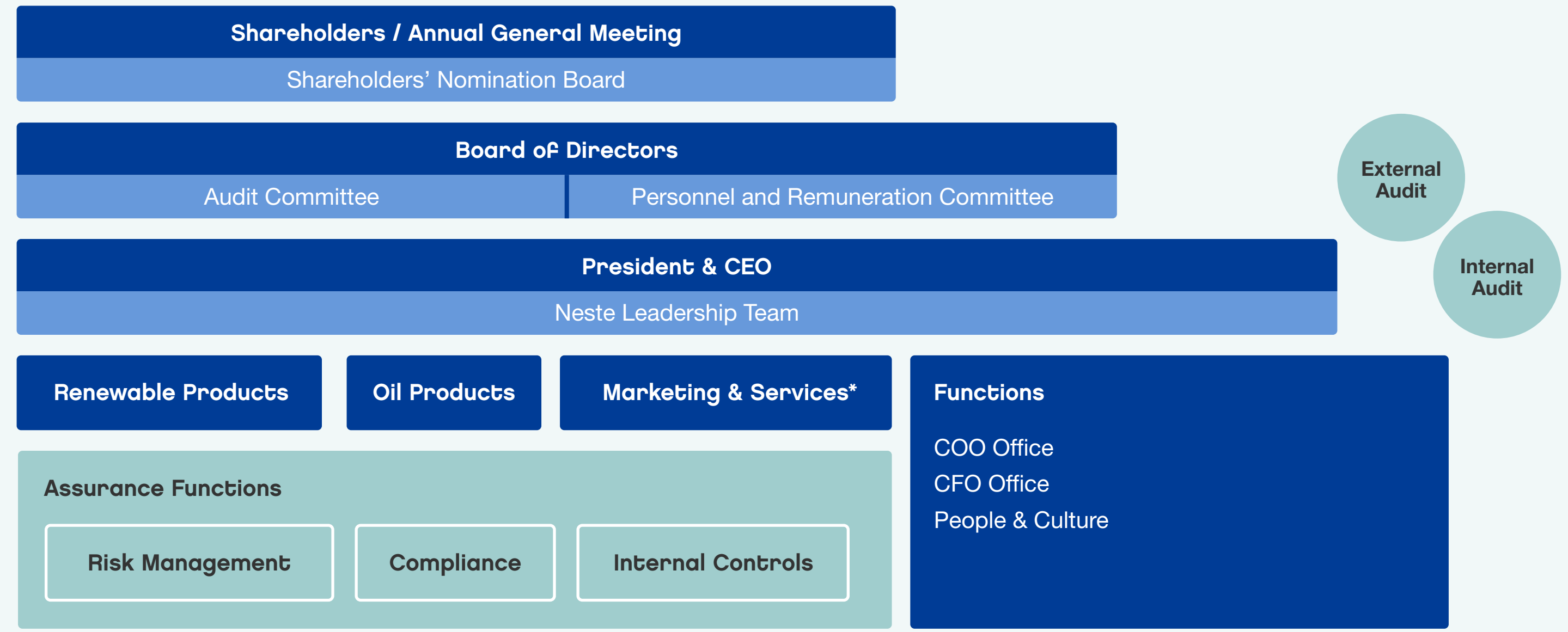
## Regulatory framework

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/](http://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.

## Neste's governance bodies



\*Marketing & Services is led through an internal board and its EVP is not a member of the Neste Leadership Team

## 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:

	<b>Attendance</b>
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. <sup>1)</sup>

Prime Minister's Office:  
340,107,618 shares. <sup>2)</sup>

### 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. <sup>1)</sup>

Varma Mutual Pension Insurance Company:  
11,551,622 shares. <sup>2)</sup>

### 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. <sup>1)</sup>

Ilmarinen Mutual Pension Insurance Company:  
19,726,508 shares. <sup>2)</sup>

## 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:

<sup>1)</sup> Own holdings and controlled entities.

<sup>2)</sup> 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 <sup>1)</sup>	•	•	•		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 <sup>1)</sup>	•	•	•		18/18	5/5

<sup>1)</sup>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.<sup>1)</sup>



### 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.<sup>1)</sup>



### 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.<sup>1)</sup>

<sup>1)</sup> 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.<sup>1)</sup>



### 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.<sup>1)</sup>



### 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, Elsag 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.<sup>1)</sup>

<sup>1)</sup> 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.<sup>1)</sup>



### Eeva Sipilä

(born in 1973)

M.Sc. (Econ.), CEFA  
Vice Chair of the Board since 2023  
Member of the Board since 2022<sup>2)</sup>  
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.<sup>1)</sup>



### 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.<sup>1)</sup>

## 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.

<sup>1)</sup> Holdings in Neste Corporation: own holdings and controlled entities.

<sup>2)</sup> 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.<sup>1)</sup>



### Markku Korvenranta

(born 1966)

Executive Vice President, Oil Products<sup>2)</sup>,  
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.<sup>1)</sup>



### 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.<sup>1)</sup>

## 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.

<sup>1)</sup> Holdings in Neste Corporation: own holdings and controlled entities.

<sup>2)</sup> 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

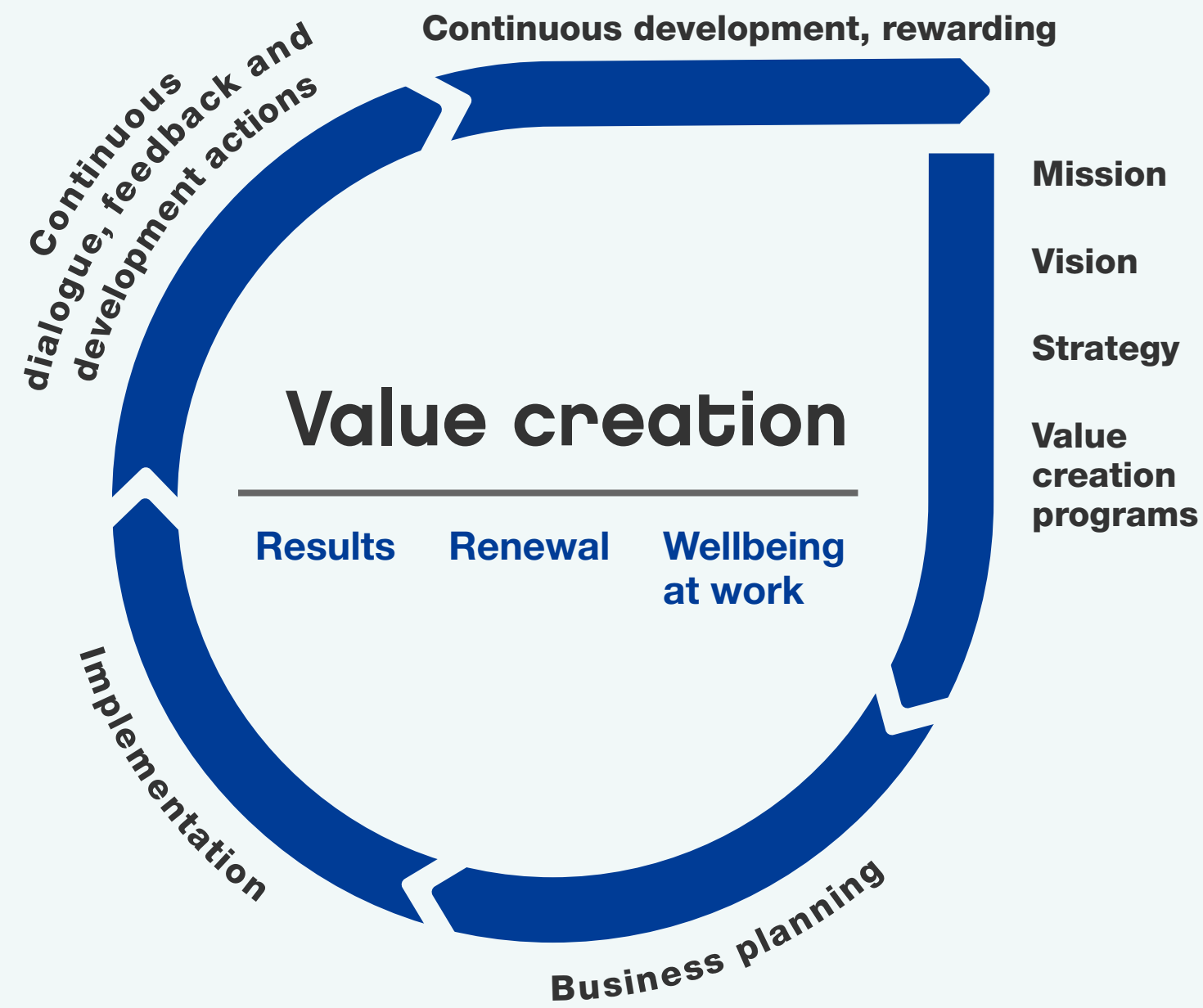
### Control development

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.

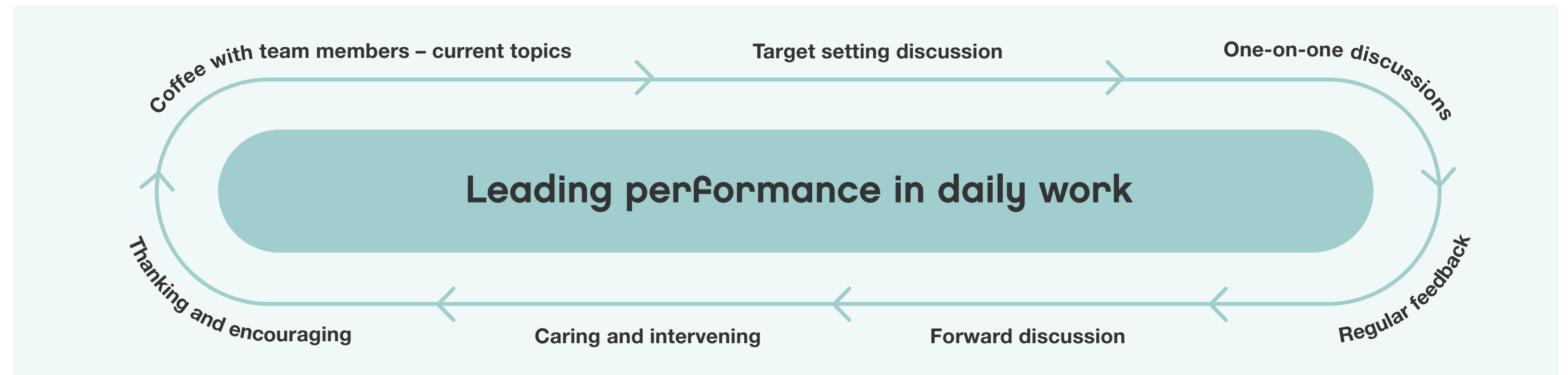
Individual and team goals are based on Neste's strategy and way of working. There is a clear link between wellbeing at work and good leadership performance.

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.

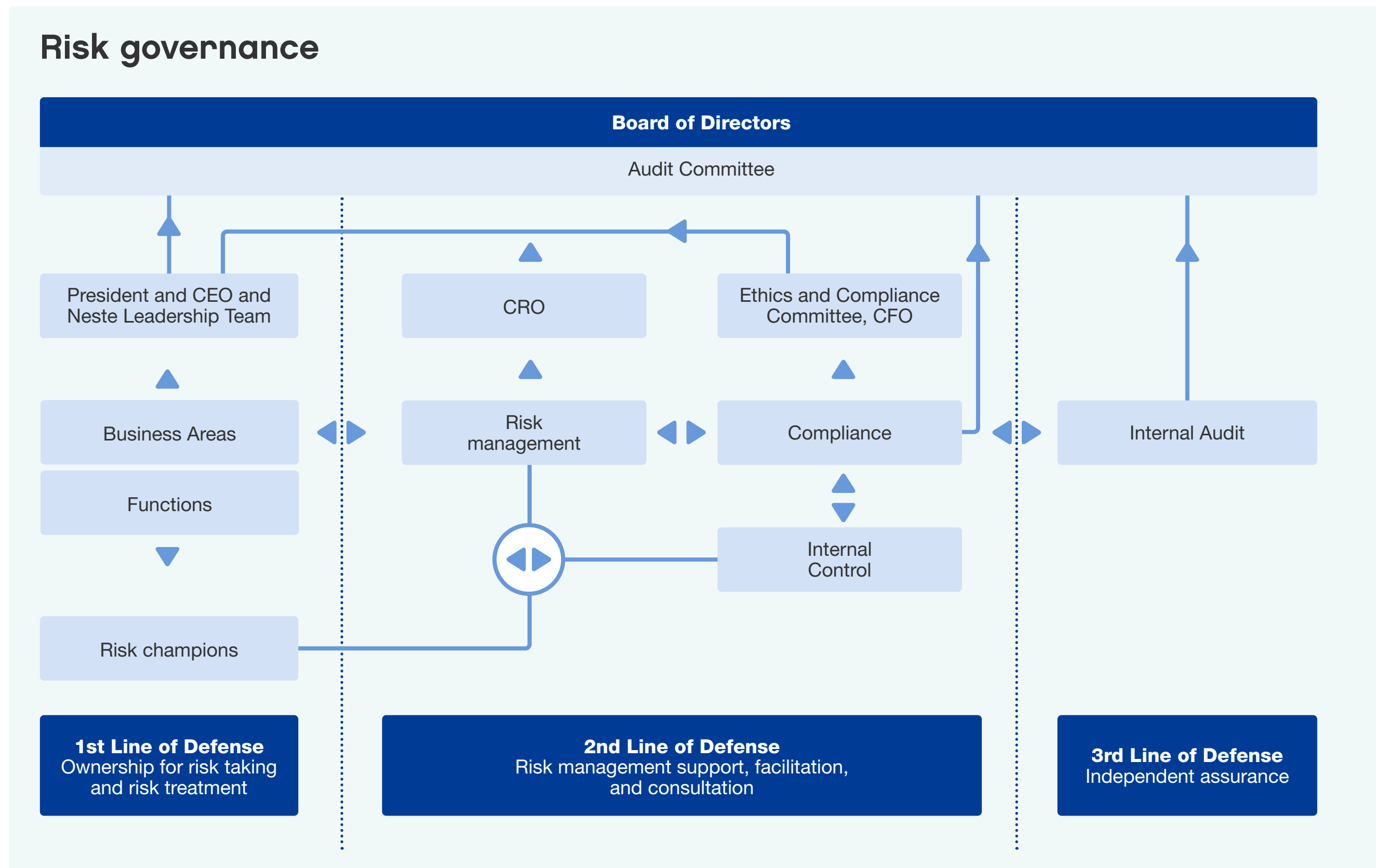
Communication regarding the most important risk issues takes place along the strategic planning and performance management cycle. Formal risk reporting is directed to the Business Area and Function management teams, the Neste Leadership Team, the Audit Committee and the Board of Directors. The corporate 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
 <p><b>External</b></p>	<p><b>Economic conditions</b></p> <p>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.</p>	
	<p><b>Geopolitics</b></p> <p>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.</p>	
	<p><b>Climate change</b></p> <p>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.</p>	
	<p><b>Laws and regulation</b></p> <p>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.</p>	


 Low to moderate risk level and potential impact on the execution of set targets and objectives. Efficient risk mitigating actions and controls in place.


 Moderate risk level and potential impact on the execution of set targets and objectives. Limited risk mitigation possibilities, area of risk management focus.

 Substantial risk level and potential impact on the execution of set targets and objectives. Limited risk mitigation possibilities, area of risk management focus.

	Risk type	Risk level
 <p><b>Strategic</b></p>	<p><b>Technology</b></p> <p>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.</p>	
	<p><b>Competition</b></p> <p>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.</p>	
	<p><b>Project risks</b></p> <p>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.</p>	
	<p><b>Talent management</b></p> <p>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>	
 <p><b>Preventable</b></p>	<p><b>Business continuity</b></p> <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>	
	<p><b>Quality</b></p> <p>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.</p>	

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Preventable

**Risk type**

**Risk level**

**Market risks**

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:

- 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.

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.

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.



**External compliance**

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.



**Counterparty and credit risks**

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.



**Sustainability risks**

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](#).



**Information security and cyber**

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.

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.



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# Neste Remuneration Report 2024

## Dear Shareholder,

On behalf of Neste's Personnel and Remuneration Committee (the "Committee"), I am pleased to present our 2024 Remuneration Report outlining the remuneration of the members of the Board of Directors and the President and CEOs (the CEOs) for the financial year 2024 and describing how the Remuneration Policy approved by the 2024 Annual General Meeting of Shareholders (AGM) has been implemented in practice. This Remuneration Report has been prepared in accordance with the Finnish Corporate Governance Code 2025, and the requirements set forth in the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act and the Decree of the Ministry of Finance. The report will be presented at the 2025 AGM of Neste for an advisory shareholder vote.

## Our approach to remuneration and link to sustainability

Our purpose as a Personnel and Remuneration Committee is to ensure that remuneration programs at Neste reflect our longstanding remuneration principles of supporting the business strategy, paying for performance and thereby supporting Neste's long-term financial success, encouraging value-based behavior and individual accountability, and paying competitively and fairly.

Based on our remuneration principles, we have designed our remuneration policies, practices and processes to ensure that we can compete and retain the best talents in the diverse markets in which we operate. We believe that our performance-based remuneration programs, combined with selecting the right individuals for key positions, targeted talent development, proactive succession planning and appropriate market competitive compensation, are key to our future success.

Neste's safety culture has been developed systematically for several years, and the measures related to the improvement in both process and personnel safety

constitute at least 20% of the short-term incentives' measures. Similarly, Neste's commitment to our strategic sustainability targets is also reflected in our long-term incentives plan, in which 20% of measures are based on our combined Greenhouse Gas impact.

Our remuneration structure aims to reinforce and support our key strategic target to deliver outstanding value with renewable and circular solutions, which will support sustainable long-term value creation for all stakeholders. For our CEO, a significant proportion of remuneration is derived from variable pay to ensure that there is a strong alignment between sustainable value creation for shareholders, company performance and compensation. The Board of Directors sets the targets for both short- and long-term incentives, and the variable payouts are directly linked to both operational, ESG and strategic measures.

## Neste's performance in 2024

In 2024, Neste faced significant changes in the markets and operational challenges at refineries. The full-year comparable EBITDA totaled EUR 1,252 million.

The main performance measure for the Performance Share Plan (PSP) 2022–2024 was relative Total Shareholder Return (relative TSR) of Neste shares compared to the STOXX Europe 600 index between 2022 and 2024 (weight 80%). The Neste Total Shareholder Return was compared to the index at the 1.5th percentile and the result of this measure was 0%. The second performance measure was combined Greenhouse Gas impact (weight 20%). The result of this measure was 10%.

## Application of the Remuneration Policy in 2024

The remuneration for the Board of Directors and the CEOs during the financial year 2024 was executed in accordance with the 2024 Remuneration Policy. No deviations from the Remuneration Policy have been made,

and no remuneration of the Board of Directors or the CEOs has been reclaimed or restated during the financial year 2024.

## Advisory Shareholder vote regarding the Remuneration Report 2023 and shareholder engagement

At the Annual General meeting in 2024, 95.71% of the Neste Shareholders supported the Neste Remuneration Report 2023. We are thankful for the shareholders' support and feedback based on which we develop the report further.

## Personnel and Remuneration Committee's focus areas in 2024

During 2024, 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 to ensure the competitiveness and attractiveness as an employer in the international markets where Neste operates. The CEO Matti Lehmus stepped down and Heikki Malinen started as the CEO in October 2024. The remuneration of the new and the former CEO are in accordance with the Remuneration Policy 2024 as adopted by shareholders at the Annual General Meeting in 2024.

## Johanna Söderström

Chair of the Personnel and Remuneration Committee

## Neste Personnel and Remuneration Committee



## Johanna Söderström

Chair of the Personnel and Remuneration Committee

Committee members until 27 March 2024:

- **Matti Kähkönen**, Chair of the Personnel and Remuneration Committee
- **Nick Elmslie**
- **Heikki Malinen**
- **Johanna Söderström**

Committee members from 27 March 2024:

- **Nick Elmslie**
- **Pasi Laine**
- **Sari Mannonen**

## Remuneration of the Board of Directors for the previous financial year

The Annual General Meeting decides on the remuneration for the members of the Board, based on the proposal of the Shareholders' Nomination Board, for one period at a time until the closure of the next AGM. On 27 March 2024, the 2024 AGM confirmed the following annual fees for the members of the Board of Directors. 98.84% of the votes cast were in favor of the proposal of the Shareholders' Nomination Board.

### Annual fee, 40% of the annual fixed fee was paid in the form of Neste shares, and 60% in cash

Chair	135,000 EUR per annum
Vice Chair	75,000 EUR per annum
Member	60,000 EUR per annum
Chair of Audit Committee <sup>1)</sup>	75,000 EUR per annum
<b>Meeting fees</b>	
Meeting held in the member's home country	1,000 EUR
Meeting held in the same continent as the member's home country	2,000 EUR
Meeting held outside the same continent as the member's home country	3,000 EUR

<sup>1)</sup> If he or she does not simultaneously act as Chair or Vice Chair of the Board

Meeting fees were paid based on attendance, plus compensation for expenses in accordance with the Company's travel guidelines.

The meeting fee for meetings held over the telephone or through other means of data communication was paid according to the fee payable for meetings held in each member's home country. The meeting attendance fees include meeting fees paid due to special tasks set by the Board of Directors, but not travel expenses.

Details of the shareholdings of the Board of Directors are shown on the web pages.

### Remuneration paid to the members of the Board in 2024

The AGM 2024 decided that 40% of the fixed annual fee was to be paid in the form of shares, and 60% in cash. The shares were purchased directly on behalf of the Board members within two weeks of the publication of the interim report for the period 1 January to 31 March 2024 from the market at a price formed in public trading. The Company has paid all costs and transfer tax related to the purchase of Company shares. The total cash part of the annual Board fee for the Board membership period 2024–2025 were paid in May 2024. Meeting fees were paid during the year after the meetings.

EUR	Annual fee <sup>1)</sup>	Meeting fees <sup>2)</sup>	Total
Matti Kähkönen, Chair	135,000	23,000	158,000
Eeva Sipilä, Vice Chair <sup>3)</sup>	75,000	27,000	102,000
John Abbott	60,000	33,000	93,000
Nick Elmslie	60,000	35,000	95,000
Just Jansz	60,000	29,000	89,000
Conrad Keijzer <sup>4)</sup>	60,000	25,000	85,000
Pasi Laine <sup>4)</sup>	60,000	19,000	79,000
Heikki Malinen <sup>5)</sup>	15,000	14,000	29,000
Sari Mannonen <sup>4)</sup>	60,000	23,000	83,000
Johanna Söderström	60,000	41,000	101,000
Kimmo Viertola <sup>6)</sup>	-	4,000	4,000

<sup>1)</sup> The total annual fee for the Board membership 2024–2025 was paid in May 2024, and 40% of the annual fee was paid in shares and 60% in cash. Neste has paid the transfer tax for share purchase, and it has been handled as taxable income for each member.

<sup>2)</sup> Meeting fees based on attendance during 2024.

<sup>3)</sup> Vice Chair and Member of the Board until 13 February 2025.

<sup>4)</sup> Member of the Board since 27 March 2024.

<sup>5)</sup> Member of the Board until 13 June 2024.

<sup>6)</sup> Member of the Board until 27 March 2024.

Remuneration has been paid from the parent company.

## Remuneration of the President and CEO in 2024

Neste's Board of Directors decides on the remuneration of the President and CEO based on the proposal by the Board's Personnel and Remuneration Committee. The available remuneration elements are defined in Neste's Remuneration Policy and are aligned with market practices. The remuneration of the CEO consists of a fixed annual remuneration, including a base salary and fringe benefits, and variable remuneration, including short- and long-term incentives plans and a supplementary pension.

### Variable remuneration

The President and CEO's short-term incentives, including the terms and conditions, are determined by Neste's Board of Directors. The Board of Directors annually sets and evaluates targets for the President and CEO. The maximum short-term incentive for the current President and CEO was 120% in 2024.

The Board of Directors decides on and implements Neste's long-term incentive plans and the earning opportunity for the President and CEO. The purpose of these plans is to drive Neste's long-term performance and success. The incentive level for the current President and CEO may vary between 0–200% of annual fixed salary, based on Neste performance and share price appreciation. The amount of reward is limited by a share price development-based pay cap which in the ongoing plans is two times the share price which prevailed at the beginning of the plan period. If Neste share price more than doubles during the plan, the exceeding value of the payable rewards will not be paid.

### Supplementary pension

The supplementary pension of the current President and CEO is a defined contribution plan with an annual contribution of 20% of the fixed annual salary and a retirement age of 66 years.

The table below includes the taxable value of the remuneration:

President and CEO's total remuneration	Paid in 2024 (EUR)	
	Heikki Malinen (CEO role since 15 October 2024)	Matti Lehmus (CEO role until 14 October 2024)
Fixed annual salary <sup>1)</sup>	247,571	755,088
Short-term incentive plan <sup>2)</sup>	-	501,125
Long-term incentive plan <sup>3)</sup>	-	14,735
Supplementary pension <sup>4)</sup>	51,194	118,916
Total	298,765	1,389,864
Proportion of fixed and variable remuneration (supplementary pension excluded)	Fixed 100%	Fixed 59% Variable 41%

<sup>1)</sup> Benefits and vacation pay included in the fixed remuneration.

<sup>2)</sup> Based on the financial year 2023 performance. The maximum short-term incentive for Matti Lehmus was 80% in 2023 and 2024.

<sup>3)</sup> LTI vested value paid in 2024 reflects the PSP 2021–2023 grant, which was allocated to Matti Lehmus in his previous position before CEO role. The incentive level for Matti Lehmus in the President and CEO role varied between 0–120% of annual fixed salary, based on performance and share price appreciation.

<sup>4)</sup> The supplementary pension of the President and CEO Matti Lehmus was a defined contribution plan with an annual contribution of 16% of the fixed annual salary and a retirement age of 62 years.

In respect of Matti Lehmus' services as an Senior Advisor between 15 October and 15 November 2024 he received 81,901 EUR fixed salary including benefits, 1,892 EUR STI (to be paid in year 2025) and 12,518 EUR supplementary pension payments. After this Matti Lehmus received termination benefits in accordance with his contract 111,122 EUR fixed salary including benefits, 2,838 EUR STI (to be paid in year 2025) and 18,776 EUR supplementary pension payments until the end of 2024. In 2025 Matti Lehmus will receive as termination benefits in accordance with his contract 1,136,435 EUR which includes fixed salary including benefits, STI and LTI payment, supplementary pension payment and a severance payment of six months salary.

Remuneration has been paid from the parent company.

## Short-term incentives

The incentive payment of 11,340 EUR will be paid in March 2025 for the current President and CEO Heikki Malinen and 17,975 EUR for the former President and CEO Matti Lehmus for the CEO period in 2024.

Details of the short-term incentive plan measures for the current and former President and CEO:

Performance measure	Weight in 2023	STI 2023, paid in 2024		STI 2024, to be paid in March 2025	
		2023 Performance outcome %		2024 Performance outcome %	
		Threshold	50%	Threshold	50%
		Target	100%	Target	100%
		Maximum	200%	Maximum	200%
Group comparable EBITDA	50%		112	-	-
Renewable products comparable EBITDA	-		-	30%	0
Oil Products comparable EBITDA	-		-	20%	0
Free Cash Flow	20%		200	20%	0
Comparable ROACE	10%		169	10%	0
Group Safety (TRIF)	10%		70	10%	60
Group Process Safety (PSER)	10%		167	10%	0
Total weighted outcome <sup>1)</sup>	100%		136	100%	6

<sup>1)</sup> With performance measure outcomes without rounding.

The maximum short-term incentive for the President and CEO is 120% in 2025. Details of the short-term incentive plan 2025 measures for the President and CEO for 2025, potential reward payment in March 2026:

Performance measure	Weight
Renewable products comparable EBITDA	35%
Oil Products comparable EBITDA	25%
Free Cash Flow	30%
Group Safety (TRIF)	5%
Group Process Safety (PSER)	5%

## Long-term incentives

The former President and CEO Matti Lehmus is entitled to the Performance Share Plan PSP 2022-2024.

Performance Share Plan	Performance measure	Weight	Performance Measure outcome %	Total weighted Performance outcome %	Grant date	Number of gross shares granted	Number of gross shares vested	Vesting date
PSP 2022–2024	Relative Total Shareholder Return (TSR) compared to the STOXX Europe 600 Index	80%	0%	2%	February 2022	26,400	528	March 2025
	Combined Greenhouse Gas Impact 2022–2024	20%	10%					

The current and former President and CEO are entitled to the following ongoing long-term incentive plans:

Performance Share Plan	Performance measure	Weight	Grant date for current CEO	Number of gross shares granted for current CEO	Grant date for former CEO	Number of gross shares granted for former CEO and prorated amount until end date	Vesting date
PSP 2023–2025	Relative Total Shareholder Return (TSR) compared to the STOXX Europe 600 Index	80%	October 2024	29,097	December 2022	23,600, prorated 18,683	March 2026
	Combined Greenhouse Gas Impact 2023–2025	20%					
PSP 2024–2026	Relative Total Shareholder Return (TSR) compared to the STOXX Europe 600 Index	80%	October 2024	54,038	February 2024	33,700, prorated 15,446	March 2027
	Combined Greenhouse Gas Impact 2024–2026	20%					

The President and CEO Heikki Malinen is also entitled to a one-time supplementary arrangement of 1,250,000 EUR payable in shares (Restricted Share Plan, vesting in October 2025) which was granted at hire in recognition of forfeiting previous employer awards according to Neste Remuneration Policy. In determining the value of this award, the Board took due account of the structure, time horizons, value and performance targets of his forfeited awards. The one-time award was granted in shares to create a link to company long-term share performance and encourage share ownership.



## Remuneration and company performance over the last five financial years

<b>Average compensation, EUR</b>		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Average compensation of Members of the Board <sup>1)</sup>		44,386	51,368	72,512	63,191	83,455
	Peter Vanacker (In CEO role from 11/2018 until 4/2022)	1,804,816	2,046,357	704,465	-	-
President and CEO (taxable value of the remuneration in each year)	Matti Lehmus (In CEO role from 5/2022 until 14 October 2024)	-	-	731,441	2,014,265	1,389,864
	Heikki Malinen (In CEO role from 15 October 2024)	-	-	-	-	298,765
Average compensation of Neste employee <sup>2)</sup>		70,751 <sup>3)</sup>	77,529 <sup>4)</sup>	86,367 <sup>5)</sup>	88,551	84,539
Average compensation of Neste employee in Finland <sup>2)</sup>		66,225 <sup>3)</sup>	72,478 <sup>4)</sup>	75,742 <sup>5)</sup>	76,965	73,775
<b>Company performance</b>						
Comparable EBITDA (MEUR)		1,929	1,920	3,537	3,458	1,252

<sup>1)</sup> Includes all fees paid to the members (annual board fees, meeting fees). The payment practice changed in 2022 and board fee was paid monthly until AGM and total annual board fee from board membership 2022–2023 was paid in May 2022.

<sup>2)</sup> Includes all wages and salaries incl. incentive payments (STI based on 2024 accrual, LTI based on accounting value) without indirect employee costs (social security costs, pension costs, other costs) divided by the average number of personnel during the year.

<sup>3)</sup> Cost provision for personnel arrangements related to the Naantali refinery closure of EUR 22 million has been eliminated from wages and salaries before calculating the average.

<sup>4)</sup> The unused amount of cost provision reversal for personnel arrangements related to the Naantali refinery closure of EUR 11 million has been eliminated from wages and salaries before calculating the average. The average compensation between 2019 and 2020 has increased partly due to the divestment of Neste operations in Russia in 2019 covering 1,133 employees, and between 2020 and 2021, due to personnel decreases related to the closure of the Naantali refinery. Simultaneously, the strategic headcount increase has focused on white-collar and higher employee cost markets.

<sup>5)</sup> The unused amount of cost provision reversal for personnel arrangements related to the Naantali refinery closure of EUR 500,000 was eliminated from wages and salaries before calculating the average. The average compensation has increased, partly due to a strategic headcount increase in higher employee cost markets. Simultaneously, the short-term incentive provision is higher than in the previous year.



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# Review by the Board of Directors 2024

The year 2024 was marked by geopolitical, economic and regulatory uncertainty. For Neste, the year was particularly challenging. We faced significant changes in the markets of both Renewable Products and Oil Products and several operational challenges at our refineries. Our 2024 full-year comparable EBITDA totaled EUR 1,252 (3,458) million. This level is not satisfactory, nor sustainable.

In Renewable Products, numerous new competitors and increased capacity entered the markets during 2024. While there are regional differences, this global overcapacity resulted in a decline in renewable fuel sales prices and intensified demand for waste and residue raw materials. In addition, the weakening fossil diesel price had a further negative impact on the Renewable Products' sales prices. Consequently, sales margins fell significantly below previous years' levels. Our full-year comparable sales margin was USD 377 (863)/ton and segment's comparable EBITDA EUR 514 (1,906) million. Our sales volumes in Renewable Products was 3.7 (3.4) million tons, increasing in the second half of the year, but falling below the level we had planned in the beginning of the year. The share of waste and residue feedstocks remained high throughout the year and averaged 90% (92%) of our total renewable material inputs in 2024.

As we have communicated, our renewable refineries faced operational challenges in 2024. We have tackled these, but they had a negative impact on renewable diesel production and sales especially in the fourth quarter. On a positive note, sustainable aviation fuel (SAF) sales increased in the final quarter of 2024.

In Oil Products, the product margins normalized from the high levels of 2023 and the full-year total refining margin decreased to USD 14.1 (21.1)/bbl. Oil Products' full-year comparable EBITDA was EUR 633 (1,434) million which was also affected by decreased sales volumes in the second quarter due to the Porvoo major turnaround. The average refinery utilization rate of the Porvoo refinery was 76% (88%) in 2024.

In 2024, we progressed with our strategic growth investment project in Rotterdam. However, due to the challenging contractor market, the scheduled start of commercial operations has been delayed from 2026 to 2027. At the same time, the investment cost is estimated to increase from EUR 1.9 billion to EUR 2.5 billion. We have taken action to ensure that from now on the project proceeds on-schedule and on-budget. We maintain strict capital discipline throughout the company and in the coming few years, our capital expenditure beyond the Rotterdam investment is expected to be on an annual level of approximately EUR 0.5 billion with focus on safety and reliability investments.

In Neste's current situation, it is obvious that a change of direction is needed. Shortly after Heikki Malinen took over as CEO, we launched a group-wide, comprehensive full potential analysis. This work has now been completed and we have today launched a performance improvement program. The goal is to enhance Neste's financial performance while securing our strong market position with better cost competitiveness in renewable fuels. There is no single silver bullet to improve our financial and operative performance. Instead, we need to take steps on many fronts and this work has already started. The planned efficiency measures have personnel impacts and are thus especially difficult for our employees, but at the same time necessary to ensure Neste's long-term competitiveness and success.

In line with changes in our operating environment and financial performance, we have updated our financial targets for 2025–2026 to reflect the actions required to respond to this. Firstly, we are targeting EUR 350 million EBITDA run rate improvement by the end of 2026 from our performance improvement program, of which EUR 250 million from operational costs. Secondly, we are committed to maintaining our investment grade credit rating and leverage below 40%.

As we look towards the future, the fundamental need to tackle climate change is stronger than ever as 2024 was characterized by record high temperatures globally. To reduce global CO<sub>2</sub> emissions, readily available solutions that can also decarbonize hard to abate sectors like aviation, are needed. Neste has a leading role in this: we have an established position in renewable diesel and we are also well positioned in SAF, thanks to our world-leading renewables platform and the needed competences in, for example, technology, pre-treatment and feedstocks. Going forward, we plan to focus more clearly on fuels, the products that have been at the core of our company for decades.

All in all, 2024 was a tough year in many ways from market changes to trade policy developments. In 2025, the renewables market continues to be challenging and we cannot expect a return to previous years' exceptional margin levels. Regulation continues to create uncertainties, e.g. in the US, and we need to fight for a level playing field, e.g. in the EU versus imports from China and US (SAF). However, we are confident that with a determined approach we can and we will reverse the current trend in our financial performance and maintain our investment grade credit rating, fund the critical investments in running projects and ensure Neste will be successful in the future.

The Board has today proposed a dividend payout of 0.20 euros (1.20) per share for the year 2024 to the Annual General Meeting. Figures in parentheses refer to the financial statements for 2023, unless otherwise noted.

## The Group's results for 2024

Neste's full-year 2024 revenue totaled EUR 20,635 (22,926) million. Revenue decreased mainly due to lower market and sales prices, which had a negative impact of approximately EUR -1.6 billion. Renewable Products' sales volumes increased year-over-year, but group sales volumes had a negative impact of approximately EUR -1.4 billion in revenue mainly due to the Oil Products' major turnaround in Porvoo in Q2/2024. The increasing trading volumes, mainly in Oil Products, had a positive impact on the revenue by approximately EUR 0.7 billion. The exchange rate effect was minimal for full-year results.

The Group's comparable EBITDA was EUR 1,252 (3,458) million. Renewable Products' comparable EBITDA was EUR 514 (1,906) million, mostly affected by the weak market environment. The sales margin had a negative impact of EUR 1,483 million while higher sales volume impacted the result positively. Oil Products' full-year comparable EBITDA was EUR 633 (1,434) million, affected mostly by the Porvoo major turnaround and a lower total refining margin. Marketing & Services' comparable EBITDA was EUR 101 (118) million. Others' comparable EBITDA was EUR -1 (-2) million. The Group's fixed costs were EUR 1,312 (1,329) million, EUR 16 million below last year.

The Group's EBITDA was EUR 1,005 (2,548) million, which was affected by inventory valuation losses of EUR -359 (-827) million and changes in the fair value of open commodity and currency derivatives totaling EUR 84 (-98) million. Profit before income taxes was EUR -113 (1,596) million and net profit EUR -95 (1,436) million. Comparable earnings per share were EUR 0.17 (2.88) and earnings per share EUR -0.12 (1.87).

## Group key figures, MEUR

	2024	2023
<b>Comparable EBITDA</b>	1,252	3,458
- inventory valuation gains/losses	-359	-827
- changes in the fair value of open commodity and currency derivatives	84	-98
- capital gains/losses	-2	7
- other adjustments	29	8
<b>EBITDA</b>	1,005	2,548

	2024	2023
<b>Revenue</b>		
Renewable Products	7,321	8,466
Oil Products	11,829	13,285
Marketing & Services	4,687	5,168
Others	125	100
Eliminations	-3,326	-4,094
Total	20,635	22,926

	2024	2023
<b>Comparable EBITDA</b>		
Renewable Products	514	1,906
Oil Products	633	1,434
Marketing & Services	101	118
Others	-1	-2
Eliminations	6	2
Total	1,252	3,458

	2024	2023
<b>Operating profit</b>		
Renewable Products	-347	568
Oil Products	345	1,068
Marketing & Services	72	84
Others	-51	-41
Eliminations	6	2
Total	25	1,682

## Financial targets

Neste's key financial targets in 2024 were Comparable return on average capital employed after tax (Comparable ROACE) and leverage ratio. At the end of December, Comparable ROACE calculated over the last 12 months was below the target level (over 15%) at 2.5%, but leverage ratio remained within the target area (below 40%) at 36.1%.

	31 Dec 2024	31 Dec 2023
Comparable return on average capital employed after tax (Comparable ROACE), %	2.5	23.9
Leverage ratio (net debt to capital), %	36.1	22.7

## Cash flow, investments, and financing

The Group's net cash generated from operating activities totaled EUR 1,183 (2,279) million during 2024. The change compared to last year mainly resulted from decreased EBITDA while net working capital change released cash in 2024. Cash flow before financing activities was EUR -313 (751) million during 2024 and the Group's net working capital in days outstanding was 39.4 days (41.0 days) on a rolling 12-month basis at the end of the fourth quarter.

	2024	2023
EBITDA	1,005	2,548
Capital gains/losses	1	0
Other adjustments	-150	108
Change in net working capital	454	21
Finance cost, net	-122	-91
Income taxes paid	-5	-307
Net cash generated from operating activities	1,183	2,279
Capital expenditure	-1,563	-1,607
Other investing activities	67	79
Free cash flow (Cash flow before financing activities)	-313	751

Cash-out investments totaled EUR 1,566 (1,621) million and were EUR 1,552 (1,431) million excluding M&A in 2024. The Porvoo major turnaround is reflected in the increased maintenance investments that accounted for EUR 579 (305) million. Productivity and strategic investments totaled for EUR 987 (1,316) million. According to Neste's strategy, significant growth investments continued into Renewable Products where investments amounted to EUR 1,012 (1,365) million. Oil Products' investments amounted to EUR 466 (208) million and Marketing & Services' investments totaled EUR 27 (16) million. Investments in Others were EUR 61 (32) million, consisting mainly of IT and business infrastructure upgrades.

Neste signed several bilateral green loan agreements in 2024, altogether EUR 550 million. IFRS 16 lease liabilities also increased by EUR 420 million.

Interest-bearing net debt was EUR 4,192 million at the end of December 2024, compared to EUR 2,488 million at the end of 2023. The average interest rate of borrowing at the end of December was 3.3% (3.6%) and the average maturity was 4.1 (5.1) years. At the end of the fourth quarter, the Net debt to EBITDA ratio was 4.2 (1.0) over the last 12 months. The leverage ratio was 36.1% (22.7%) at the end of December.

The Group's liquid funds and committed, unutilized credit facilities amounted to EUR 2,880 (3,480) million at the end of December. There are no financial covenants in the Group companies' existing loan agreements.

In accordance with its hedging policy, Neste hedges a large part of its net foreign currency exposure for the next 12 months, mainly by using forward contracts and currency options. The most important hedged currency is the US dollar. At the end of December, the Group's foreign currency hedging ratio was approximately 51% of the sales margin for the next 12 months.

<b>US dollar exchange rate</b>	<b>2024</b>	<b>2023</b>
EUR/USD, market rate	1.08	1.08
EUR/USD, effective rate	1.09	1.06

## Segment reviews

Neste's businesses are grouped into three reporting segments: Renewable Products, Oil Products and Marketing & Services.

### Renewable Products

<b>Key financials</b>	<b>2024</b>	<b>2023</b>
Revenue, MEUR	7,321	8,466
EBITDA, MEUR	242	1,049
Comparable EBITDA, MEUR	514	1,906
Operating profit, MEUR	-347	568
Net assets, MEUR	9,064	8,069
Return on net assets, %	-4.0	7.5
Comparable return on net assets, %	-0.9	18.9
Comparable sales margin, USD/ton	377	863

<b>Key drivers</b>	<b>2024</b>	<b>2023</b>
Biomass-based diesel (D4) RIN, USD/gal	0.59	1.35
California LCFS Credit, USD/ton	60	73
Palm oil price <sup>1)</sup> , USD/ton	902	833
Waste and residues' share of total feedstock, %	90	92

<sup>1)</sup>CPO BMD 3rd, Crude Palm Oil Bursa Malaysia Derivatives 3rd month futures price

Renewable Products' full-year comparable EBITDA was EUR 514 (1,906) million. The comparable sales margin was lower than in 2023 and reached USD 377 (863)/ton. The lower sales margin had a negative impact of EUR -1,483 million on the comparable EBITDA year-on-year. The BTC contribution was EUR 590 (417) million during 2024. The BTC expired at the end of 2024.

During the year, there were both planned and unplanned shutdowns in our refineries. This is reflected in the utilization rate, which was on average 65% (98%) at Neste's own renewables production facilities. The Singapore expansion and Martinez ramp-up were completed. Martinez continued to have a diluting impact on Neste's overall comparable sales margin.

Sales volumes increased and had an impact of EUR 94 million year-over-year. The US dollar exchange rate had a negative impact of EUR -6 million on the segment's comparable EBITDA compared to the previous year. The segment's fixed costs were EUR 7 million higher than in 2023. Renewable Products' comparable return on net assets was -0.9% (18.9%) at the end of December based on the previous 12 months. During the year approximately 51% (61%) of the volumes were sold to the European market and 49% (39%) to North America. The share of waste and residue inputs was 90% (92%) of our total renewable material inputs in 2024.

Overall, for waste and residue feedstocks in 2024, the US continued to attract import flows from other regions and impact pricing globally. In the first quarter, strong supply and weak demand led to lower waste and residue prices in the US. Then prices adjusted and found support against vegetable oils. During the second half, waste and residue as well as soybean oil prices initially increased, but soon came down due to strong US soybean crop expectations and a generally weak global market sentiment. Towards the end of the year, lower supply increased vegetable oil prices and this pulled waste and residue prices higher as well.

In Europe, German THG (greenhouse gas reduction quota) ticket carryover freeze and EU anti-dumping duties against Chinese biodiesel and HVO had a positive impact on markets. In the US, market activity was negatively affected by the delayed CFPC policy guidance causing uncertainty. Positive for the Californian Low Carbon Fuel Standard (LCFS) price was that an overhaul to the program got approved. Renewable Identification Number (RIN) D4 market weakened early in 2024 due to strong credit generation and lack of buying interest but then steadily recovered and ended the year at approximately 0.6 USD/gal.

Key drivers affecting the comparable sales margin in Renewable Products include feedstock and middle distillate market prices, the development of renewable diesel price premiums, bioticket and renewable credit price levels, SAF and Martinez sales volume development as well as margin hedging.

<b>Production</b>	<b>2024</b>	<b>2023</b>
Renewable Diesel <sup>1)</sup> , 1,000 ton	2,981	3,267
SAF, 1,000 ton	526	251
Other products <sup>2)</sup> , 1,000 ton	87	101
Total	3,594	3,618
Utilization rate <sup>3)</sup> , own production, %	65	98

<sup>1)</sup>Including production from Martinez joint operation.

<sup>2)</sup>Calculation formula has been adjusted to exclude fuel gas.

<sup>3)</sup>Based on a nameplate capacity of 4.5 Mton/a. Comparison periods of 2023 are based on nameplate capacity of 3.3 Mton/a.

<b>Sales</b>	<b>2024</b>	<b>2023</b>
Renewable Diesel, 1,000 ton	3,225	3,164
SAF, 1,000 ton	412	139
Other products, 1,000 ton	92	79
Total	3,729	3,382
Share of sales volumes to Europe, %	51	61
Share of sales volumes to North America, %	49	39

## Oil Products

Key financials	2024	2023
Revenue, MEUR	11,829	13,285
EBITDA, MEUR	667	1,375
Comparable EBITDA, MEUR	633	1,434
Operating profit, MEUR	345	1,068
Net assets, MEUR	2,300	2,384
Return on net assets, %	14.0	42.6
Comparable return on net assets, %	13.2	45.0
Total refining margin, USD/bbl	14.1	21.1

Oil Products' full-year comparable EBITDA was EUR 633 (1,434) million. The total refining margin averaged USD 14.1/bbl (21.1/bbl) in 2024. The lower total refining margin had a negative impact of EUR -545 million on the comparable EBITDA compared to the previous year. Sales volumes were lower year-over-year due to the Porvoo major turnaround in the second quarter. In total, sales volumes had a negative impact of EUR -221 million on the full-year comparable EBITDA. Currency exchange rates decreased the comparable EBITDA by EUR -3 million while the segment's fixed costs were EUR 3 million lower than in 2023. Oil Products' comparable return on net assets was 13.2% (45.0%) at the end of December over the previous 12 months. The average refinery utilization rate of the Porvoo refinery was 76% (88%).

Crude oil prices were volatile during 2024, and Brent traded between USD 71/bbl and USD 93/bbl. During the first quarter, the price increased supported by geopolitical tensions but the trend reversed. The price started to decrease during the second and third quarter as the challenging macroeconomic environment and non-OPEC production growth impacted balances. Price volatility reduced in the fourth quarter as markets were trying to balance between OPEC+ delaying decision to cancel voluntary production cuts, still existing geopolitical risks and central banks cutting interest rates to support economic growth. The year ended at USD 74/bbl.

Overall, European refining margins were volatile but on a normalizing trend after transitory strength in 2022-2023. Margins weakened clearly during the second half of the year as global new refining capacity growth and refinery runs exceeded muted oil products demand. On average, both diesel and gasoline cracks were still above their long-term averages in 2024. Key utility prices were lower year-on-year and supported refining economics in Europe.

Production	2024	2023
Refinery		
Production, 1,000 ton	9,652	11,148
Utilization rate, %	76	88
Refinery production costs, USD/bbl	6.7	6.6

Sales from in-house production, by product category (1,000 t)	2024	%	2023	%
Middle distillates <sup>1)</sup>	4,626	46	5,631	47
Light distillates <sup>2)</sup>	3,877	38	4,430	37
Heavy fuel oil	1,079	11	1,321	11
Other products	565	6	503	5
Total	10,147	100	11,885	100

<sup>1)</sup> Diesel, jet fuel, heating oil, low sulphur marine fuels

<sup>2)</sup> Motor gasoline, gasoline components, LPG

Sales from in-house production, by market area (1,000 t)	2024	%	2023	%
Baltic Sea area <sup>1)</sup>	6,606	65	6,976	59
Other Europe	2,401	24	3,110	26
North America	443	4	1,038	9
Other areas	697	7	762	6
Total	10,147	100	11,885	100

<sup>1)</sup> Finland, Sweden, Estonia, Latvia, Lithuania, Poland, Denmark

## Marketing & Services

<b>Key financials</b>	<b>2024</b>	<b>2023</b>
Revenue, MEUR	4,687	5,168
EBITDA, MEUR	100	117
Comparable EBITDA, MEUR	101	118
Operating profit, MEUR	72	84
Net assets, MEUR	198	236
Return on net assets, %	30.9	34.6
Comparable return on net assets, %	31.4	35.2

Marketing & Services segment's full-year comparable EBITDA was EUR 101 (118) million. A year-over-year decline in diesel market demand and competitive market environment in Finland negatively affected sales volume, which had a negative impact of EUR -4 million on the comparable EBITDA. Average unit margins were lower, affecting the comparable EBITDA by EUR -9 million year-over-year. The decline was primarily due to inventory losses from falling global oil prices throughout 2024. The segment's fixed costs were EUR 7 million higher compared to 2023, mainly due to ERP replacement project expenses. Marketing & Services' comparable return on net assets was 31.4% (35.2%) at the end of December on a rolling 12-month basis.

Marketing & Services continued its rollout of electric charging at its largest stations.

<b>Sales volumes by main product categories, million liters</b>	<b>2024</b>	<b>2023</b>
Gasoline, station sales	608	620
Diesel, station sales	1,549	1,590
Heating oil	842	793

<b>Net sales by market area, MEUR</b>	<b>2024</b>	<b>2023</b>
Finland	3,657	4,114
Baltic countries	1,030	1,054
Total	4,687	5,168

## Others

<b>Key financials</b>	<b>2024</b>	<b>2023</b>
Comparable EBITDA, MEUR	-1	-2
Operating profit, MEUR	-51	-41

Others consists of common corporate and functional costs. The allocation timing of these costs to business segments may vary year-over-year and by quarter. The full-year comparable EBITDA of Others totaled EUR -1 million (-2 million).

## Shares, share trading, and ownership

Neste's shares are listed at NASDAQ Helsinki Ltd. The share price closed the year at EUR 12.13 down by 62.34% compared to the end of 2023. At its highest during the year, the share price reached EUR 33.60, while the lowest share price was EUR 10.98. Market capitalization was EUR 9.3 billion as of 31 December 2024. An average of 1.77 million shares were traded daily, representing 0.2% of the company's shares.

At the end of December 2024, Neste held 995,324 treasury shares. Neste's share capital registered with the Trade Register totaled EUR 40 million, and the total number of shares was 769,211,058. The Board of Directors has authorizations to issue and buy back shares, as decided by the AGM held on 27 March 2024.

As of 31 December 2024, the State of Finland owned directly 44.2% (44.2% at the end of 2023) of outstanding shares, foreign institutions owned 29.8% (36.8%), Finnish institutions 14.8% (10.6%), and households 11.2% (8.4%) of outstanding shares.

### Largest shareholders as of 31 December 2024

Shareholder	Shares	% of shares
Prime Minister's Office	340,107,618	44.22
Ilmarinen Mutual Pension Insurance Company	19,726,508	2.56
Varma Mutual Pension Insurance Company	11,551,622	1.50
Elo Mutual Pension Insurance Company	10,877,000	1.41
The Finnish Social Insurance Institution	6,100,272	0.79
Kurikan Kaupunki	4,652,625	0.60
The State Pension Fund	4,200,000	0.55
St1 Nordic Corporation	3,530,000	0.46
OP-Finland	2,011,737	0.26
Nordea Bank Abp	2,002,277	0.26
Danske Invest Finnish Equity Fund	1,893,256	0.25
Society of Swedish Literature in Finland	1,450,200	0.19
Seligson & Co OMX Helsinki 25 Exchange Traded Fund (ETF)	1,327,661	0.17
Nordea Pro Finland Fund	1,289,436	0.17
Nordea Fennia Fund	1,187,235	0.15
OP-Henkivakuutus Ltd.	1,153,109	0.15
Aktia Capital Mutual Fund	1,083,000	0.14
Nordea Nordic Fund	1,055,000	0.14
OP-Finland Index Fund	1,049,076	0.14
Säästöpankki Kotimaa Mutual Fund	1,038,625	0.14
20 largest shareholders total	417,286,257	54.25
Nominee registered	228,182,638	29.67
Other shares	123,742,163	16.09
Number of shares, Total	769,211,058	100.00

### Breakdown of share ownership as of 31 December 2024

By the number of shares owned

No. of shares	No. of shareholders	% of shareholders	Total no. of shares	% of shares
1–100	89,544	47.78	3,518,074	0.46
101–500	60,530	32.30	15,341,388	1.99
501–1,000	17,499	9.34	12,906,328	1.68
1,001–5,000	16,955	9.05	35,201,534	4.58
5,001–10,000	1,755	0.94	12,130,643	1.58
10,001–50,000	958	0.51	17,987,615	2.34
50,001–100,000	81	0.04	5,723,512	0.74
100,001–500,000	52	0.03	11,457,349	1.49
500,001+	39	0.02	654,944,615	85.15
Total	187,413	100.00	769,211,058	100.00
of which nominee registered	11	0.00	228,182,638	29.67

By the owner sector	% of shares
State of Finland	44.2
Non-Finnish shareholders	29.8
Households	11.2
General government	7.7
Financial and insurance companies	2.6
Corporations	2.8
Non-profit organizations	1.7
Total	100.0



## Corporate governance

Neste's Corporate Governance Statement 2024 is issued separately from the Review by the Board of Directors. The Corporate Governance Statement can be found, in addition to the Annual Report, at [www.neste.com/investors/corporate-governance](http://www.neste.com/investors/corporate-governance).

The control and management of Neste Corporation is divided between shareholders, the Board of Directors, and the President and Chief Executive Officer (CEO). The General Meeting of Shareholders appoints the Board of Directors based on a proposal made by the Shareholders' Nomination Board. The term of office of the Board of Directors will expire at the end of the next Annual General Meeting of Shareholders (AGM) following its election. Neste's President and CEO is appointed and expelled by the Board of Directors.

Changes to the company's Articles of Association can be made at the General Meeting of Shareholders based on a proposal by the Board of Directors.

Neste Corporation's Annual General Meeting (AGM) was held on 27 March 2024 at Messukeskus, the 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 of Directors and the President & CEO from liability for 2023.

## Dividend payment

The AGM approved the Board of Directors' proposal that a dividend of EUR 1.20 per share would be paid on the basis of the approved balance sheet for 2023. It was decided to pay the dividend in two installments.

The first installment of the dividend, EUR 0.60 per share, was paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Oy on the record date for the first installment of the dividend, which was 2 April 2024. The first installment of the dividend was paid on 9 April 2024.

The second installment of the dividend, EUR 0.60 per share, was paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Oy on the record date for the second installment of the dividend, which was 2 October 2024. The second installment of the dividend was paid on 9 October 2024.

## Composition and remuneration of the Board of Directors

In accordance with the proposal made by the Shareholders' Nomination Board, the AGM confirmed the number of members of the Board of Directors at ten.

The AGM decided that 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.

The AGM decided on the remuneration to the Board for the term starting at the end of the 2024 AGM and ending at the end of the 2025 AGM as follows:

- Chair: EUR 135,000;
- Vice Chair: EUR 75,000;
- Chair of Audit Committee: EUR 75,000 if he or she does not simultaneously act as Chair or Vice Chair of the Board; and
- Member: EUR 60,000.

The AGM decided on the remuneration for participation in Board or committee meetings:

- EUR 1,000 for meetings held in the member's home country;
- EUR 2,000 for meetings held in the same continent as the member's home country; and
- EUR 3,000 for meetings held outside the same continent as the member's home country.
- The meeting fee for meetings held over the telephone or through other means of data communication is paid according to the fee payable for meetings held in the member's home country.
- In addition, compensation for expenses is paid in accordance with the Company's travel guidelines.

The AGM decided that a portion of 40% of the fixed annual fee would be paid in the form of shares and the remainder in cash. Meeting fees would be paid in cash. The shares would be purchased directly on behalf of the Board members within two weeks as of the first trading day of the Helsinki Stock Exchange following the publication of the interim report for the period 1 January to 31 March 2024. If the shares had not been purchased and/or delivered based on a reason pertaining to the Company or the Board member, the fee would have been in cash in its entirety. The Company was responsible for any transfer tax potentially levied on the purchase.

## Company Auditor

In accordance with a proposal by the Board of Directors, KPMG Oy Ab, Authorized Public Accountants, was re-elected as the company's Auditor, with Authorized Public Accountant Leenakaisa Winberg as the principally responsible auditor for Neste Corporation, until the end of the next AGM. Payment for their services shall be made in accordance with their invoice approved by the Company.

## Sustainability Reporting Assurer

In accordance with a proposal by the Board of Directors, KPMG Oy Ab, Authorized Sustainability Audit Firm, was elected as the company's Sustainability Reporting Assurer, with Authorized Public Accountant, Authorized Sustainability Auditor Leenakaisa Winberg as the principally responsible sustainability reporting assurer for Neste Corporation, until the end of the next AGM. Payment for their services shall be made in accordance with their invoice approved by the Company.

## Authorizing the Board of Directors to decide the buyback of Company shares

The AGM approved the authorization, under which the Board is authorized to decide the purchase of and/or take as security a maximum of 23,000,000 Company shares using the Company's unrestricted equity. The number of shares shall be equivalent to approximately 2.99% of the Company's total shares.

Shares may be purchased in one or more lots. The purchase price shall be at least the lowest price paid for Company shares in regulated trading at the time of purchase and no more than the highest price paid for Company shares in regulated trading at the time of purchase. In connection with the buyback of Company shares, derivative, share lending, or other agreements that are normal within the framework of capital markets may take place in accordance with legislative and regulatory requirements and at a price determined by the market. The authorization shall allow the Board to decide to purchase shares otherwise than in proportion to shareholders' current holdings (directed buyback).

Shares so purchased can be used as consideration in possible acquisitions or in other arrangements that are part of the Company's business, to finance investments, as part of the Company's incentive program, or be retained, conveyed, or canceled by the Company.

The Board of Directors shall decide the other terms related to the buyback of Company shares. The Buyback authorization shall remain in force for eighteen (18) months from the decision taken by the AGM.

## Authorizing the Board of Directors to decide on share issue

The AGM approved the authorization, under which the Board is authorized to take one or more decisions on the issuance of new shares and/or the conveyance of treasury shares held by the Company, provided that the number of shares thereby issued and/or conveyed totals a maximum of 23,000,000 shares, equivalent to approximately 2.99% of all the Company's shares.

The new shares may be issued and/or the treasury shares held by the Company may be conveyed to the Company's shareholders in proportion to the shares they already own or through a directed share issue that bypasses shareholders' pre-emptive rights if the Company has a weighty financial reason for doing so, such as using the shares in question as consideration in possible acquisitions or in other arrangements that are part of the Company's business, to finance investments, or as part of the Company's incentive program.

The new shares may be issued and/or the treasury shares held by the Company may be conveyed against payment or free of charge. A directed share issue may only be made free of charge if there is a particularly weighty financial reason, in respect of the Company's interests and those of all of its shareholders, for doing so. The new shares may also be issued free of charge to the Company itself.

The Board shall decide on other terms and conditions of share issue. The authorization shall remain in force for eighteen (18) months from the decision taken by the AGM.

## Amendment of the Articles of Association

The AGM approved the Board's proposal to amend the Company's Articles of Association as follows:

Due to new legislation concerning sustainability reporting assurer, a new Article 10 regarding sustainability reporting assurer was added to the Articles of Association, and as a result, previous Articles 10 and 11 became Articles 11 and 12, correspondingly.

Further, the current Article 12 (previous Article 11) was amended so that to the items on the agenda of the AGM, a reference of the fee of the sustainability reporting assurer was added (supplement to the current sub-item 8), and that a new reference to the election of the sustainability reporting assurer was added at the end of the article (new sub-item 12).

## Innovation

Neste's innovation expenditure totaled EUR 86 (94) million in 2024. During the year, we increased our focus on supporting existing businesses and enhancing their competitiveness. We prioritized research investments to advance chemical recycling and develop innovative pretreatment technologies.

## Main events published during 2024

On 31 January, Neste announced that the Shareholders' Nomination Board had forwarded to the Board of Directors of the Company its proposals to the 2024 AGM. The Nomination Board proposed that Matti Kähkönen be re-elected as the Chair of the Board of Directors. In addition, the current members of the Board, John Abbott, Nick Elmslie, Just Jansz, Heikki Malinen, Eeva Sipilä and Johanna Söderström were proposed to be re-elected for a further term of office. The Nomination Board proposed that Eeva Sipilä should be re-elected as the Vice Chair of the Board. Further, the Nomination Board proposed that the Board should have ten members and that Conrad Keijzer, Pasi Laine and Sari Mannonen should be elected as new members.

On 29 April, Neste announced that the Board of Directors of Neste Corporation and Matti Lehmus, President and CEO since May 2022, had reached a mutual agreement that Matti Lehmus will leave his position as the President and CEO. In order to secure an orderly transition to the new President and CEO, Lehmus continued as President and CEO until his successor started.

On 2 May, Neste announced that the Board of Directors had appointed Heikki Malinen, M.Sc. (Econ.), MBA (Harvard) as the President and CEO of Neste as of 2 November 2024, at the latest. Malinen joined Neste from Outokumpu Corporation where he had held the position of President and CEO since 2020. Malinen was a member of the Board of Directors of Neste, from which position he stepped down before assuming the duties of the President and CEO.

On 8 May, Neste announced that Katja Wodjereck, Executive Vice President, Renewable Products business unit and a member of the Executive Committee since 1 April 2023 stepped down from her position as of 8 May and left the company to pursue other opportunities. Carl Nyberg, Executive Vice President, Renewables Supply Chain and Sustainability and a member of the Executive Committee since 2019, took the interim lead in the Renewable Products business in addition to his existing responsibilities.

On 14 May, Neste revised downwards its 2024 comparable sales margin guidance for Renewable Products. The rest of the guidance for Renewable Products as well as the guidance for Oil Products remained unchanged.

On 7 June, Neste announced that the following members had been 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 Pölonen of Ilmarinen Mutual Pension Insurance Company, as its members. Matti Kähkönen, the Chair of Neste's Board of Directors, acts as an expert to the Nomination Board.

On June 13, Neste announced that Heikki Malinen, a member of the Board of Directors of Neste Corporation, had announced his resignation from the Board of the company as of 13 June. The reason for the resignation was his appointment as Neste's President and CEO as of 2 November 2024, at the latest. After Malinen's resignation Neste's Board comprised nine members.

On 2 September, Neste announced that Heikki Malinen would assume the role of Neste's President and CEO on 15 October 2024. He succeeds Matti Lehmus, who continued as the President and CEO of Neste until 14 October 2024 and acted as an advisor to the company and its management until mid-November 2024 to ensure a smooth transition.

On 11 September, Neste revised downwards its 2024 comparable sales margin guidance for Renewable Products. Neste also revised its Renewable Products' total sales volume and SAF sales volume forecasts based on its latest sales outlook. Neste optimizes its production capacity utilization in Renewable Products according to the market situation.

On 28 October, Neste appointed a new Leadership Team and Eeva Sipilä as CFO. The new Leadership Team was appointed in order to improve operational efficiency and performance. Heikki Malinen, in addition to his President and CEO role, took the lead of Neste's Renewable Products business area. Markku Korvenranta continues in the Leadership Team and was appointed Executive Vice President, Oil Products, and Chief Operating Officer (COO) of the company. Eeva Sipilä was appointed Chief Financial Officer (CFO) and she joins Neste from Metso Corporation where she has served as CFO and Deputy CEO. She has been Vice Chair of the Board of Neste since 2023 and Member of the Board since 2022. She will start at Neste no later than 1 May 2025. Until then Anssi Tammilehto, Vice President, Investor Relations, will act as interim CFO. Hannele Jakosuo-Jansson continues in the Leadership Team as Executive Vice President, People & Culture.

On 8 November, Neste changed its guidance due to an unplanned shutdown of Rotterdam refinery. Neste's Rotterdam refinery was shut down due to a fire on 8 November 2024. The fire did not cause any injuries. The Rotterdam refinery production was down for several weeks impacting the renewable diesel customer deliveries. As a result, Neste changed its Renewable Products total sales volume guidance for 2024.

On 18 December, Neste announced that the Shareholders' Nomination Board had forwarded to the Board of Directors of the Company its proposals to the 2025 AGM. The Nomination Board proposed that the Board should have eight members. The current members John Abbott, Nick Elmslie, Just Jansz, Conrad Keijzer, Pasi Laine and Sari Mannonen were proposed to be re-elected for a further term of office. The Nomination Board proposed that Anna Hyvönen and Essimari Kairisto should be elected as new members. Matti Kähkönen, the Chair of Neste's Board of Directors, is stepping down from his Board position as planned and will not be available for re-election for the next term of office. The Nomination Board proposed that Pasi Laine should be elected as the Chair and John Abbott as the Vice Chair of the Board. In addition to Matti Kähkönen, the current Board member Johanna Söderström has informed that she will not be available for re-election for the next period of office. Eeva Sipilä will start as Neste's CFO no later than 1 May 2025, and will resign from the company's Board before the AGM.

## Events after the reporting period

On 13 February, Neste announced a new performance improvement program, and updated financial targets and capital allocation for 2025-2026 as well as Board's dividend proposal for the year 2024. In 2025-2026, Neste plans to refocus from growth and development to efficiency and profitability, including capital discipline. To improve profitability and cost-competitiveness, Neste plans to further simplify its operating model and increase internal efficiency. As a result, the company starts change negotiations that cover Oil Products and Renewable Products business areas and all global functions, targeting total annual cost savings of approximately EUR 65 million. The planned organizational changes are expected to lead to a permanent reduction of approximately 600 positions, of which approximately 450 in Finland.

## Personnel

Neste employed an average of 5,796 (6,018) employees during 2024, of which 2,153 (2,114) were based outside Finland. At the end of December, the company had 5,481 (6,014) employees, of which 2,133 (2,190) were located outside Finland.

## Risk Management

Neste considers risk management an integral part of daily management processes and good corporate governance. Systematic risk management practices are the means to ensure that Neste is successful in achieving its strategic targets and business objectives and can maintain continuous operations. Neste's risk management framework and processes are aligned with internationally recognized best practices: the COSO Enterprise Risk Management framework; and the International Standard for risk management, ISO 31000.

Neste's risk management framework and risk management principles have been defined in the Corporate Risk Management Policy, approved by the Neste Board of Directors. The Risk Management Policy is supplemented by risk management principles, guidelines and instructions for specific risk disciplines. Communication regarding the most important risks takes place during the strategic planning and performance management cycle. Formal risk reporting is directed to the business management and function management teams, the Neste Leadership Team, the Audit Committee and the Board of Directors.

## Risks related to Neste's business

Neste's growth and financial performance may be affected by the general macroeconomic and geopolitical development. In addition, regulatory changes on the European Union or individual member state level or in the US may adversely affect particularly Neste's renewables businesses. As an example, implications from the transition from Blender Tax Credit (BTC) to Clean Fuels Production Credit (CFPC) in the US could have an impact on the relative competitiveness of US vs. foreign fuel producers. There are also trade policy related risks. All of these could lead to changes in optimization of Neste's overall production of renewables as well as balancing of sales between different solutions and end markets.

The continuing war in Ukraine and the escalated crisis in the Middle East have intensified geopolitical risks that could have a material impact on the global and European energy markets. The war and the crisis may result in further trade sanctions, impact supply chains as well as influence market supply and demand conditions. These could also create further pressure on the prices of feedstock, materials, services, logistics and utilities and affect energy markets as a whole, particularly in Europe.

Main market risks to Neste's businesses relate, for example, to changes in feedstock and product market prices, overall supply-demand balance, the growth rate in demand and Neste's competitive situation. Fluctuations in commodity prices affect Neste's production costs, product pricing, profitability, earnings, and credit availability.

Other risks potentially affecting Neste's financial results in the next 12 months include any scheduled or unexpected shutdowns at Neste's refineries, delays in or cost overruns in Rotterdam growth project, potential strikes, cyber and IT related risks, counterparty risks and outcome of legal proceedings. Neste operates its refineries in integrated industrial complexes with exposure to off take and delivery of utilities, in particular.

For more detailed information on Neste's risks and risk management, please refer to the Annual Report and the Notes to the Financial Statement.

## Sustainability risks

The Neste Corporate Risk Management Policy and supporting principles, requirements and processes also apply to sustainability risks.

For more detailed information about Neste's risks and risk management, please refer to Risk Management in the Annual Report's Governance chapter and the Notes to the Financial Statements. For more information about Neste's sustainability risks, please see Sustainability statement (CSRD).

## Outlook

### Market outlook for 2025

The uncertainty in the global economic outlook and geopolitical situation is expected to cause ongoing market volatility. The market in renewable fuels is expected to be oversupplied and therefore challenging in 2025. Possible changes in the regulatory framework especially in the US and Europe will have an impact on Neste's overall supply chain optimization. Changes in trade policy, such as tariffs in different forms, can also affect Neste's competitiveness.

### Guidance for 2025

- Renewable Products' sales volumes in 2025 are expected to be higher than in 2024.
- Oil Products' sales volumes in 2025 are expected to be higher than in 2024.

### Additional information

- There will be two scheduled maintenance turnarounds in 2025, a 5-week turnaround in Rotterdam in Q4 2025 and a 6-week turnaround starting in mid-December 2025 in Singapore. There are no planned turnarounds in Porvoo.
- The Group's comparable total fixed costs in 2025 are expected to be below 2024 level excluding one-off costs.
- The Group's full-year 2025 cash-out capital expenditure excluding M&A is estimated to be approximately EUR 1.1–1.3 billion.

## Dividend distribution proposal

In light of the current financial position of the company, the Board has decided to cancel the dividend policy announced on 19 June 2023, and proposes a dividend payout of EUR 0.20 per share based on the approved balance sheet for 2024 to the Annual General Meeting. Going forward, the company seeks to maximize operating cash flow in order to strengthen the balance sheet with the potential to review the dividend in the future.

The dividend shall be paid in one installment EUR 0.20 per share to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date for the dividend payment, which shall be 27 March 2025. The Board proposes to the AGM that the dividend would be paid on 3 April 2025.

The proposed total dividend EUR 0.20 per share represents a yield of 1.6% (at year-end 2024 share price of EUR 12.13). The total dividend payout in 2025 amounts to approximately EUR 154 million.



# Sustainability statement

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# Sustainability statement

## General information

### ESRS 2 General disclosures

#### General basis for preparation of the Sustainability statement

Neste Sustainability statement covers the entire Neste Group. The scope of consolidation is in principle the same as for the financial statements. Entities that are subsidiaries or controlled similarly to subsidiaries are fully included in the reporting scope. The scope of consolidation differs from the financial statements for joint operations, joint ventures and associates, including Martinez Renewables: they are excluded from sustainability reporting as they are outside of Neste's operational control and hence treated as part of Neste's value chain and excluded from information related to Neste's own operations. Individual exceptions are communicated in the reporting principles of specific metrics. See the Accounting Policies of the consolidated Financial statements for more information on the scope of consolidation.

Based on 2024 evaluation, Neste Markkinointi Oy, Neste Shipping Oy, Neste Netherlands B.V., Neste Demeter B.V., Neste Components B.V., Neste Eesti AS, SIA Neste Latvija, UAB Neste Lietuva, Neste AB and Neste Germany GmbH are exempted from publishing individual sustainability reports from financial year 2025 onwards, as conditions set out in Directive 2013/34/EU Article 19a paragraph 9 or Article 29a paragraph 8 are met. Applicability for the exemption is evaluated annually.

The Sustainability statement is published annually as part of the Review of the Board of Directors. Similarly to the Financial statements, the reporting period of the Sustainability statement is the financial reporting year, January 1–December 31, 2024. The Sustainability statement is prepared in accordance with the sustainability

reporting standards referred to in Chapter 7 of the Finnish Accounting Act and with Article 8 of the Taxonomy regulation. An independent third party, KPMG Oy Ab, has assured the Sustainability statement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board IAASB. Historical information presented in this report is not in the scope of the assurance.

The disclosed sustainability information is based on Neste's double materiality assessment. The assessment covers Neste's value chain, including upstream and downstream, and its own operations. Value chain information is included in this report where material. For policies, targets and action plans disclosed in this report, Neste specifies which parts of the value chain or own operations it covers. The reporting principles for metrics are described at the end of each topic-specific section.

Neste has not omitted information corresponding to intellectual property, know-how or the results of innovation or used the exemption from disclosure of impending developments or matters in the course of negotiation in its Sustainability statement.

#### Disclosures in relation to specific circumstances

Neste applies same time horizons as in its Performance Management Process to align Sustainability statement with relevant internal processes such as financial outlook, risk management and strategy. Short-term is defined as 1 year, medium term is defined as 1–3 years, and long

term as 3+ years. Medium- and long-term time horizons applied differ from the time horizons defined in ESRS 1 General principles.

Specific circumstances applying to metrics are disclosed in the reporting principles of relevant metrics. The figures in the tables in the Sustainability statement are subject to rounding, which may cause some rounding inaccuracies in aggregate column and row totals.

#### Governance

##### The role of the administrative, management and supervisory bodies

**The Board of Directors of Neste Corporation ("Board")** is in charge of sustainability matters of major significance to the Neste Group including, among other things, the approval of the long-term ambition and targets for the Neste Group's sustainability vision, adoption of Neste's statutory sustainability reports and reviewing the sustainability performance. The Board also approves Neste Group's corporate values, policies and the most important corporate principles, including Neste's Sustainability Policy, which outlines Neste's approach to managing material sustainability impacts, risks and opportunities. The outcome of the double materiality assessment is reviewed by the Board. The Board has the ultimate responsibility for sustainability matters and risk oversight of major significance to Neste. The Annual General Meeting selects the Sustainability Reporting Assurer.

**The Audit Committee of the Board ("Audit Committee")** monitors and supervises the statutory

sustainability reporting process including the related controls, the assurance of the sustainability report and most material risks of Neste Group. These responsibilities are reflected in the Charter for the Board and the Audit Committee, respectively, and in the Sustainability Policy.

Proposal for the composition of Neste's Board of Directors is prepared annually by the **Shareholders' Nomination Board** consisting of three members appointed by the Company's three largest shareholders and the Chair of the Board of Directors. The Nomination Board's most important responsibility is to ensure that the Board of Directors and its members have sufficient expertise, knowledge and qualifications for the Company's needs, including capabilities related to sustainability matters. In the preparation of its proposal it will pay attention to achieving a good and balanced gender distribution and diversity in the Board of Directors, evaluating the competence of the Board of Directors as a whole.

The members of the Board of Neste have diverse backgrounds in terms of education and experience in different professional and industrial fields and in business operations and management, all of which include competences on sustainability-related issues. The diversity of the Board of Directors is also supported by experience in industrial fields and markets that are strategically significant for Neste. Several of the members on the Board have experience within industries and products relevant for Neste, including e.g., biofuels, chemicals and fossil fuels. The members of the Board have gained an understanding of business conduct matters through various leadership and board positions in other companies. The

members of the Audit Committee especially have knowledge and experience of accounting practices, preparation of financial statements and statutory sustainability reporting. The Board also calls on external expertise if and when it deems such expertise appropriate. Neste's Board does not include employee representatives.

**Neste's President and CEO** prepares and makes necessary proposals to the Board on the above matters and in particular: related to corporate strategy (including the long-term ambition and targets for the sustainability vision). The **Neste Leadership Team** approves Neste's sustainability priorities and sustainability is represented in the Leadership Team through Executive Vice President, People & Culture. Responsibility for monitoring individual corporate sustainability targets is shared among the members of the Neste Leadership Team and reviewed periodically by the Leadership Team. **Neste's sustainability work is managed by the Sustainability, Human Resources, and Safety units** and is implemented across all applicable business areas and functions, supported by internal policies, principles and standards.

Material sustainability risks are identified and managed in quarterly risk reviews as part of annual Enterprise Risk Management (ERM) process at Neste in line with the Corporate Risk Management Policy and supporting principles and standards.

### Information provided to and sustainability matters addressed by Neste's administrative, management and supervisory bodies

Neste's Board of Directors reviews the sustainability performance for topics in the sustainability vision at least once a year. Other sustainability topics are also regularly reviewed by the Board. Risks are reported to the Board of Directors at least two times a year as a part of strategy and performance planning processes. Formal risk reporting is directed to the business management teams, Neste Leadership team, Audit Committee and Board of Directors. Material sustainability risks are presented to the Audit Committee in connection with the risk reviews.

During 2024, the Audit Committee and the Board had specific focus on the new sustainability reporting requirements under the Corporate Sustainability Reporting Directive (CSRD). The Board reviewed the results of Neste's double materiality assessment, and the Audit Committee and Board reviewed throughout the year the progress of the reporting readiness according to the European Sustainability Reporting Standards ESRS. The Board had external sessions with industrial benchmark companies on their climate and emission reduction roadmaps and the role of SAF in delivering aviation emission reduction targets.

At the Board's annual strategy meeting, sustainability topics such as impact of climate and ESG related regulation on Neste's business as well as sustainability as part of Neste's value proposition to its customers were discussed. Climate policy is especially relevant when considering Neste's material risks and opportunities related to climate change, as changes in governmental policies supporting low-carbon transition can materially impact Neste's business. During the year, the Board also discussed topics relating to resource use and circular economy when reviewing Neste's innovation business platforms with initiatives for circular growth and new renewable raw material pools.

Safety is addressed by the Board at every meeting, also relating to Neste's material impacts, risks and opportunities on the health and safety of its own employees. The Board also reviewed and approved the updated Sustainability Policy for Neste and Modern Slavery Statement 2024. The annually published Modern Slavery Statement details the steps Neste is taking to identify, assess and address the risks of modern slavery in its business operations and supply chains.

### Integration of sustainability-related performance in incentive schemes

Neste's Remuneration Policy aligns remuneration with the successful delivery of its long-term strategic and sustainability goals. The Neste Board of Directors is responsible for deciding the remuneration to the President and CEO and the members of the Neste Leadership Team, and for deciding the long- and short-term incentive plans. The Personnel and Remuneration Committee is responsible for drafting the remuneration-related matters and proposals for the BoD.

Neste's climate commitments are connected with the remuneration of Neste's key personnel, as they are a performance measure in Neste's long-term incentives (LTIs). In 2024, Combined Greenhouse Gas Impact represents

20% of the LTI and includes greenhouse gas emissions (GHG) emission reductions achieved with Neste renewable products by customers and GHG emissions from Neste production. These metrics are also directly related to the company's climate targets, as described under [the E1 Climate change](#) -section. Additionally, measures related to the improvement in both process and personnel safety constitute at least 20% of the short-term incentives' measures in 2024.

### Risk management and internal controls over sustainability reporting

Neste's assurance functions consist of risk management, compliance and internal controls. Neste is committed to accurate and transparent sustainability reporting. Neste manages risks within this process through a robust internal control system. Neste's internal control framework is based on the Committee of Sponsoring Organizations framework (the "COSO framework", 2013), it covers both financial and sustainability reporting and it promotes a unified approach to risk management and control activities.

Internal control requirements, as defined in the Neste Internal Control Principle and Controls over Financial and Sustainability Reporting Standard, are implemented across all levels of the organization. Operational management owns the risks and controls related to sustainability data within their respective areas, while Group Finance has overall responsibility for the Sustainability statement, mirroring the financial reporting responsibility structure. Specialists in sustainability reporting provide guidance and support.

Neste has assessed and prioritized risks based on their potential impact on the reliability of its reporting, considering factors such as data materiality, process complexity and potential for human error. The company continues to mature in its sustainability reporting processes and systems, however some data collection and input

Specification of administrative, management and supervisory bodies	2024
Number of executive members	0
Number of non-executive members	9
Average percentage of male board members, %	69.3
Average percentage of female board members, %	30.7
Board members diversity (average female to male ratio), %	44.6
Percentage of independent board members, %	100.0

still rely on manual processes. Risks identified include accuracy and completeness of the data. These risks are mitigated by clearly defined roles and responsibilities for data collection and reporting, and a common reporting guideline provided in Neste manual for CSRD reporting. Neste has implemented preventive and detective control activities based on the identified risks, including reconciliation controls and review controls for quantitative and qualitative sustainability data.

Internal Control function monitors the control performance and assesses control adequacy, reporting regularly to the Neste Leadership Team. Deficiencies are promptly reported to responsible parties for corrective action, with appropriate escalation to management and the Audit Committee of the Board of Directors. This process is consistent with financial reporting control deficiency reporting.

## Strategy, business model and value chain

### Neste's business model and value chain

Neste is the world's leading producer of sustainable aviation fuel (SAF) and renewable diesel and a forerunner in developing renewable and circular feedstock solutions for polymers and chemicals. Neste's businesses are grouped into three reporting segments: Renewable Products (RP), Oil Products (OP) and Marketing & Services (M&S).

Neste's upstream value chain consists of the sourcing of raw materials for production, indirect procurement and the sourcing of materials and products for trading. Indirect procurement activities cover the sourcing, purchasing, contract and supplier management of goods and services that are not included in the sourcing and delivery of crude oil and other fossil raw materials or renewable and recycled raw materials. Neste's own operations

cover refining activities, investment projects as well as commercial operations. Downstream activities include further processing, distribution and use of Neste's products. In addition, logistics and storage, distribution of products, innovation and R&D activities and end-of-life management occur across Neste's value chain.

The value chains of Renewable Products, Oil Products and Marketing & Services, including their key inputs and outputs are further described below.

**The Renewable Products segment** produces, markets and sells renewable diesel, sustainable aviation fuel, and renewable and recycled feedstock for polymers and chemicals. Neste's renewable raw material portfolio consists of a wide variety of waste and residue oils and fats and smaller amounts of sustainably-produced vegetable oils. The raw material supply chains for Neste's renewable products are extensive and global. Neste procures raw materials from suppliers across Europe, North America, South America, Asia, Africa and Australia. Neste produces renewable products at its refineries in Finland, the Netherlands and Singapore, as well as through a joint operation with Marathon Petroleum in Martinez, California, the U.S., entirely from renewable raw materials. Significant customer groups include retailers, airlines, and aviation fuel suppliers, as well as polymers and chemicals producers. In 2024, the main market areas are Europe and North America.

**The Oil Products segment** produces, markets and sells high-quality oil products and related services for the road transportation, heavy machinery, agriculture, aviation and marine sectors, as well as products for the oil and petrochemical industries. In 2024, the company's major crude oil and fossil raw material sources were Norway, the United Kingdom and the US. The product range includes diesel, 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 at Neste's refinery in Porvoo, Finland. The main customers for the Oil Products include retailers and distributors, oil majors and trading companies, petrochemical companies and companies marketing lubricants and solvents. The main market areas include the Baltic Sea area, Europe and the Americas.

**Marketing & Services segment** markets and sells lower-emission fuels and high-quality oil products and associated digital solutions to its customers in Finland, Estonia, Latvia, and Lithuania. The most important customers include consumers, transport service providers, customers in aviation, shipping, industrial and agricultural sectors, municipalities and heating fuel customers. Transport fuels and high power EV charging services are marketed through Neste's own service station network in Finland and the Baltics.

### Neste's strategy and relation to sustainability matters

Sustainability work at Neste is guided by the Neste sustainability vision covering climate, biodiversity, human rights, as well as supply chain and raw materials:

- **Climate:** Neste leads transformation towards a carbon neutral value chain by 2040.
- **Biodiversity:** Neste aims to drive a positive impact on biodiversity and achieve a nature positive value chain by 2040.
- **Human rights:** Neste strives to create a more equitable and inclusive value chain by 2030, in which everyone works with dignity.
- **Supply chain & raw materials:** Neste drives a safe and healthy workplace, fair labor practices and increased commitment to sustainability across the supply chain.

Key elements of Neste's strategy that relate to or affect material sustainability matters are providing solutions to reduce reliance on fossil resources and transition to a renewable and circular solutions provider:

- Neste's renewable products enable customers to reduce their GHG emissions. Renewable diesel, SAF and renewable feedstocks for polymers and chemicals offer significant GHG reduction over the product life cycle compared to fossil alternatives. Neste's target is to enable its customers to reduce their GHG emissions with Neste's renewable and circular solutions by at least 20 Mt CO<sub>2</sub>e annually by 2030.
- Neste ambition is to gradually transform the oil refinery in Porvoo, Finland into a leading renewable and circular solutions refining hub in the mid-2030s. To achieve the ambition at the Porvoo refinery, Neste is, for example, building an upgrading unit for liquefied waste plastic, and has started modifying existing refinery units to enable co-processing of renewable and recycled raw materials with fossil raw materials in the conventional refining process. With the help of co-processing in Neste's oil refining processes, the company can produce additional volumes of products that have lower GHG emissions.

### Business relationships

Neste requires all its suppliers and other business partners to comply with applicable laws and expect them to follow equivalent ethical business standards as stated in the Neste Code of Conduct, further described in the Neste Supplier Code of Conduct. Neste aims to include Supplier Code of Conduct in the contract terms for suppliers, contractors and other business partners participating in the delivery of raw materials, products, components, materials or services to Neste. Companies consolidated through mergers and acquisitions are also expected to implement the Neste Supplier Code of Conduct in their sourcing. Neste's suppliers and business partners are expected to comply with requirements set by Supplier Code of Conduct for five elements: Compliance with laws and regulations; Business Conduct; Occupational health, safety and security; Environmental impact and climate change; and Human and labor rights.

Practices related to the collection and development of inputs are further described under [G1 Business Conduct](#) - Management of relationships with suppliers.

### Revenue by segment

<b>Total revenue by segment, MEUR</b>	<b>2024</b>
Renewable Products	7,321
Oil Products	11,829
Marketing & Services	4,687
Others	125
Eliminations	-3,326
<b>Total revenue</b>	<b>20,635</b>

Reporting principles for revenue metrics are included in Note 5 Revenue in the Consolidated Financial statements. Reporting reconciles with Neste's operating segments as defined by IFRS 8.

### Revenues from and CapEx related to fossil fuel activities

Neste has operations in the fossil fuels sector and revenues from these sectors are presented below. Revenue from gas is reconciled with fossil gas-related activities presented as part of the EU taxonomy reporting. Neste has no revenue from coal and Taxonomy-aligned economic activities related to fossil gas.

<b>Breakdown of total revenue from fossil fuel, MEUR</b>	<b>2024</b>
Revenue from oil	13,442
Revenue from gas	142
<b>Total revenue from fossil fuel sector</b>	<b>13,584</b>

<b>CapEx related to fossil fuel activities, MEUR</b>	<b>2024</b>
Significant CapEx for oil-related economic activities	387
Significant CapEx for gas-related economic activities	0

### Headcount

<b>Headcount of employees by geographical areas</b>	<b>2024</b>
Europe	4,203
Americas	878
Asia-Pacific	493
<b>Total employees</b>	<b>5,574</b>

Reporting principles for headcount are included under [S1 Own workforce](#)



### Interests and views of stakeholders

Neste aims for continuous, active and open dialog with its stakeholders and regularly seeks external views on its operations. The company's key stakeholders include stakeholders who the business can influence as well as those that have the opportunity to influence Neste; including suppliers, employees, customers, investors, policymakers, non-governmental organisations (NGOs), academic institutions, and the media.

Through Neste Sustainability Policy, Neste is committed to engaging and collaborating with its stakeholders

and taking an active role in multi-stakeholder initiatives to help develop more sustainable solutions. Neste also provides stakeholders with relevant information on its value chains and solutions in order to ensure acceptability of Neste offerings in the key markets. Stakeholder considerations are taken into account when considering the ambitions of policies or setting targets as relevant.

Neste actively engages with policy makers globally to drive and advance sustainability policies. The company shares its views on policies, laws and regulations with officials and legislators through public consultations,

meetings, as well as part of a larger stakeholder dialogue with policymakers. Neste also participates in the work of industry associations. Neste seeks to consider their inputs in developing the company's sustainability work.

The Stakeholder Advisory Panel has been established to promote discussion between Neste and its stakeholders on subjects such as the company's operations, business development, and changes in its operating environment. The Advisory Panel, which includes representatives from members of the Parliament of Finland

and Neste's personnel, ensures that the management and supervisory bodies are kept informed about stakeholders' views, particularly on sustainability-related impacts.

The table below summarizes Neste's engagement with its key stakeholders:

Stakeholders	Purpose and key topics	How engagements are organized	How outcomes are taken into account by Neste
<b>Suppliers, contractors and value chain workers</b>	<ul style="list-style-type: none"> <li>Implementing Neste Supplier Code of Conduct and Responsible Sourcing Principles</li> <li>Improving supplier engagement and collaboration through information sharing and capacity building</li> <li>Driving performance improvements across sustainability matters</li> <li>Ensuring availability of raw materials, products and services</li> <li>Collecting information on Neste's scope 3 emissions annually</li> <li>Advancing positive social and environmental impacts in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability workshops, trainings and seminars</li> <li>Collaboration initiatives, such as awareness building e.g. social toolbox meetings and landscape projects</li> <li>Monitoring and auditing supplier sustainability, incl. worker interviews, worker voice surveys, contractor social audits</li> <li>Evaluating new raw material suppliers</li> <li>Information sharing through meetings and newsletters</li> <li>Site-level grievance channels at Neste refineries designed to address concerns of contracted and subcontracted workers, incl. migrant workers</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring Neste sourcing process adheres to own sustainability goals</li> <li>Supplier due diligence, audits and monitoring</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Engaging employees in executing company strategy</li> <li>Increase understanding of Neste business outlook and priorities</li> <li>Strengthening Neste culture, values and ways of working (Code of Conduct)</li> <li>Supporting and enabling learning and development</li> <li>Promoting health, safety and wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Employment relations and local cooperation committees or work councils</li> <li>Regular communication on Neste's strategy and financial results</li> <li>Goal setting and development plans</li> <li>Development and wellbeing discussions</li> <li>Measuring employee engagement regularly via surveys</li> <li>Encouraging employees to participate in voluntary work</li> </ul>	<ul style="list-style-type: none"> <li>Follow-up of engagement actions</li> <li>Discussing results from surveys and agreeing on measures and actions plans</li> <li>Proactive and systematic communication and training regarding topics of interest, dialog on topics raised by employees</li> <li>Ensuring employee cooperation in line with local collective agreements</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>Employment and cooperation opportunities</li> <li>Sharing information on health and safety matters, site investments and development projects</li> <li>Understanding environmental and social impacts on local communities</li> </ul>	<ul style="list-style-type: none"> <li>Engaging via newsletters, meetings, websites, and social media</li> <li>Arranging site tours for interest groups</li> <li>Collaborating with local authorities and city representatives</li> <li>Conducting biennial stakeholder studies on refinery impacts at the Porvoo refinery</li> <li>Providing complaint channels for local communities</li> </ul>	<ul style="list-style-type: none"> <li>Community development initiatives</li> <li>Maintaining open dialogue with local communities</li> <li>Encouraging employee volunteering for local charities</li> </ul>
<b>Universities and research organizations</b>	<ul style="list-style-type: none"> <li>Development and collaboration in key R&amp;D and innovation topics, incl. raw material and technology development</li> </ul>	<ul style="list-style-type: none"> <li>Exploring research opportunities by engaging with universities and research organizations globally</li> </ul>	<ul style="list-style-type: none"> <li>Cooperation with Aalto University, Åbo Akademi and VTT in Finland, and international partners</li> <li>Building R&amp;D&amp;I project portfolio related to the development of existing and new renewable and circular solutions</li> <li>Promoting Neste as an employer of choice by traineeships, master's thesis projects, part-time employment etc.</li> </ul>

Stakeholders	Purpose and key topics	How engagements are organized	How outcomes are taken into account by Neste
<b>Investors and equity analysts</b>	<ul style="list-style-type: none"> <li>Informing capital markets and investors about Neste's strategy, financials, outlook and demand drivers related to green transition</li> <li>Sharing progress and gathering expectations on Neste's sustainability vision, covering climate, biodiversity, human rights and supply chain and raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Financial communications via reports, releases, calls, meetings, and Capital Markets Day</li> <li>Proactive updates on business developments and investments</li> <li>Transparent, regular reporting and disclosures</li> <li>Cooperation with rating agencies and investor assessments</li> </ul>	<ul style="list-style-type: none"> <li>Developing Neste strategy and sustainability commitments and processes to meet expectations</li> <li>Neste Green Finance Framework</li> <li>Developing reporting and disclosure practices</li> <li>Responding to questionnaires by rating companies and investors</li> </ul>
<b>Governmental organizations</b>	<ul style="list-style-type: none"> <li>Driving ambitious and technology neutral policies on climate and GHG emission reduction targets</li> <li>Advocating for renewable fuels in transportation and other industries</li> <li>Advancing market development for renewable and recycled materials, circular economy</li> <li>Advancing sustainable finance</li> </ul>	<ul style="list-style-type: none"> <li>Sharing views on policies, laws and regulations with policymakers</li> <li>Supporting policymakers with industry insights and information on technological capabilities</li> <li>Responding to public consultations and meeting with officials on climate and energy topics</li> <li>Maintaining active membership in industry associations</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring regulatory and legislative development that can affect e.g. the demand outlook of renewable and circular solutions to influence strategy planning</li> <li>Developing processes and operations to ensure compliance with relevant laws and regulations</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Sharing company news, interim and annual results</li> <li>Informing stakeholders about company strategy, business development, mergers and acquisitions and major projects</li> <li>Sharing information on customer cooperation, sustainability, innovation, renewable and circular solutions</li> </ul>	<ul style="list-style-type: none"> <li>Engaging with media</li> <li>Following and responding to media inquiries</li> <li>Organizing interviews, media visits and events, background briefings</li> </ul>	<ul style="list-style-type: none"> <li>Press releases and other materials</li> <li>Media service by Neste's communications following and responding to media inquiries</li> </ul>
<b>NGO's</b>	<ul style="list-style-type: none"> <li>Collaboration on climate change mitigation, biodiversity, human rights, sustainable raw material sourcing and circularity</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining continuous dialogue with NGOs</li> <li>Collaborating on joint projects for regional sustainability and smallholder support</li> <li>Transparent reporting on sustainability performance and grievances</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing supply chain sustainability</li> <li>Developing the company sustainability approach</li> </ul>
<b>B2B customers</b>	<ul style="list-style-type: none"> <li>Accelerating GHG emission reductions with renewable and circular solutions, building a circular economy, progressing towards climate commitments, recycling of plastic waste</li> <li>Cooperation e.g., on innovation and R&amp;D</li> <li>Informing and educating on Neste's strategy, sustainability commitments, safety and operations</li> </ul>	<ul style="list-style-type: none"> <li>Meetings, newsletters and training</li> <li>Monitoring customer satisfaction with surveys</li> <li>Engaging in joint communications</li> <li>Partnerships to reduce customers' carbon footprint and enhance sustainability</li> <li>Facilitating sales</li> <li>Arranging site visits</li> </ul>	<ul style="list-style-type: none"> <li>Responding to the customer needs by providing high-quality renewable and circular solutions, and securing supply chains</li> <li>Forming partnerships and co-creating new solutions and services</li> </ul>
<b>Consumers</b>	<ul style="list-style-type: none"> <li>Enhancing product, service and operations quality and sustainability</li> <li>Providing information about products, their safety, pricing, raw materials and the value the products provide</li> </ul>	<ul style="list-style-type: none"> <li>Gathering insights via surveys</li> <li>Providing regular fact sheets, press releases and news</li> <li>Working with local distributors</li> <li>Running advertising campaigns</li> <li>Responding to consumer inquiries</li> </ul>	<ul style="list-style-type: none"> <li>Expanding availability of renewable products through station networks</li> <li>Developing Neste's offering of lower-emission solutions, e.g. by expanding the availability of Neste MY Renewable Diesel and public electric vehicle charging service</li> </ul>
<b>Industry associations</b>	<ul style="list-style-type: none"> <li>Collaboration in key topics, including safety, climate change mitigation, transport emissions reductions, renewable and circular solutions, circular economy, plastics recycling, industry competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>Memberships in key associations and certifications</li> <li>Engagement and cooperation</li> <li>Participating in events seminars and working groups</li> </ul>	<ul style="list-style-type: none"> <li>Memberships in relevant organizations, e.g. FuelsEurope, European Biodiesel Board, Advanced Biofuels Association (US), The Chemical Industry Federation of Finland, Cefic, Renewable Carbon Initiative (RCI)</li> </ul>
<b>Cooperation bodies</b>	<ul style="list-style-type: none"> <li>Development and collaboration in key topics, incl. climate, biodiversity, renewable and circular solutions, plastics recycling, resource efficiency, circular economy, innovation, human rights</li> <li>Advocating supply chain sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Engagement and cooperation</li> <li>Participating in industry-related working groups</li> </ul>	<ul style="list-style-type: none"> <li>Cooperating with e.g. International Sustainability &amp; Carbon Certification (ISCC), UN Global Compact, World Business Council for Sustainable Development (WBCSD), Nordic Business Network for Human Rights, Concawe</li> </ul>

## Material impacts, risks and opportunities

The renewable energy sector, where Neste operates, is subject to risks including regulatory changes, market volatility, and technological shifts. However, it also presents opportunities such as the growing global demand for more sustainable alternatives to traditional fossil fuels and chemicals.

Neste also operates in the Oil & Gas sector (O&G). Oil & Gas sector specific sustainability impacts include greenhouse gas (GHG) emissions for example from the extraction and use of fossil resources and use of fossil raw material based products. In addition, there are potential pollution and land-use change effects related to sourcing and extraction of fossil resources. Transition to a low-carbon economy creates both material transition risks and opportunities in the O&G sector.

The adjacent table summarizes material impacts, risks and opportunities for Neste and how they relate to its business model, value chain and strategy. More detailed descriptions of each material impact, risk and opportunity is provided in the topical sections under Environment, Social and Governance.

Growing pressure to combat climate change and reduce greenhouse gas emissions is 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.

Material topics	Summary of material impacts, risks and opportunities for Neste as evaluated in the double materiality assessment	
<b>Environment</b>		
<b>Climate change</b>	<b>Impacts</b>	<ul style="list-style-type: none"> <li>Renewable and circular solutions enable reducing dependency on fossil resources and GHG emission reductions by Neste's customers (positive impact)</li> <li>GHG emissions across the value chain (negative impact)</li> <li>Impacts associated with energy consumption of operating in energy-intensive sector (negative impact)</li> </ul>
	<b>Risks</b>	<ul style="list-style-type: none"> <li>Regulatory uncertainty related to implementation of climate policies that support demand for Neste's solutions or impact competitiveness of key raw materials</li> </ul>
	<b>Opportunities</b>	<ul style="list-style-type: none"> <li>Innovate and scale-up new renewable and recycled raw materials and technologies</li> <li>Demand growth in renewable and circular solutions</li> <li>Strengthening flexibility in supply chain by sourcing and processing diverse renewable and recycled raw materials</li> </ul>
<b>Pollution</b>	<b>Risks</b>	<ul style="list-style-type: none"> <li>Neste needs to recognize, evaluate and implement all the existing, emerging and evolving regulatory requirements applicable to Neste's operations in the area of chemical compliance and safety</li> </ul>
<b>Biodiversity and ecosystems</b>	<b>Impacts</b>	<ul style="list-style-type: none"> <li>For renewable products, the use of waste and residue raw materials can contribute to positive impacts for biodiversity in the upstream value chain (positive impact)</li> <li>Upstream sourcing of fossil raw materials and utilities potentially damaging terrestrial and marine ecosystems, habitats and species or resulting in soil and marine pollution (negative impact)</li> </ul>
	<b>Risks</b>	<ul style="list-style-type: none"> <li>Stringent regulatory and market requirements on raw materials</li> </ul>
	<b>Opportunities</b>	<ul style="list-style-type: none"> <li>Ability to use difficult waste materials to avoid land use impacts from agriculture</li> </ul>
<b>Resource use and circularity</b>	<b>Risks</b>	<ul style="list-style-type: none"> <li>Price volatility of renewable waste and residue raw materials and recycled raw materials due to e.g. challenges in material availability, or competition within or outside of the industry</li> </ul>
	<b>Opportunities</b>	<ul style="list-style-type: none"> <li>Increased availability of new raw materials</li> </ul>
<b>Social</b>		
<b>Own workforce</b>	<b>Impacts</b>	<ul style="list-style-type: none"> <li>Neste's own employees' health and safety could be directly impacted in the short-term due to hazardous processes in the company's operations (negative impact)</li> </ul>
	<b>Risks</b>	<ul style="list-style-type: none"> <li>Workplace injuries and/or ill-health</li> </ul>
	<b>Opportunities</b>	<ul style="list-style-type: none"> <li>With a robust safety management system Neste aims to prevent injuries, reduce sick leaves and downtimes caused by incidents and accidents. Neste aims to implement preventive measures for health and safety hazards.</li> </ul>
<b>Workers in the value chain</b>	<b>Impacts</b>	<ul style="list-style-type: none"> <li>Forced labor in the value chain (negative impact)</li> </ul>
<b>Governance</b>		
<b>Business conduct</b>	<b>Impacts</b>	<ul style="list-style-type: none"> <li>Driving policies and practices that contribute to improved working conditions, ethical business practices, health and safety and environmental sustainability in the supply chain (positive impact)</li> </ul>

Changing regulation presents both an opportunity and a threat to Neste's business. Neste's business areas 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.

Material opportunities regarding climate change, biodiversity or circular economy have not significantly impacted 2024 financial position, financial performance or cash flows. From the risk side, the main materialized risks in 2024 include weaker demand for renewable solutions, lower margins due to well supplied markets and operational challenges at Neste refineries. Material risks identified under climate change and biodiversity relate to changes in regulation or policies. While the overall regulatory support and demand development in 2024 were weaker than expected, none of the major regulatory risks alone had a material impact on financial position, financial performance and cash flows. In 2024, Neste did not have financially material safety incidents (PSE tier 1 events, >50 MEUR impact) that would have resulted in negative health and safety impacts (TRI) on its own workforce. However, in 2024, the environmental authorities (i) imposed an order subject to a penalty on the Neste Rotterdam site relating to the exceeding of emission limits for volatile organic carbon components (VOC) and (ii) initiated an investigation under criminal law following an alleged violation associated with the flaring system.

## Processes to identify and assess material impacts, risks and opportunities

The disclosed sustainability information is based on Neste's double materiality assessment. The double materiality assessment (DMA) was divided into four phases based on general steps outlined in ESRS 1 General principles. This is the first time that Neste has undertaken a double materiality assessment in line with ESRS requirements.

### 1. Value chain mapping

The purpose of the value chain mapping was to describe Neste's value chain and related business activities in both upstream, own operations and downstream. The focus was on specific activities, business relationships, geographies or other factors that could give rise to a heightened risk of adverse impacts. The value chain mapping was conducted by internal stakeholders for a comprehensive knowledge and understanding of Neste's business. The results of the mapping were validated internally.

Neste's double materiality assessment covered the whole value chain including activities in the upstream, own operations and downstream. In the double materiality assessment process, all identified business activities were screened to identify actual and potential impacts, risks and opportunities (IROs).

### 2. Impact assessment

The purpose of the impact assessment was to identify actual and potential impacts of Neste business activities. A sustainability matter is material from an impact perspective when it pertains to Neste's material actual or potential, positive or negative impacts in relation to environmental, social and governance matters over short-, medium-, or long-term. The impact assessments included impacts connected with Neste's own operations and value chain (upstream and downstream) and it considered inputs from Neste's ongoing due diligence activities and impact assessments.

For each relevant business activity identified in the value chain mapping phase, the driver of impact as well as the effect of the impact on the environment or people were defined. In addition, each impact was characterized (positive/negative, actual/potential, time horizon), and linked to relevant ESRS sub-topics, and sub-sub topics, if applicable. The time horizons defined in ESRS for medium and long term were modified in the assessment to be in line with time horizons defined in Neste's relevant internal processes such as financial outlook, risk management and strategy. The time horizons used by Neste are: short 1 year, medium 1–3 years, and long 3+ years.

### 3. Financial assessment

The purpose of the financial assessment was to identify risks and opportunities that materially influence or may reasonably be expected to materially influence Neste's financial development, performance and position. A sustainability matter is material from a financial perspective if it triggers material financial effects for Neste. This is the case when a sustainability matter generates or may generate risks or opportunities that have a material influence on Neste's development, financial position, financial performance, cash flows, access to finance, or cost of capital over the short-, medium-, or long-term.

For the risk and opportunity identification, the identified risks or opportunities, and their associated financial impact to Neste, geographical location and time horizon, were described. In the financial assessment, the time horizons used were modified similarly as in the impact assessment. The identified risks and opportunities were linked to relevant ESRS sub-topics and sub-sub topics, if applicable, and to value chain location (upstream, own operations, downstream or cross-cutting).

The assessment utilized already identified risks and opportunities as defined and managed within Neste's Enterprise Risk Management (ERM). Furthermore, consideration was given to any potential significant risks or opportunities that may arise as a result of the impacts and dependencies that were identified during the impact materiality assessment phase.

## 4.1 Scoring

Impacts, risks and opportunities that had been identified in the previous phases of the materiality assessment were scored. The purpose of the scoring was to assess materiality of impacts based on a combination of severity (scale, scope, irremediability) and likelihood, and risks and opportunities based on a combination of likelihood and magnitude of financial effects. Financial impacts were assessed based on risk assessment scales in Neste Corporate Risk Management Policy.

- For actual negative impacts, materiality is based on the severity of the impact, while for potential negative impacts it is based on the severity and likelihood of the impact. Severity is based on scale, scope, and irremediable character of the impact.
- For positive impacts, materiality is based on the scale and scope of the impact for actual impacts and the scale, scope, and likelihood of the impact for potential impacts.
- The materiality of risks and opportunities was assessed based on a combination of the likelihood of the occurrence and the potential magnitude of the financial effect.

## 4.2 Determination

In the determination phase, appropriate thresholds were set to determine which IROs were material for Neste. Topics that exceeded the thresholds from either an impact or financial impact perspective or both, were deemed as material. The thresholds are based on the average score of likelihood and severity (impact materiality) or financial magnitude (financial materiality). The criteria for the thresholds are based on impact and financial materiality assessments, considering a range of factors, including but not limited to the significance of the IRO on stakeholders, environment and society, potential financial implications, risk appetite and tolerance and the strategic importance of the topic. Topics, which did not exceed

the set materiality threshold but were seen as central for Neste's strategy and core values, or hold importance due to external stakeholder interest and strong industry relevance, were deemed material based on a separate management decision.

The thresholds set in the double materiality assessment are not static and may be subject to periodic review and adjustment.

### 4.3 Validation

Neste Leadership Team and Board of Directors reviewed the outcomes of the double materiality assessment. Each double materiality process step was also validated with a group of internal subject matter experts, and Neste Leadership Team and Board of Directors were kept informed throughout the assessment. During 2024, Neste has defined specific internal controls to ensure the fulfillment of relevant requirements when conducting the double materiality assessment. The controls aim to ensure valid, complete and accurate results. Through the controls, it is ensured that the views of key experts, stakeholders and decision-makers are taken into account, and that a pre-defined approach is followed consistently.

### Integration with Neste processes

Sustainability-related risks are identified and managed in quarterly risk reviews as a part of Enterprise Risk Management (ERM) at Neste in line with the Corporate Risk Management Policy and supporting principles and standards. The assessment considers short-, medium- and long-term perspectives. The prioritization of risks is based on the risk assessment scales according to the Neste Corporate Risk Management Policy.

### Stakeholder engagement

The double materiality assessment was supported by internal subject matter experts and informed by Neste's ongoing due diligence activities. Stakeholder views were considered in different ways during the assessment process. For example, Neste has several ongoing projects, related to topics such as biodiversity and affected communities, in which external stakeholders are involved.

Findings and views from these projects were considered when identifying material impacts, risks and opportunities. Neste also engages in dialog and collaboration with local communities and production site neighbors, covering environmental, social, and safety impacts. At the end of the double materiality assessment process, Neste interviewed selected key stakeholders to gain their insight on the sustainability topics deemed material for Neste. Neste's approach to stakeholder engagement is further described under the Interests and views of stakeholders section of this report.

### Identification of environmental, social and business conduct -related impacts, risks and opportunities

Neste continuously identifies and assesses relevant environmental and business-conduct related impacts, risks and opportunities. These activities serve as inputs for Neste's DMA and when determining material topics and sub-topics:

#### Environmental impacts, risks and opportunities:

Neste operations are responsible for identifying, assessing and monitoring environmental impacts related to their operations, including issues related to emissions, water and waste generation. At the Porvoo refinery, continuous environmental monitoring is conducted to comply with the requirements of the site's environmental permit issued by local authorities, and Neste participates in the monitoring activities. Similar monitoring is in place at selected retail sites in Finland, Estonia, Lithuania, and all sites in Latvia. In Rotterdam and Singapore, Neste sites are located on broad industrial areas together with other companies' sites. Authorities conduct environmental monitoring outside the site fence line of these industrial areas. In cases where specific impact monitoring requirements are not stipulated by local authorities or legislation, expert judgment is used to assess potential impacts.

According to Neste's company-wide Environmental Management Principle, major investment projects include an Environmental Compliance Analysis and a compliance review when building new production capacity or

increasing current capacity. Environmental Management Principle is further described under [E2 Pollution](#) -section of this report. Environmental impacts, risks and opportunities in the value chain are further identified through ongoing due diligence activities, which are described in detail in the [G1 Business Conduct](#) -section of this report.

**Business conduct -related impacts, risks and opportunities:** Neste has implemented systematic controls for counterparty screening and monitoring, during which potential business partners undergo automated 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. Neste also assesses the country risk in its supply chains to better understand risks related to ethical business practices, among other topics. These ongoing due diligence activities support Neste in identifying impacts, risks and opportunities in relation to the management of business conduct matters.

The identification of climate- and biodiversity related impacts, risks and opportunities are described in detail in the related topical chapters.

### Policies to manage material sustainability matters

A summary of the relevant policies and principles at Neste to address material sustainability matters is summarized in the table below. Neste policies define the organization's overall purpose, goals, mission and vision; while principles describe the minimum requirements that are common to all Neste locations and operations. Details of each policy are further described under relevant sustainability matter standards. For all mentioned policies throughout the report, the most senior level in Neste's organization that is accountable for implementing the policies is the CEO. The accountability for implementing principles lies with the respective leadership team members.

Type	Name	E1	E2	E4	E5	S1	S2	G1
Code of Conduct	Neste Code of Conduct	x		x			x	x
	Supplier Code of Conduct	x		x	x		x	x
Policies	People Policy					x		
	Sustainability Policy	x		x	x			
	Operations Excellence Policy	x	x			x		
Principles	Sustainability Principle	x		x	x			
	Human Rights Principle					x	x	
	Environmental Management Principle	x	x					
	Product & Chemical Safety Principle		x					
	Anti-corruption Principle							x
	Safety Leadership Principle					x		
	Responsible Sourcing Principle			x	x		x	x
Supplier Sustainability Approval Principle			x	x			x	

# Environmental information

## EU taxonomy

The EU taxonomy is a classification system for sustainable economic activities. It aims to provide robust definitions and transparent reporting to support increased finance for activities that substantially contribute to solving the climate and environmental crisis.

Neste is required to disclose information about how and to what extent business activities are associated with environmentally sustainable economic activities as defined in the Taxonomy Regulation. The EU taxonomy is reported in financial terms as the proportion of economic activities that is determined to be non-eligible, eligible and aligned in turnover, Capital expenditure (CapEx) and Operating expenses (OpEx). The framework defines economic activities contributing to six environmental objectives. Neste has operations that contribute to the climate change mitigation objective.

### Assessment of compliance with the Taxonomy Regulation

Taxonomy eligibility for an activity is determined by the activity description in the Annexes of the climate and environmental delegated acts in the Taxonomy Regulation. Neste has screened its business areas and innovation initiatives to identify activities within the scope of the taxonomy. Eligible activities are identified based on the description of the activity in Annex I of the Climate Delegated Act of the Taxonomy Regulation. Taxonomy alignment for an activity is evaluated by the technical screening criteria for substantial contribution and “do no significant harm” (DNSH), as set out in the relevant Annexes. An activity is taxonomy-aligned when it substantially contributes to at least one environmental objective while doing no significant harm to the other environmental objectives set by the technical screening criteria. Neste has evaluated the substantial contribution and DNSH criteria for each activity identified to recognize the share of taxonomy-aligned economic activities. Additionally, an entity needs to comply with the minimum safeguards.

Based on this process, the following activities in the taxonomy have been identified as relevant for Neste:

#### 4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids

- Manufacture of renewable fuels
- Renewable co-processing of fuels

#### 6.15 Infrastructure enabling low-carbon road transport and public transport

- Electric vehicle charging services

#### 9.1 Close to market research, development and innovation

- R&D activities in Neste’s innovation business platforms, including renewable hydrogen and Power-to-X

Neste also has economic activities that are currently not covered by the EU taxonomy while contributing to circularity and climate goals. For example, Neste provides circular economy solutions and renewable feedstocks for the chemical industry that are not currently covered in the activities listed in the EU taxonomy. As the EU taxonomy continues to develop, Neste will continuously re-evaluate its activities contribution to the taxonomy’s environmental objectives.

### Substantial contribution of Neste’s core business

#### Substantial contribution criteria

The EU taxonomy refers to the manufacture of biofuels for use in transport as a sustainable activity, and Neste has assessed its manufacturing of renewable fuels for the road transport and aviation sectors, as well as the co-processing of renewable raw materials to be taxonomy-relevant economic activities based on the Climate Delegated Act of the Regulation. Neste’s Renewable

Products provides renewable, lower-emission solutions for transportation, aviation, marine and other industrial uses. Co-processing of renewable raw materials aims to replace crude oil input in the production of fuels used in various transport sectors. Neste’s activities relevant to the EU taxonomy are climate change mitigation solutions and are in line with the company’s climate targets.

The EU taxonomy technical screening criteria for the Climate Delegated Act including climate change mitigation establishes criteria for the “Manufacture of biogas or biofuels for use in transport and of bioliquids” activity. The recognized activities, manufacturing biofuels and renewable co-processing of fuels, make a substantial contribution to climate change mitigation. The substantial contribution criteria sets the threshold for greenhouse gas (GHG) emission savings from the manufacture of biofuels and biogas for use in transport to at least 65% in relation to the GHG emission saving methodology and the relative fossil fuel comparator in accordance with Directive (EU) 2018/2001. Additionally, the criteria require that no food and feed crops are used in the manufacturing. The share of manufacturing of waste and residue raw materials is therefore included in the alignment figures for this activity. The alignment figures for biofuel sales outside the EU are reported separately because the GHG emission calculation and verification methodologies differ. Neste’s renewable products comply with market-specific sustainability criteria and meet the GHG emission saving thresholds for EU taxonomy.

The activity “Infrastructure enabling low-carbon road transport and public transport” includes Neste’s electric vehicle charging service. The electric charging stations serve both companies and consumers. The activity is fully eligible for the taxonomy.

Neste’s innovation and R&D focuses on converting low-quality raw materials into high-quality solutions. The research and innovation activities reported under the “Close to market research, development and innovation” activity meet the activity-specific taxonomy

alignment criteria and include projects in Neste’s portfolio related to renewable hydrogen and Power-to-X. Neste has decided to withdraw from investing into a 120 MW electrolyzer project to produce renewable hydrogen at its Porvoo refinery in Finland. The company is actively evaluating alternative pathways for securing renewable hydrogen. Innovation and R&D that support the company’s taxonomy-eligible and -aligned activities, such as the development of Neste’s existing renewable solutions, are accounted for in the taxonomy figures of the activity which they support.

### Do no significant harm -criteria

The relevant activity-specific DNSH criteria from Annex I have been evaluated for each taxonomy-aligned economic activity. Neste has established and implemented procedures to minimize any adverse impacts of the company’s operations on the environment and all Neste operations must comply with relevant legal requirements and environmental objectives. Neste’s approach to environmental management, including biodiversity, pollution and water, is further described in the Sustainability statement. The identification of climate risks, including physical climate risks, is included in Neste’s annual risk management cycle. The identified climate risks are included in the Enterprise Risk Management (ERM) process, and risk mitigation plans are implemented where appropriate. Neste’s material climate-related risks are further described in the Sustainability statement.

### Minimum safeguards

Compliance with the minimum safeguards has been assessed at the group level based on the Report on Minimum Safeguards published by the EU Platform on Sustainable Finance in October 2022. Neste has assessed its operations to be compliant with the minimum safeguards as determined in the Neste Code of Conduct, which includes the topics of human rights, including workers’ rights, bribery and corruption, taxation and

fair competition. No violations have been identified with the safeguards. Neste's approach to human rights and anti-corruption is described in more detail in the [S1 Own workforce](#), [S2 Workers in the value chain](#) and [G1 Business conduct](#) -sections of the Sustainability statement. More information about Neste's compliance program, including competition law compliance, is disclosed in the Annual Review. Neste also publishes a Tax Footprint annually.

### Accounting policy

The definitions of taxonomy key performance indicators (KPIs) are based on the Disclosures Delegated Act, which supplements the Taxonomy Regulation and follows requirements that apply to the disclosures under Article 8(2) of Regulation (EU) 2020/852. The taxonomy reporting scope is aligned with the Consolidated Financial statements and covers Neste's global operations. The calculations follow general materiality principles. Taxonomy KPIs are calculated using the financial information presented in Notes to the Consolidated Financial statements in Neste's Annual Report 2024. To avoid double counting in the reported figures, allocations were made for each activity separately based on reporting structures, and a reconciliation has been carried out for the final figures. Neste does not present a table for the extent of eligibility and alignment per environmental objective, as 100% of the KPIs are related to the climate change mitigation objective.

### Turnover

In calculating the proportion of turnover from products associated with taxonomy-eligible and -aligned economic activities, Neste includes revenue from goods and services which have a clear relationship with the identified economic activities. Turnover for the manufacture of biofuels and co-processing includes sales of bio-based fuels, biofuel credits related to the physical product and exchange rate hedges. Turnover for infrastructure enabling low-carbon road transport activity includes sales from electric charging services. The denominator is Neste's total sales and refers to Note 5 Revenue in the consolidated financial statements.

### Capital expenditure

Capital expenditure (CapEx) includes investments related to activities identified as taxonomy-eligible or -aligned. The CapEx figures consist mainly of investments enabling Neste's renewable production capacity growth. To provide an accurate allocation of CapEx for taxonomy-aligned activities, Neste has used the share of taxonomy-aligned production volumes to allocate the proportion to the CapEx alignment figures. For example, allocations for the manufacture of biofuels activity are made based on production volumes which fulfil the GHG emission savings and raw material criteria outlined in the technical screening criteria for the activity.

The breakdown of the CapEx figures is based on the Disclosures Delegated Act and includes taxonomy-eligible and -aligned CapEx. These taxonomy CapEx figures refer to additions in Note 13 Intangible assets (IAS38) and Note 14 Property, plant and equipment (IAS16). Right-of-use assets refer to Note 29 Leases (IFRS16) in the consolidated financial statements. However, the taxonomy

figures only include the proportion of the investments within the scope of the EU taxonomy and therefore cannot be directly derived from the Notes. CapEx also covers additions to tangible and intangible assets resulting from business combinations.

Based on the Disclosures Delegated Act, companies can report aligned CapEx, when it is a part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned, as part of a so-called CapEx plan. Neste's taxonomy figures include investments made to expand the production capacity of existing taxonomy-aligned economic activities, which contribute to the climate change mitigation objective. Allocations to taxonomy-aligned CapEx for these activities are made based on the production volumes. The taxonomy requires figures to be restated if the current allocation to taxonomy-aligned CapEx is not fulfilled in the scope of the CapEx plan. The status of the CapEx plan will be followed up annually.

Breakdown of the CapEx KPI	Taxonomy-aligned activities (A.1)	Taxonomy-eligible but not taxonomy-aligned activities (A.2)
Additions to property, plant and equipment	833	170
Additions to intangible assets	0	0
Additions to capitalized right-of-use assets	353	68
Additions related to acquisitions	0	0
<b>Total CAPEX (A.1 + A.2)</b>	<b>1,185</b>	<b>238</b>

### Operating expenses

Taxonomy-eligible and -aligned Operating expenses (OpEx) cover direct non-capitalized expenses related to research and development, short-term leases (IFRS 16) and maintenance and repair. OpEx figures also include costs related to personnel, identified as other direct expenses related to the day-to-day servicing required to maintain tangible fixed assets. The allocation of OpEx to activities that are partially taxonomy-aligned follows the same methodology as Neste uses in the taxonomy CapEx calculation, and the expenses are therefore allocated using the share of taxonomy-aligned production volumes.

Neste's taxonomy OpEx figures include expenses presented in Note 9 Other expenses, but since the figures only include the proportion of expenses within the scope of the Taxonomy Regulation, they cannot be derived directly from the note.

Breakdown of the OpEx KPI	Taxonomy-aligned activities (A.1)	Taxonomy-eligible but not taxonomy-aligned activities (A.2)
Costs of R&D	51	5
Costs of short-term leases	4	1
Costs of maintenance and repair	89	17
<b>Total OPEX (A.1 + A.2)</b>	<b>144</b>	<b>22</b>

# Turnover

Financial Year	Codes	2024		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						2023				
		Turnover (MEUR)	Proportion of Turnover (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover (%)	Category enabling activity (E)	Category transitional activity (T)	
<b>Economic activities</b>																				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities</b> (Taxonomy-aligned)																				
	Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	2,703	13	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	18	-	-
	Manufacture of biogas and biofuels for use in transport and of bioliquids <sup>1)</sup>	CCM 4.13	2,605	13	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	11	-	-
	<b>Turnover of environmentally sustainable activities</b> (Taxonomy-aligned) (A.1)		5,308	26	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	28		
	Of which Enabling		0	0	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0	-	
	Of which Transitional		0	0	0%						Y	Y	Y	Y	Y	Y	Y	0		-
<b>A.2. Taxonomy-Eligible but not environmentally sustainable activities</b> (not Taxonomy-aligned activities)																				
	Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	689	3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4		
	Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	1	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
	<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities</b> (not Taxonomy-aligned activities) (A.2)		690	3	100%	0%	0%	0%	0%	0%								4		
	A. Turnover of Taxonomy eligible activities (A.1+A.2)		5,998	29	100%	0%	0%	0%	0%	0%								32		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
	<b>Turnover of Taxonomy-non-eligible activities</b>		14,637	71																
	Total (A+B)		20,635	100																

Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective  
 EL Taxonomy-eligible activity for the relevant objective  
 N/EL Taxonomy-non-eligible activity for the relevant objective

<sup>1)</sup> Share of waste & residue based renewable fuels sold outside of the EU



# Capital expenditure

Financial Year	Codes	2024		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						2023			
		CapEx (MEUR)	Proportion of CapEx (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx (%)	Category enabling activity (E)	Category transitional activity (T)
<b>Economic activities</b>																			
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities</b> (Taxonomy-aligned)																			
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	542	27	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	32	-	-
Manufacture of biogas and biofuels for use in transport and of bioliquids <sup>1)</sup>	CCM 4.13	643	32	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	35	-	-
Close to market research, development and innovation	CCM 9.1	0	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0	E	-
<b>CapEx of environmentally sustainable activities</b> (Taxonomy-aligned) (A.1)		1,185	59	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	68		
Of which Enabling		0	0	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0	E	
Of which Transitional		0	0	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0		-
<b>A.2. Taxonomy-Eligible but not environmentally sustainable activities</b> (not Taxonomy-aligned activities)																			
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	228	11	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	10	1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities</b> (not Taxonomy-aligned activities) (A.2)		238	12	100%	0%	0%	0%	0%	0%								9		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		1,424	71	100%	0%	0%	0%	0%	0%								77		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>CapEx of Taxonomy-non-eligible activities</b>		573	29																
Total (A+B)		1,997	100																

Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective  
 EL Taxonomy-eligible activity for the relevant objective  
 N/EL Taxonomy-non-eligible activity for the relevant objective

<sup>1)</sup> Share of waste & residue based renewable fuels sold outside of the EU

# Operating expenses

Financial Year

Economic activities	Codes	2024		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						2023			
		OpEx (MEUR)	Proportion of OpEx (%)	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx (%)	Category enabling activity (E)	Category transitional activity (T)
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities</b> (Taxonomy-aligned)																			
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	76	26	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	21	-	-
Manufacture of biogas and biofuels for use in transport and of bioliquids <sup>1)</sup>	CCM 4.13	62	21	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	17	-	-
Close to market research, development and innovation	CCM 9.1	5	2	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3	E	-
<b>OpEx of environmentally sustainable activities</b> (Taxonomy-aligned) (A.1)		144	49	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	40		
Of which Enabling		5	4	4%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	6	E	
Of which Transitional		0	0	0%						Y	Y	Y	Y	Y	Y	Y	0		-
<b>A.2. Taxonomy-Eligible but not environmentally sustainable activities</b> (not Taxonomy-aligned activities)																			
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	22	8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities</b> (not Taxonomy-aligned activities) (A.2)		22	8	100%	0%	0%	0%	0%	0%								4		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		166	56	100%	0%	0%	0%	0%	0%								45		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>OpEx of Taxonomy-non-eligible activities</b>		128	44																
Total (A+B)		294	100																

Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective  
 EL Taxonomy-eligible activity for the relevant objective  
 N/EL Taxonomy-non-eligible activity for the relevant objective

<sup>1)</sup> Share of waste & residue based renewable fuels sold outside of the EU

## Fossil gas related activities

Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
<b>Fossil gas related activities</b>		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Proportion of turnover					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
5	4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	39	27	39	27	-	-
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of turnover	103	73	103	73	-	-
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of turnover	142	100	142	100	-	-

Neste reports its fossil gas related activities in accordance with the Complementary Climate Delegated Act (2022/1214). Neste has exposures to natural gas related activities through its 40% ownership of Kilpilahti Power Plant Ltd, which is a joint venture company operating a combined heat and power plant. Taxonomy-eligible turnover for the activity 4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuel

includes Neste's sales of natural gas to Kilpilahti Power Plant and other fossil gas related turnover relates to Neste's natural gas sales to other parties.

Taxonomy-eligible OpEx related to natural gas should cover direct expenses in accordance with the definitions in the Disclosures Delegated Act. As there have been no significant operating expenses during the reporting period and the information is financially immaterial,

Neste does not disclose the template for natural gas related OpEx.

Additionally, CapEx related to natural gas is not disclosed because the investments related to the Kilpilahti Power Plant are not included in Neste's total capital expenditure. Neste did not recognize any nuclear related activities as defined in the Complementary Climate Delegated Act.

## E1 Climate change

### Material impacts, risks and opportunities

Neste has identified the following material impacts, risks and opportunities with regards to climate change:

<b>Climate change mitigation</b>		
<b>Carbon handprint</b> (entity-specific topic)		
<b>Positive impacts</b>	Whole value chain	Neste's customers can reduce their dependency on fossil resources and their GHG emissions by utilizing renewable and circular solutions. Neste's carbon handprint refers to the GHG emissions reduction achieved by customers when using its products. Additionally, transforming the raw material and product portfolio composition, and utilizing waste and residues as raw materials instead of fossil-based raw materials leads to GHG reductions and a less carbon-intensive raw material pool. These impacts apply across the short-, medium- and long-term.
<b>Negative impacts</b>	Whole value chain	GHG emissions occur upstream in fossil raw material sourcing, in own operations from e.g., refining and other production related activities, and downstream from the use and further processing of Neste's products. GHG emissions throughout Neste's value chain contribute to global warming and climate change, affecting the environment and society. Global impacts of climate change include changes in water availability, loss of biodiversity, altered weather patterns, more frequent natural disasters (including sea-level rise and extreme weather events), health risks, economic costs and disproportionate effects on vulnerable communities. These impacts apply across the short-, medium- and long-term.
<b>Opportunities</b>	Whole value chain	Demand growth in renewable and circular solutions driven by businesses, regulation and environmentally conscious consumers provides opportunities for Neste, with a primary financial effect on Neste's revenues in the long-term. Innovative solutions like new raw materials, products and renewable hydrogen can offer additional revenues but also higher product value in the medium- and long-term.
<b>Risks</b>	Whole value chain	Regulatory uncertainty related to implementation of climate policies that support demand for Neste's solutions and the undermined competitiveness of key raw materials could lead to lowered product sales or margins in the short-, medium- and long-term.
<b>Climate change adaptation</b>		
<b>Opportunities</b>	Upstream	Capabilities to source and process diverse renewable and recycled raw materials, including wastes and residues, strengthen the flexibility in supply chain. These capabilities may lead to increased product value and reduce upstream costs in the long-term.
<b>Energy</b>		
<b>Negative impacts</b>	Own operations	Impacts associated with energy consumption are linked to Neste operating in an energy-intensive sector. Energy consumption in Neste's refining processes, commercial operations, innovation and R&D are connected to various environmental impacts on short-, medium- and long-term time horizons, such as increased pressure on natural resources and ecosystems, GHG emissions and global warming and increased pollution and waste. Additionally, energy consumption may contribute to higher energy costs and potential resource scarcity.

### Processes to identify climate-related impacts, risks and opportunities

Neste uses scenario analysis and enterprise risk management to identify and assess risks and opportunities, and evaluate the resilience and adaptability of Neste's strategy to climate change. The risks and opportunities are incorporated into Neste's double materiality assessment, further described under [ESRS 2 General disclosures](#). Neste does not conduct a separate climate resilience analysis.

The scope of the annual scenario analysis covers Neste's entire value chain at a high level. Analysis includes assessment of scenario drivers, implications on the business environment and on Neste's businesses and strategy. The analysis focuses on transition risks such as the anticipated financial effects related to e.g., climate policy developments. Neste calculates the impacts and tests its strategy resilience against the scenarios by estimating the impact on Neste's profitability compared to a base case, for example. The results are used to support Neste's strategy development and financial planning, and the identified climate risks are included in Neste's Enterprise Risk Management (ERM) process. Risk mitigation plans are implemented where appropriate, as described in ESRS 2 General disclosures.

Climate scenarios describing different global warming outcomes are one of the key input factors. Neste bases the scenario analysis on the internationally acknowledged climate pathways that represent benchmarks for the energy industry, for example, published by the International Energy Agency (IEA). Neste complements the climate scenarios through internal analysis and identification of trends and factors relevant to its business. The complementary assumptions and weighings vary between the scenarios. In 2024, the implications for Neste were analyzed in three climate scenarios:

- Net Zero World 2050, which is in line with the 1.5 °C pathways;
- Net Zero EU and North America by 2050, consistent with a 2 °C trajectory; and
- Compromised Climate Targets, reflecting global warming of 2.5 °C or more by the end of the century.

Each scenario takes into consideration the development of global climate ambitions, projections of economic growth, globalization and geopolitics and development of key technologies. These drivers are relevant due to their effects on the demand of Neste's products, supply and deployment of key and new raw materials, availability of capital and Neste's overall position in supporting the global energy transition and global climate goals.

Neste's strategic planning focuses on the next 10 years, with the scenario analysis extending to 2050 to account for the increasing impact of climate change. The time horizons used in the scenario assessment are defined as short-term (1–2 years), medium-term (3–5 years) and long-term (over 6 years), to align with and cover strategic planning, capital allocation as well as expected lifetime of assets.

Uncertainties related to scenario analysis include the pace and scope of regulatory changes, technological advancements, market dynamics, the varying impacts of climate change across geographies and industries as well as the use of national or regional data. These factors affect the considered projections for energy demand, the adoption of lower-carbon technologies and the global transition to renewable solutions. The impact potential of these drivers on Neste are evaluated in short-, medium- and long term time horizons with varying degrees of certainty.

Neste believes that the applied scenarios represent material risks, opportunities and uncertainties related to climate change. Key climate-related assumptions made in the financial statements are described in Note 2 Accounting Policies in Neste's Consolidated Financial Statements, under the heading 'Climate related topics'. The assumptions are based on the same scenario analysis and identified risks and opportunities as described in this section. Hence, Neste incorporates application requirement 15 in the E1 Climate change -standard by reference to its Financial statements.

### Climate impacts

To assess, quantify and manage the impacts to climate, Neste follows the Greenhouse Gas Protocol guidance for screening and calculating GHG emission sources related to its operations and value chain. The evaluation of GHG emissions is integrated into Neste's investment processes, to increase transparency and control the climate impacts of the company's investments. In addition to earlier scope 1 & 2 assessments, Neste has conducted a thorough scope 3 materiality assessment in 2024 to ensure all relevant scope 3 categories for the company have been identified. Relevant categories are selected based on their materiality and business relevance, while ensuring completeness and availability of consistent emissions data.

### GHG- or energy-intensive assets

Neste operates energy- and GHG-intensive assets in its refineries. Neste has identified its Porvoo refinery and oil refining business as assets and activities at risk due to climate policy developments and the transition to a lower-carbon economy. Neste's ambition is to gradually transform the oil refinery in Porvoo, Finland into a leading renewable and circular solutions refining hub in the mid-2030's. Neste ended refinery operations at its Naantali oil refinery in 2021, and the refinery has been fully decommissioned. When finalized, the transformation of Porvoo refinery will complete Neste's journey to a 100% renewable and circular solutions producer.

### Identified risks and opportunities

Neste has identified two material climate-related transition risks related to climate policy developments. Firstly, the development in legislation could lead to a competition disadvantage or to the loss of existing or potential markets for Neste. The other identified transition risk relates to policy developments, which could also lead to the undermined competitiveness of Neste's key raw materials. No material physical climate risks were identified in the double materiality assessment.

The transition to a lower-carbon economy will shift the energy mix from fossil fuels towards lower-carbon fuels, and the magnitude of the transition is expected to depend on technological development and growing use of a number of more sustainable solutions. Development of sustainable technologies is expected to continue to be progressive, supported by relatively stable macro-economy in the long-term, despite temporary ups and downs. The growing global population and economic growth continue to drive increased energy demand, yet energy efficiency improvements counterbalance the net impact.

## Potential implications of climate change to Neste

	Net Zero World 2050	Net Zero EU and North America by 2050	Compromised Climate Targets
<b>Description</b>	Rapid and radical emission reductions globally to meet Net Zero emissions by 2050 and limit global warming to 1.5°C, building on the IEA Net Zero 2050 Scenario.	Advanced economies demonstrate strong climate action while developing economies follow slower, consistent with a 2°C trajectory, building on the IEA Announced Pledges Scenario.	Failure to take climate action leads to the continuation of the current trends, causing global warming of 2.5°C to 3°C or more by the end of the century. Scenario is partly building on the IEA Stated Policies Scenario.
<b>Opportunities</b>	The accelerated global demand for renewable and circular solutions provides Neste opportunities to leverage global reach, expand to new markets, and optimize across feedstocks, countries and customer sectors.	Continued demand growth in renewable and circular solutions; regulatory markets supported by voluntary climate ambitions.	Modest demand growth in renewable products due to less favorable regulatory framework gives room for differentiation and serving selected voluntary markets efficiently.
<b>Risks</b>	Accelerated global demand for renewable and circular solutions and supportive regulatory landscape may present transition risks related to stringent competition of key raw materials and in entering new markets.	Identified transition risks relate to regulation limiting the competitiveness of renewable fuels or narrowing the eligibility of key raw materials. A decline of fossil fuel demand could also be seen as a transition risk for Neste's current business. Risks related to accelerated alternative technology development have also been identified.	Transition risks include downscaled regulatory drivers, slowing down the demand growth for renewable products. In the long-term, physical risks related to chronic and acute climate change impacts can have significant negative effects on raw materials availability, supply chains and assets.
<b>Indicative financial impact to Neste</b>	Positive	Base case	Slightly negative

### Resilience analysis

Impacts, risks and opportunities identified and assessed as material in the double materiality assessment are central to Neste's strategy and included e.g., in decision-making considering major investments and capital allocation. Neste believes to be well positioned to adjust its strategy and business models to climate change. Neste's strategy aims at growing in more sustainable solutions, which supports business resilience, and for instance raw material and business model choices can be adjusted depending on the conditions in the business environment.

### Policies

Neste addresses material climate-related impacts, risks and opportunities in the following policies and principles: **Sustainability Policy, Sustainability Principle, Environmental Management Principle, Neste Supplier Code of Conduct and Operations Excellence Policy**. In addition, the **Neste Code of Conduct** sets

out the company's commitment to reduce its emissions, reach its climate targets and use energy-efficient solutions in its operations. The Code of Conduct is described more in detail in the [G1 Business conduct](#) -section of this report.

The purpose of **Neste Sustainability Policy** is to give clear guidance to Neste's sustainability commitments and governance. The aim, through the Policy, is to ensure sustainability is embedded in Neste's everyday business and to contribute to sustainable development. This includes ensuring socially, environmentally and economically sustainable business conduct in all Neste's activities throughout the value chain, while creating value to the company's stakeholders. Through Neste's climate and other sustainability commitments, the company wants to show leadership and determination and play its part in limiting global warming to 1.5°C to meet the objectives of the Paris Agreement. Neste also recognizes the importance of just transition as envisaged by the Paris Agreement.

The Sustainability Policy covers IROs related to climate change mitigation and adaptation, and energy. The CEO, on behalf of the Board, has the ultimate accountability for sustainability matters and risk oversight of major significance to the Neste Group.

The purpose of the **Sustainability Principle** is to set out Neste's core sustainability commitments and define what living up to these commitments means. The Principle also describes how sustainability and its risks are managed at Neste. It covers Neste's approach to climate change mitigation and climate change adaptation and sets out Neste's ambition in relation to renewable energy and energy efficiency.

The Sustainability Policy and Principle are applicable in all Neste operating locations and apply to all Neste employees and to anyone working for or representing any business entity within the Neste Group. They are available in English on Neste's webpage. The Neste Sustainability Policy and Principle addresses several international frameworks, of which the most relevant ones

for climate change are the Task Force on Climate-related Financial Disclosure (TCFD) reporting principles to disclose climate-related financial risks and the ten principles of the UN Global Compact.

The **Neste Supplier Code of Conduct** defines the minimum climate requirements for the company's suppliers and business partners. Neste's suppliers are expected to, at a minimum, consider the climate impact of their operations and undertake greenhouse gas reduction measures where reasonable. More detail on the Supplier Code of Conduct and its implementation is provided in the [G1 Business conduct](#) -section.

The **Neste Operations Excellence Policy** and **Environmental Management Principle** further describe how Neste ensures the efficient use of resources and energy in its operations. Ensuring the energy efficiency of investment projects is included in the Environmental Compliance Analysis, which is executed for all major investment projects when building new production capacity or increasing current capacity. The Operations

Excellence Policy is further described in the [S1 Own workforce](#) -section and the Environmental Management Principle is further described in the [E2 Pollution](#)-section.

General governance, including the highest level of accountability for policies, and stakeholder engagement related to policy implementation are described in the [ESRS 2 General disclosures](#) -section of this report.

### Transition plan for climate change mitigation

Increasing the availability of renewable and circular solutions to reduce reliance on fossil resources is central to Neste's strategy. Neste's renewable products enable customers to reduce their GHG emissions. Neste's ambition is to gradually transform the oil refinery in Porvoo, Finland into a leading renewable and circular solutions refining hub. Neste does not have a separate climate transition plan as detailed in the ESRS but its targets, actions, resource plans and internal carbon price are intended to support the transition for climate

change mitigation. Neste will evaluate the development of specific climate transition plan e.g. based on and to align with the EU Corporate Sustainability Due Diligence Directive. All Neste's strategic plans are governed by the Neste Board of Directors, including actions and related investments needed to meet Neste's climate targets. Neste is excluded from the EU Paris-aligned Benchmarks (PABs), as the company derives revenue from the refining of fossil fuels.

### Targets

As part of Neste's sustainability vision, Neste leads transformation toward a carbon neutral value chain by 2040, including reaching carbon neutral production by 2035. Neste has three quantifiable, time-bound targets for climate change mitigation (Table: Neste's targets on climate change mitigation). Neste's climate targets are linked to its overall business strategy, and considered in financial planning and resource allocation, for example, through the use of internal carbon price.

For target setting, Neste has been using leading climate frameworks, such as the Science Based Targets initiative (SBTi, incl. both the general guidance and the draft guidance for oil & gas sector), Transition Pathway Initiative (TPI) (GHG emission intensity pathways incl. scope 1 & 2 and scope 3 use of sold products based on IEA Net Zero 2050 scenario) and Exponential Roadmap Initiative (ERI) (50 % reduction every decade) to guide the development of climate targets towards being in line with the latest climate science and the 1.5°C pathways. Neste has and continues to consider the views of both internal and external stakeholders when developing and setting its climate targets. Neste considers its scope 1 & 2 target for 2030 to be in line with the scientific research and pathways to limit global warming to 1.5°C.

Neste's GHG emissions reduction targets align with the GHG inventory boundaries, following the same scope and category breakdowns and using the same calculation approach as explained in the reporting principles for the climate metrics in this report. The baseline

values for Neste's climate targets generally represent the company's overall activities covered as well as any external influences that would lead to major deviations from annual emissions. Key Performance Indicators (KPIs) associated with targets on scope 1 and 2 are in accordance with ESRS metrics. Carbon handprint and related KPI, as well as scope 3 Use phase emission intensity KPI are entity-specific. Scope 1 & 2 and scope 3 use phase emission intensity targets' baselines have been compared to previous years values to ensure no major changes or external impacts have taken place. The baseline values include all activities included in the operational control reporting boundary. Market-based scope 2 emissions are considered in the scope 1 & 2 target.

## Neste's targets related to climate change mitigation

Targets	Target details	2024
<b>Scope 1 &amp; 2:</b> Reduce GHG emissions in Neste's own production by 50% by 2030 compared to 2019 baseline	Key performance indicator: Absolute Scope 1 & 2 GHG emissions (MtCO <sub>2</sub> e) Unit: % reduction in tCO <sub>2</sub> e Baseline year: 2019 Period: Until 2030 Scope: Own operations	2.68 MtCO <sub>2</sub> e 24% reduction compared to baseline
<b>Scope 3:</b> Reduce the use phase emission intensity of sold products by 50% by 2040 compared to 2020 levels	Key performance indicator: Use phase emission intensity (gCO <sub>2</sub> e/MJ) Unit: % emission intensity reduction in tCO <sub>2</sub> e Baseline year: 2020 Period: Until 2040 Scope: Downstream supply chain (sold products)	54 gCO <sub>2</sub> e/MJ 7% reduction compared to baseline
<b>Carbon handprint:</b> Help Neste' customers to reduce their greenhouse gas emissions by at least 20 million tons annually by 2030 with renewable and circular solutions	Key performance indicator: Reduced GHG emissions by Neste customers with Neste's products during the reporting year (compared to fossil fuel) (MtCO <sub>2</sub> e) Baseline year: n.a. Period: Annually and until 2030 Scope: Own operations and upstream and downstream value chain, customer use of products	12.1 MtCO <sub>2</sub> e

Neste does not have separate measurable, time-bound and outcome-oriented targets in place for IROs related to climate change adaptation and upstream IROs related to climate change mitigation, but does nevertheless track the effectiveness of its policies and actions as set out below.

**Climate change adaptation:** To address the opportunity to enhance flexibility in the supply chain through waste and residue raw materials, Neste continues growing and diversifying its raw materials portfolio. These actions are relevant for Neste's upstream activities.

**Climate change mitigation:** Neste continues to work with the company's suppliers and partners to reduce GHG emissions across its value chain. The scope of these activities are upstream and downstream scope 3 emissions, e.g., purchased goods, services, transportation and logistics. Progress will be reflected in relevant scope 3 GHG emissions.

#### Progress in targets

Neste's climate targets are monitored and reviewed as part of e.g., the remuneration of Neste's key personnel, as scope 1 & 2 and Handprint targets are a performance measure in Neste's long-term incentives (LTIs). Performance towards climate targets in 2024 is presented below:

- **Scope 1 and 2 GHG Emissions:** To date Neste has achieved 0.83 MtCO<sub>2</sub>e (24%) reduction in its scope 1 & 2 GHG emissions compared to the 2019 baseline of 3.52 MtCO<sub>2</sub>e.
- **Scope 3 Use phase emission intensity:** To date Neste has achieved 7% reduction to its use phase emission intensity compared to its 2020 baseline of 58 gCO<sub>2</sub>e/MJ.
- **Reduced GHG emissions by Neste customers with Neste's products (compared to fossil fuel):** In 2024, Neste's renewable products enabled its customers to reduce GHG emissions by 12.1 million tons.

Progress towards targets is in general in line with planned. Due to the nature of Neste's operations, progress towards targets is not expected to be linear

year-on-year but depend on e.g., market conditions reflected in sales volumes and product mix, and turn-arounds. There have not been significant changes or trends that would have affected 2024 performance towards climate targets. However, Porvoo refinery turn-around 2024 contributed to lower scope 1 & 2 emissions, while weaker than expected demand and operational challenges in renewable products led to lower Carbon Handprint performance.

#### Actions

Table below summarizes Neste's key actions to address material climate-related impacts, risks and opportunities, and progress towards its climate targets.

#### Identified climate change mitigation levers

		Relevance for Neste's climate targets (indicative)		
		Scope 1 & 2	Scope 3 Use phase emission intensity	Carbon handprint
<b>Renewable and recycled raw materials and reducing reliance on fossil fuels</b>	<b>Actions</b> Past actions include: <ul style="list-style-type: none"> <li>• Singapore refinery expansion and a joint operation Martinez Renewables</li> <li>• Naantali refinery closure</li> </ul> Ongoing actions and initiatives under evaluation: <ul style="list-style-type: none"> <li>• Production capacity for renewable products, e.g., Rotterdam expansion</li> <li>• Diversifying raw materials portfolio, increasing the use of raw materials with lower GHG impact throughout product lifecycle</li> <li>• On-going investment in recycled raw materials processing capacity in Porvoo</li> </ul>	x	x	x
<b>Renewable energy</b>	<ul style="list-style-type: none"> <li>• Continuous: Renewable electricity, such as Power Purchase Agreements and Guarantees of Origin</li> <li>• Other initiatives under evaluation: Renewable steam, e.g., renewable energy boilers and potential future investments</li> </ul>	x		x
<b>Energy efficiency and electrification</b>	<ul style="list-style-type: none"> <li>• Continuous energy efficiency improvements to e.g. reduce steam consumption</li> <li>• Future opportunities: Exploring options for electrification of process heating</li> </ul>	x		x
<b>Replacing fossil hydrogen with alternative solutions</b>	Initiatives under evaluation <ul style="list-style-type: none"> <li>• Evaluate alternative pathways for replacing fossil hydrogen use at refineries</li> <li>• Explore opportunities to expand to new solutions for sale such as Power-to-X</li> </ul>	x	x	x
<b>Estimated GHG reduction potential</b>	~1.5 MtCO <sub>2</sub> e of scope 1 & 2 GHG emissions by 2030			
<b>Financial resources</b>	Reaching Neste's climate targets are expected to require significant financial resources (>50 MEUR CapEx and/or OpEx)			



### Expected outcomes

The expected outcomes of these actions include reduced scope 1 & 2 GHG emissions, improved energy efficiency, lower use phase emission intensity of sold products and higher carbon handprint. These actions contribute to the management of material negative impacts associated with GHG emissions from Neste's own operations and value chain, energy consumption, as well as positive impacts related to reduced GHG emissions by Neste's customers. Through these actions, Neste is contributing to the objective of the Sustainability Policy to lead transformation towards a carbon neutral value chain.

### Resources to implement actions

Implementation of the actions required to meet Neste's climate targets are expected to require significant operational and/or capital expenditures (>50 MEUR). Implementation of these actions may be subject to individual investment decisions and depend on various factors, including external drivers such as supportive policy and market development. In 2024, relevant material financial resources allocated to achieving climate targets are included under Neste's reporting in accordance with the EU taxonomy. Neste's taxonomy reporting also includes investments made to expand the production capacity of existing taxonomy-aligned economic activities as part of a so-called CapEx plan, which contribute to the climate change mitigation actions described above. Further information on the CapEx plan is provided in Neste's [taxonomy reporting](#).

### Internal carbon pricing

Neste applies an internal carbon price for its scope 1 & 2 GHG emissions in investment calculations, business case evaluations and in strategic planning. The internal shadow price for carbon is utilized globally, across Neste's business areas and functions.

In 2024, Neste's internal carbon price was 100 EUR/tCO<sub>2</sub>e in the short term. The internal carbon price is planned to increase to above 120 EUR/tCO<sub>2</sub>e by 2030. When setting the internal carbon price, Neste utilizes various sources, for example the EU Emission Trading System (ETS) allowance price and forecasts, and other external references such as carbon prices used in International Energy Agency (IEA) climate scenarios. While the EU ETS is chosen as a source based on its direct financial relevance for Neste, the IEA also provides indication of sector- or industry-specific price levels required to reach the climate goals in the Paris Agreement, especially for time horizons where the visibility to detailed climate policies is unclear. Neste regularly reviews internal carbon price as part of its strategic planning process. Neste internal carbon price does not cover Scope 3 GHG emissions.

## Metrics

### Energy consumption and mix

Energy consumption and mix	2024
Fuel consumption from coal and coal products, MWh	0
Fuel consumption from crude oil and petroleum products, MWh	7,322,000
Fuel consumption from natural gas, MWh	858,000
Fuel consumption from other fossil sources, MWh	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources, MWh	1,577,000
<b>Total fossil energy consumption, MWh</b>	<b>9,757,000</b>
<b>Share of fossil sources in total energy consumption, %</b>	<b>80</b>
<b>Total consumption from nuclear sources, MWh</b>	<b>600</b>
<b>Share of consumption from nuclear sources in total energy consumption, %</b>	<b>0</b>
Fuel consumption from renewable sources, including biomass, MWh	994,000
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources, MWh	1,520,000
The consumption of self-generated non-fuel renewable energy, MWh	10
<b>Total renewable energy consumption, MWh</b>	<b>2,514,000</b>
<b>Share of renewable sources in total energy consumption, %</b>	<b>20</b>
<b>Total energy consumption, MWh</b>	<b>12,272,000</b>

Energy production	2024
Renewable energy production, MWh	1,000
Non-renewable energy production, MWh	176,000

Energy intensity per net revenue	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors, MWh/MEUR	595

## Gross scopes 1, 2, 3 and Total GHG emissions

	Retrospective	
	Base year (2019)	2024
<b>Scope 1 GHG emissions</b>		
Gross scope 1 GHG emissions from the consolidated accounting group, tCO <sub>2</sub> eq		2,290,000
Gross scope 1 GHG emissions from investees for which Neste has operational control, tCO <sub>2</sub> eq		0
<b>Gross scope 1 GHG emissions, tCO<sub>2</sub>eq</b>	2,580,000	2,290,000
Percentage of scope 1 GHG emissions from regulated emission trading schemes, %		94
<b>Scope 2 GHG emissions</b>		
Gross location-based scope 2 GHG emissions from the consolidated accounting group, tCO <sub>2</sub> eq		470,000
Gross location-based scope 2 GHG emissions from investees for which Neste has operational control, tCO <sub>2</sub> eq		100
<b>Gross location-based scope 2 GHG emissions, tCO<sub>2</sub>eq</b>	513,000	470,000
Gross market-based scope 2 GHG emissions from the consolidated accounting group, tCO <sub>2</sub> eq		393,000
Gross market-based scope 2 GHG emissions from investees for which Neste has operational control, tCO <sub>2</sub> eq		0
<b>Gross market-based scope 2 GHG emissions, tCO<sub>2</sub>eq</b>	936,000	393,000
<b>Significant scope 3 GHG emissions</b>		
Total Gross indirect (scope 3) GHG emissions, tCO <sub>2</sub> eq		56,490,000
1 Purchased goods and services, tCO <sub>2</sub> eq		7,390,000
3 Fuel and energy-related Activities (not included in scope 1 or scope 2), tCO <sub>2</sub> eq		100,000
4 Upstream transportation and distribution, tCO <sub>2</sub> eq		820,000
5 Waste generated in operations, tCO <sub>2</sub> eq		310,000
9 Downstream transportation, tCO <sub>2</sub> eq		720,000
11 Use of sold products, tCO <sub>2</sub> eq		45,070,000
12 End-of-life treatment of sold products, tCO <sub>2</sub> eq		900,000
15 Investments, tCO <sub>2</sub> eq		1,180,000
<b>Total GHG emissions</b>		
<b>Total GHG emissions (location-based), tCO<sub>2</sub>eq</b>		59,250,000
<b>Total GHG emissions (market-based), tCO<sub>2</sub>eq</b>		59,173,000

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue, tCO <sub>2</sub> eq/MEUR	2,871
Total GHG emissions (market-based) per net revenue, tCO <sub>2</sub> eq/MEUR	2,868

## Carbon handprint

Carbon handprint	2024
Reduced GHG emissions by Neste customers with Neste's products during the reporting year (compared to fossil fuel), MtCO <sub>2</sub> e	12.1

## Reporting principles

Majority of the **energy consumption** and production data is collected either from Neste's own measurement devices or via energy invoices. Estimates were used for minor energy consumption sources like small rented offices and own logistics. Data coverage is estimated to be > 99 %.

Neste follows GHG Protocol Corporate Standard and its supplement Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The reporting includes emissions of the GHGs covered by the GHG Protocol (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>). Emissions have been converted into carbon dioxide equivalents.

**Scope 1 and 2:** Neste's scope 1 accounting is based on fuel consumption and emissions calculations. To calculate scope 1 emissions, activity data (MWhs contained by consumed fuel) is multiplied with site and fuel-specific emission factors to arrive at the total GHG emissions impact. In cases that the emissions are reported under EU ETS or other regulations the same emission factors are used as in these reporting schemes. Otherwise country based published emission factors are used.

Other relevant GHG emissions than CO<sub>2</sub> are calculated separately to all combustion taking place in the refinery facilities and other sources are excluded as negligible.

To calculate scope 2 emissions, activity data (MWhs of purchased energy consumption) is multiplied by emission factors to arrive at the total GHG emissions impact of purchased energy (electricity, heat, steam) use. Market-based scope 2 emissions are based on supplier-specific emission factors when available. In other cases, residual grid mix or country-specific emission factors are used. Location-based scope 2 emissions are based on country-specific emission factors published by IEA, Motiva and other country based public sources. Emission factors for CO<sub>2</sub>eq are used when available.

Market-based scope 2 accounting covers contractually purchased electricity bundled with instruments, such as Guarantees of Origin (GoOs). Unbundled renewable energy certificates are not utilized for Neste's scope 2 market-based accounting. In 2024 86.2% of Neste's total electricity usage was covered by GoOs.

Biogenic scope 1 emissions were 421,000 tCO<sub>2</sub> and scope 2 biogenic emissions 58,000 tCO<sub>2</sub> in 2024. Scope 1 figure include process emissions that are partially based on the estimation.

**GHG intensity and energy intensity** is calculated based on the revenue as presented in Note 5 Revenue in the consolidated financial statements. All Neste operations in operational control are included in the energy intensity figure. Neste considers as relevant high climate impact sectors (based on NACE) activities related to Neste's refining operations, sale and trading of fuels and raw materials, retail sale of fuels and related products, shipping operations and other supporting activities, such as terminal operations.

**Scope 3:** For the scope 3 GHG emissions, each reported category can have different methodologies as detailed in the Technical Guidance for Calculating Scope 3 Emissions from GHG Protocol. Neste has used the following methodologies per categories: Average data method (categories 1 & 3); Spend-based method (category 1); Supplier-specific method (category 1); Distance-based method (categories 4 & 9); Waste-type-specific method (category 5 & 12); Methodology for

direct use-phase emissions according to Standard ISO 14083 (category 11); Investment-specific method (category 15); Life Cycle Assessment biofuel regulation methodology from Renewable Energy Directive (EU) 2018/2001 or from CARB Regulation (categories 1, 4, 9 & 11). Methodologies have been chosen based on the availability and accuracy of the data and, when possible, on involvement of a third-party certification process.

When actual GHG emission factors are not available, industry or location specific GHG emission factors from industry databases or scientific reports are used. Sources include European Commission JRC studies, UK Department for Energy Security & Net Zero, EN ISO 14083 standard, Renewable Energy Directive (EU) 2018/2001 and Commission Implementing Regulation (EU) 2022/996, WWF, California Air Resources Board, Tilastokeskus (Statistics Finland), Ecoinvent, ICCT and S&P Global.

With upstream (category 4) and downstream (category 9) transportation, Neste's categorization of transportation emissions into upstream and downstream (product flow approach) differs slightly from the financial flow approach stated in the GHGP Corporate Value Chain (scope 3) Accounting and Reporting Standard.

All Neste's scope 3 GHG emissions are measured using inputs from Neste specific activities using data from enterprise resource planning systems for supply, sales or procurement and from operating systems for production and site data. Neste's renewable business also provides input through product and feedstock biocriteria management and traceability systems. 3.4 % of emissions are calculated using primary data obtained from suppliers or other value chain partners.

For a part of transportation emission (category 4 & 9) and purchased goods and services (category 1), in the case where reliable data is not available, sector average data is used. For some subsidiaries, joint ventures or other entities outside Neste's operational control, estimation based on quantitative data, such as production capacity, has been done. The estimations are compared to the known part of activity data and/or use industry average data, to ensure a sufficient level of accuracy. To improve access to reliable value chain data, as part of the

company's actions related to climate change mitigation, Neste continues to work with suppliers and partners.

Significant scope 3 categories for Neste include category 1, 3, 4, 5, 9, 11, 12 and 15. Excluded categories include:

- Capital goods (category 2): Compared to Neste's supplier spend, capital goods spend is not relevant. Currently capital goods and other purchased materials are included in category 1 through spend data.
- Business travel (category 6): based on qualitative assessment, the significance of the emissions related to business travel are assessed to be minimal (<0,5%) compared to other scope 3 categories.
- Employee commuting (category 7): based on qualitative assessment, the significance of the emissions related to employee commuting are assessed to be minimal (<0,5%) compared to other scope 3 categories.
- Upstream leased assets (category 8): based on qualitative assessment, Neste does not operate upstream leased assets and therefore the category is not relevant.
- Processing of sold products (category 10): based on qualitative assessment, GHG emissions from the processing of Neste's sold products are accounted for in category 11.
- Downstream leased assets (category 13): based on qualitative assessment, the significance of the emissions related to downstream leased assets is assessed to be minimal (<0,5%) compared to other scope 3 categories.
- Franchises (category 14): based on qualitative assessment, the significance of the emissions is assessed to be minimal based on the overall value of the aspect as Neste does not engage in franchising activity.

In the upstream and downstream value chain of Neste, 12.3 Mt of biogenic CO<sub>2</sub> is emitted from the combustion or biodegradation of biomass.

**Use phase emission intensity** is calculated by dividing the emissions from the use of products produced by Neste and sold by Neste (part of scope 3) with the total amount of sold energy (gCO<sub>2</sub>e/MJ).

Energy and climate metrics described above have not been validated separately by an external third party. Some underlying data sources are covered by certification and emission trading schemes and related validation processes.

**Carbon handprint:** Carbon handprint describes the difference of carbon footprint of a product or service and a baseline product or service. The bigger the handprint, the better. It is expressed in mass, e.g., tons of CO<sub>2</sub> equivalent. In addition to data included in line with the [ESRS 2 General disclosures](#) General basis for preparation of the Sustainability statement, the metric includes deliveries from the joint operation Martinez Renewables.

Neste's customer GHG emissions reduction is calculated by aggregating the customer's GHG emission reduction for each batch of renewable products delivered to Neste's customers. For each batch of product, Neste collects the quantity of energy and the emission factor for the product in gCO<sub>2</sub>e/MJ. Biofuel and biochemical industry traceability requirements, i.e. Renewable energy directive, California CARB regulations or CORSIA, ensure that these emission factors are allocated correctly to a unique batch by a third party audited biocriteria management system. Moreover, these emission factors are calculated based on third-party certified actual production data, or approved default value, according to industry and market regulations listed above. Renewable products sold to the petrochemical industry are considered as combusted as fuels in this calculation methodology. The GHG emission related to each batch is compared with the GHG emission that the same quantity of a fossil fuel reference (baseline) would emit. Emission factors for the fossil references are dependent on the market where the product was sold and its regulation.

## E2 Pollution

### Material impacts, risks, and opportunities

Neste has identified the following material risk with regards to pollution:

#### Substances of concern

<b>Risk</b>	Across the value chain	Neste needs to recognize, evaluate and implement all the existing, emerging and evolving regulatory requirements applicable to Neste's operations in the area of chemical compliance and safety. Some of Neste's products (in the group of crude oil based products) and chemicals used in Neste refineries fall under the category of substances of concern. Thus, part of Neste's revenue is based on manufacturing and selling substances of concern. Neste carefully follows and takes due care in implementing various chemical compliance and safety regulations, like the EU REACH and CLP Regulations, that aim to ensure a high level of protection of human health and the environment. Failure in this work could pose health or environmental concerns or risk of negative brand or financial impacts.
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### The identification and assessment of material impacts, risks and opportunities

Neste assesses all of its products according to health and environmental impacts. This is a regulatory requirement for chemicals. Results of these assessments are documented in e.g. the chemical safety data sheet that is supplied to customers. Also, the raw materials used in manufacturing of Neste products are assessed for health and safety impacts.

Many crude oil based Neste products as well as some chemicals used in the manufacturing processes in Neste refineries are or contain substances of concern (SoC) as defined in the CSRD. The definition of substances of concern is purely based on the hazard properties of a substance, not on the likelihood of the exposure or risk considerations. In all countries of Neste's operations there are regulatory requirements, relating to protecting human health and the environment. The implementation of such regulations aim to manage the risks from hazardous chemicals. In addition to following and implementing

these requirements, Neste also has its own safety management system, internal instructions and processes to follow performance. Part of Neste's revenue is based on manufacturing and selling products that contain substances of concern – chemicals like transportation and marine fuels. Substances of concern are thus considered material to Neste, while the safety management systems are in place to protect people and the environment from actual impacts.

All Neste operations must comply with relevant legal requirements and environmental objectives. The legal requirements have been set by regulators for the purposes of protecting human health and the environment from pollution. In the EU, for example, an environmental permit is required for operations that cause a risk of environmental pollution. The requirements for operations are based on air and water quality standards set by the authorities based on latest scientific research. By following these permit conditions and limits, no significant harm is caused to the environment or human health. Therefore, emissions within the permit limits are

typically not material. Neste reports emissions (emission components) classified as substances of concern for its refineries. The selected reporting scope complies with the general requirement of the E2 Pollution standard for consolidated emissions from facilities for which the applicable E-PRTR (current IEPR) threshold is exceeded.

#### Policies

The foundations of safety excellence and continuous improvement are defined by **Neste's Operations Excellence Policy** and **Operations Excellence Management System (OEMS)**, which includes Operations Excellence Policy, Principles and supplementary detailed Standards. The Operations Excellence Policy sets out Neste's approach to preventing incidents and ensuring effective safeguards for people and the environment. Under the Policy, substances of concern are addressed through ensuring that product compliance and chemical safety hazards are effectively managed. More information on the Operations Excellence Policy is provided under [S1 Own workforce](#).

Through the implementation of the Neste OEMS, the company aims to ensure that product compliance and chemical safety hazards are effectively managed in its operations. The OEMS includes the **Neste Product & Chemical Safety Principle**, which outlines mandatory chemical legislation requirements and their handling across its operations. It covers the mitigation of material risks related to Neste's use and processing of substances of concern. Neste is dedicated to product and chemical safety, ensuring compliance with regulations, minimizing risks, and fostering a sustainable approach to chemical management.

The Product & Chemical Safety Principle mandates the identification of substances of concern. Neste is actively working towards substituting chemicals with less harmful alternatives where possible and increasing the use of renewable raw materials and products. This shift towards renewable resources is key in gradually reducing the presence of substances of concern in Neste operations.

The Principle covers all chemicals used, stored, sold, manufactured, purchased, or imported by Neste, including substances of concern. It applies to all Neste employees and anyone working on behalf of the company, including service providers and contractors. The implementation of the Principle is a collaborative effort involving Neste's Business areas, Procurement, R&D, and the Safety organization. Business areas are responsible for compliance in sales, trade and production, as well as the safe handling and disposal of chemicals. The Safety organization plays a crucial role in identifying regulatory requirements, raising awareness, providing training, assessing hazards, and supporting the minimization of occupational exposure.

The requirements of the Principle are based on legal requirements applicable to Neste's operations, including the REACH and CLP Regulations in the EU, the TSCA in the US, the Workplace Safety and Health Act in Singapore, and international agreements like the ILO Chemical Convention. The Principle is available internally in the Neste Management System and the requirements are monitored through OEMS audit procedures and continuous internal engagement with relevant stakeholders.

Neste's **Environmental Management Principle** describes key aspects and minimum requirements for environmental protection and related environmental improvements in Neste operations, and provides an approach to ensure such requirements are performed in a uniform way. Neste operations are responsible for understanding and managing their environmental aspects and impacts. This includes e.g., identifying and mitigating emissions, as well as recognizing and mitigating potential environmental risks. For the purposes of avoiding incidents and accidents with significant environmental impact, Neste operations identify environmentally critical operations, systems and equipment, and prepare management plans accordingly. The Principle also concerns the management of material risks related to substances of concern by requiring that production sites evaluate presence and current or earlier use of substances of very high concern (SVHCs) and establish a program for risk management, control or removal and proper handling.

The Environmental Management Principle is applicable to all Neste owned or operated production sites and terminals and Neste operated logistics, Marketing & Services operations and other Neste operations like Technology and Projects. It is available internally in the Neste Management System, while a description of the key contents of the Principle is available publicly. The implementation of the Principle is done through a dedicated program during 2024–2026 and furthermore, monitored through internal audits and monthly environmental compliance reporting.

General governance, including the highest level of accountability for policies, and stakeholder engagement related to policy implementation are described in the [ESRS 2 General disclosures](#) -section of this report.

### Targets

Neste complies with regulatory requirements for product and chemical safety, as described in the Neste Operations Excellency Policy and Product and Chemical Safety principle to address impacts associated with substances of concern in its supply chain and products. Neste does not have separate targets in place with regards to substances of concern but tracks the effectiveness of its policies with e.g., the below entity-specific KPI. Neste aims to minimize the number of non-compliances related to the health and safety requirements of its products. Neste has not defined a base year for the key performance indicator.

## Actions and resources

### Actions

Key actions during the reporting year include the continued development of practices in ensuring compliance and maintaining safety standards and requirements in Neste's own operations and the supply chain in accordance with product and chemical safety legislation. Neste ensures chemical compliance and safety through implementing internal monitoring systems, maintaining and developing instructions, training, awareness campaigns, networking and practical tools for managing product and chemical safety compliance, and conducting systematic self-assessments and audits to ensure compliance. These actions are continuous and will be undertaken also over the medium- to long-term.

Going forward, Neste will continue to develop and improve internal systems to ensure chemical compliance and safety, including tools for compliance assurance. Current actions will also be continued on an ongoing basis over the long term. Information about how safety incidents (including those related to substances of concern) is disclosed in the [S1 Own Workforce](#) section of this report.

### Expected outcomes

As a result of the actions, Neste expects its products to continue being in compliance with chemical safety requirements, while also minimizing chemical compliance or safety incidents.

The progress towards these actions is followed through continuous monitoring of incidents of non-compliance concerning the health and safety requirements of products, including the compliance with product and chemical safety legislation and Neste's policies and principles.

### Resources to implement actions

Implementation of actions related to substances of concern are covered by e.g., process safety investments under prioritized maintenance operational or capital expenditures to ensure safety and reliability of operations. Actions related to compliance with regulatory requirements for product and chemical safety are business-as-usual activities that are not expected to require significant (> 50 MEUR) financial resources. In addition, future financial resources allocated to actions listed above may be subject to individual investment decisions and depend on various internal and external factors.

### Key performance indicator

Incidents of non-compliance concerning the health and safety requirements of products

### Performance and progress in 2024

One case relating to a lacking authority notification in 2023, which Neste received an authority warning/notice for in 2024.

## Metrics

Substances of concern, kilotons	Health hazard class 2024	Environmental hazard class 2024
<b>Total amount of substances of concern that are generated or used during production or that are procured</b>	<b>10,467.9</b>	<b>0.0</b>
Amount of substances of concern that leave facilities as products	6,378.5	22.3
Amount of substances of concern that leave facilities as part of products	5,307.1	0.0
<b>Total amount of substances of concern that leave facilities as products or as part of products</b>	<b>11,685.5</b>	<b>22.3</b>
Amount of substances of concern that leave facilities as emissions	0.6	0.0
<b>Total amount of substances of concern that leave facilities as emissions, as products, or as part of products</b>	<b>11,686.1</b>	<b>22.3</b>

## Reporting principles

Substances of concern are recognised and tracked in Neste's internal IT systems. There are a variety of existing regulatory requirements in place for notifying manufactured and imported chemicals and their yearly volumes to the national authorities. By managing these and many other EU and national requirements Neste has gathered depositories of data on hazardous chemicals. Reporting substances of concern as defined in the ESRS are managed together with the work related to these regulatory requirements. Neste continues to develop accounting of substances of concern for CSRD reporting.

### Chemical substances

The substance is a substance of concern (SoC) if it

- Is a Substance of Very High Concern (SVHC) as identified in accordance with the EU REACH Regulation and added by ECHA to the candidate list for authorization (subsection i. in the definition of SoC in EC 2023/2772);
- Has harmonized classification in Part 3 of Annex VI to CLP Regulation with one of the hazard classes or hazard categories declared in the subsection ii. in the definition of SoC in EC 2023/2772;
- Has negative effects on reuse and recycling according to the EU product-specific ecodesign requirements. Ecodesign for Sustainable Products Regulation (ESPR) entered into force in July 2024, and it establishes a framework for setting ecodesign requirements on specific product groups.

Chemical substances are identified by the CAS/EC number that is declared in the SVHC list and in Annex VI to CLP. Neste has introduced CAS/EC numbers of the chemicals in the ERP systems so that substances of concern can be screened and amounts calculated.

None of the chemicals Neste supplies as feedstock or manufacturers is listed in the SVHC list by ECHA. However, many of the petroleum products are included in the Annex VI to CLP due to harmonized classification of health effects such as carcinogenicity. Majority of the reported amounts are from substances that are

hazardous to health because there is no harmonized environmental classification in CLP Annex VI e.g., for petroleum products. However, petroleum products have properties that are hazardous to the environment and thus self-classified to indicate the environmental hazards. The self-classification is declared e.g., in the safety data sheets.

### Emissions

Production sites shall evaluate SoC emissions that are identified as significant in accordance with their environmental permits or other authority or legal requirements. The main reference for the identification is the Annex II of the Industrial Emission Portal Regulation (EC) No. 2024/1244, which also covers the most significant SoC/SVHC polluting substances.

In 2024, Neste reports the total amount of substances of concern that leave its refineries as emissions to the environment and that can be identified with certainty, for example based on the CAS number. The reporting refers to the Annex II of the EU's Industrial Emissions Portal Regulation (2024/1244) and focuses on those substances that exceed the threshold values of the aforementioned Regulation for air, water and soil. In terms of air emissions, reported pollutants are carbon monoxide (over 95% of total reported SoC emissions) and benzene. Carbon monoxide is formed in the combustion processes, but upon entering the atmosphere, it oxidizes further into carbon dioxide, which is not classified as a SoC. Less than 0.1% of total SoC emissions (such as phenol, nickel and zinc) end up in water courses. These emissions have not been found to have a significant impact on, for example, the state of receiving water bodies.

Benzene has been identified and reported as the most significant SoC substance of NMVOC emissions at the Porvoo refinery. Neste is aware that other SoC substances can potentially also be present in NMVOC emissions. The total NMVOC of oil refineries is calculated as total carbon and the exact composition has not been reported. As the reporting definitions become more precise and the general knowledge base accumulates, the reporting of SoC emissions will be re-evaluated.

**Validation by an external body other than the assurance provider:** Neste is subject to annual environmental authority inspections and conducts emission reporting to competent authorities in the EU. Neste shall annually report to its competent authority data on the releases to air, water and land of any pollutant listed in IEPR Annex II for which the applicable threshold specified in that Annex is exceeded. The authorities assess the quality of the data, in particular the accuracy, completeness, consistency and credibility. This process is based on the requirements of the Industrial Emissions Portal Regulation (IEPR).

In Singapore the national water agency (PUB) regulates the sewerage system, as well as the treatment and discharge of industrial wastewater into public sewers. The industrial wastewater from the Singapore refinery is discharged to these sewers. If necessary, they must be treated to specified standards before being discharged into a sewer.

**Incidents of non-compliance concerning the health and safety requirements of products (entity-specific KPI),** is an incident involving non-compliance with regulations resulting in a fine, penalty or warning. Incidents of non-compliance concerning the health and safety requirements of chemicals are reported according to the Neste management system. The metric is based on the definitions in GRI indicator 416-2. The KPI has not been validated separately by an external third party.

## E4 Biodiversity and ecosystems

### Material impacts, risks and opportunities

Neste has identified the following material impacts, risks and opportunities with regards to biodiversity:

Direct impact drivers of biodiversity loss		
<b>Positive impacts</b>	Upstream	For renewable products, the use of waste and residue raw materials can contribute to positive impacts for biodiversity in the upstream value chain. These short-term impacts include reduced pressures or dependencies on deforestation and other land conversion, as well as preventing pollution. Neste is constantly working to diversify its current portfolio with scalable new raw materials as well as to develop technologies enabling their use.
<b>Negative impacts</b>	Upstream	Neste's crude oil supply chain and sourcing of fossil utilities such as natural gas and hydrogen have material short- to medium-term implications for biodiversity and can lead to negative impacts to terrestrial and marine ecosystems, habitats, and species and soil and marine pollution.
<b>Opportunities</b>	Upstream	Neste continues to invest in R&D and take advantage of its ability to use difficult waste materials to increase the growth of its waste and residue value chain, thus further decreasing land use impacts from agriculture in the short-term. Opportunities to expand the raw material portfolio may lead to e.g. strengthened brand value and/or access to new markets.
<b>Risks</b>	Upstream	Companies are increasingly expected to ensure their raw materials are sourced responsibly. This means understanding the origin of these materials and their environmental impacts, such as deforestation. Failure to do so could harm Neste's reputation. The more stringent regulatory and market requirements towards the supply chains can also limit the availability of accepted raw materials and increase the costs of the raw material sourcing in the medium-term.

Neste's material biodiversity-related impacts arise from the upstream value chain. No material biodiversity-related negative impacts or negative effects on biodiversity-sensitive areas have been identified for Neste sites. The company's evaluation of the biodiversity status on its own sites indicates that it has some vulnerable species and habitats to protect on its land in Porvoo and Naantali, even though the land is for the most part not considered areas of high biodiversity value. Neste ended refinery operations at its Naantali oil refinery in 2021, and the refinery has been fully decommissioned. However, there are forest areas in the area of the former refinery in Naantali, which the company has voluntarily protected in accordance with national legislation. The protected area is three hectares of the total 300 hectares in Naantali. Material negative impacts in Neste's value chain are not related to land degradation, desertification and soil sealing.

### Processes to identify biodiversity- and ecosystem-related impacts, risks and opportunities

Neste has increased its understanding of biodiversity-related risks and opportunities through holistic materiality analyses. These assessments have covered both transition- and systemic biodiversity risks and opportunities.

The initial Neste biodiversity impact and risk materiality assessment was conducted in 2021. Assessment consisted of in-house interviews focusing on evaluating anticipated magnitude, irreversibility, frequency and likelihood of impacts and risks. The approach is aligned with Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) recognized pressures on biodiversity and ecosystem change. Material topics were identified in Neste's supply chain, and included land use and land use change, fresh water use and water pollution. The materiality assessment and prioritization of the upstream and direct operations material

biodiversity impacts and risks continued in 2022 with the Science Based Targets Network (SBTN) methodology for nature and further in 2023-2024 within the SBTN initial validation pilot by assessing, interpreting and prioritizing impacts and dependencies for developing land and freshwater targets. Methodology includes screening of key biodiversity aspects and pressures based on ISIC sector related risk categories.

Engagement with SBTN and the materiality assessment tool used therein has helped Neste develop its understanding of the resilience of its business to biodiversity related risks. Based on the screening, Neste's upstream value chain was identified as material when considering biodiversity. Collaboration with the non-governmental organization (NGO) Fauna & Flora has supported Neste to gain local knowledge of its material supply chains.

The opportunities and dependencies assessments were further developed in the double materiality assessment process in line with ESRS requirements, including

transition and physical risks and opportunities related to biodiversity and ecosystems. Neste assessed and identified also impacts to or dependencies on ecosystems or ecosystem services. Neste continues to assess and refine its understanding of biodiversity risks and opportunities.

Neste's materiality assessments for biodiversity have been conducted with internal stakeholders and external biodiversity experts, including Fauna & Flora and SBTN. As described in the ESRS 2 General section of this report (see Stakeholder engagement and Double materiality assessment process), Neste engages with local communities, production site neighbors and other stakeholders to identify and mitigate biodiversity impacts in the value chain. Neste is participating in landscape initiatives in Brazil and in Indonesia, where collaboration with local communities has provided insights on biodiversity in Neste's upstream renewable value chain. Affected communities have not directly been involved in Neste's biodiversity materiality assessment.

The work done so far does not yet fulfill all ESRS requirements for a resilience analysis of Neste's business model to biodiversity-related transition and systemic risks.

### Identified impacts, risks and opportunities

Neste's crude oil supply chain and the sourcing of natural gas can lead to implications for land and marine ecosystems, habitats and species, as described in the impact descriptions under E4 Biodiversity and ecosystems Material impacts, risks and opportunities -table. Neste aims to advance circular economy and resource efficiency for example through utilising waste and residue raw materials in the production of its renewable products. As a result, the demand for virgin materials could be decreased, alleviating the pressure on natural resources and reliance on crude oil and other fossil resources.

Neste undertook biodiversity baseline inventories at its Porvoo and Naantali sites in Finland between 2022 and 2023 to identify potential mitigation measures. Certain areas with moderate biodiversity values with potential for biodiversity impact mitigation were defined, based on national and European regulation.

### Policies

Neste's key policies and principles concerning biodiversity are the **Sustainability Policy** and the **Neste Supplier Code of Conduct**. Additionally, the **Sustainability Principle, Responsible Sourcing Principle** and **Supplier Sustainability Approval Principle** set requirements for how biodiversity matters are considered in the company's upstream value chain and in its relationships with suppliers. The **Neste Code of Conduct** sets Neste's commitment on reducing environmental impacts, which includes strengthening the protection of biodiversity and high conservation value areas, promoting and supporting the resilience of their natural values as well as eliminating deforestation.

**Neste Sustainability Policy** includes promoting sustainable land and water use and minimizing pollution. **Neste Sustainability Principle** further defines what living up to these commitments means. Neste is

committed to protecting the natural environment in the areas where it operates, as well as the surrounding communities. The company continuously monitors environmental quality, including air, marine, and groundwater, and is committed to rectifying any potential environmental damage caused by its operations.

The Sustainability Principle also sets out Neste's commitment on biodiversity in its sourcing activities. Neste is committed to preventing deforestation in its supply chain. Neste avoids the conversion of habitats with valuable biodiversity for biomass production and encourages strengthening the protection of biodiversity and high conservation value areas. The company accepts only renewable raw materials that fulfill the regulatory requirements for traceability at minimum. The Sustainability Policy and Sustainability Principle are described more in detail in the [E1 Climate Change](#) -section of this report.

More detailed biodiversity requirements for Neste's renewable raw material suppliers are set out in the **Neste Responsible Sourcing Principle**. Neste expects its suppliers to share its commitment to promote positive impacts and prevent habitat conversion. Through its business activities and interventions, Neste works to eliminate deforestation and habitat conversion, as well as other environmental impacts. The Responsible Sourcing Principle covers the management of material biodiversity-related impacts, risks and opportunities related to the sourcing of renewable raw materials.

The Responsible Sourcing Principle prohibits sourcing from areas where feedstock production has adversely affected land use and habitat conversion of forested areas, wetlands, grasslands, and other natural ecosystems. The Responsible Sourcing Principle also contains requirements on community land rights and food security, sustainable land practices, direct impact drivers of biodiversity and impacts on ecosystem services, the extent and condition of ecosystems and the state of species.

All Neste's renewable raw material suppliers are approved in accordance with the **Neste Supplier Sustainability Approval Principle**, which outlines requirements relevant for the protection of biodiversity, such

as the traceability of renewable raw materials. The Principle and the outlined approach for sustainability due diligence supports the management and mitigation of Neste's material impacts and risks related to biodiversity in its renewable raw material value chain. The Principle is described in detail within the [G1 Business conduct](#) -section of this report.

In accordance with the Neste Supplier Code of Conduct, Neste's suppliers are encouraged to establish and implement procedures to minimize any adverse impact of its operations on the environment, while also demonstrating continuous improvements. Neste does not have a specific policy covering sustainable oceans practices in its value chain, but the Supplier Code of Conduct addresses environmental impacts, including impacts on oceans. The Supplier Code of Conduct contributes to the mitigation of Neste's material impacts and risks related to biodiversity and covers several factors that directly contribute to impacts on biodiversity, such as emissions to air and water.

General governance, including the highest level of accountability for policies, and stakeholder engagement related to policy implementation are described in the [ESRS 2 General disclosures](#) -section of this report.

### Transition plan for biodiversity and ecosystems

All Neste's material biodiversity impacts, risks and opportunities are related to systemic green transition in society. The key strategic choice by Neste that addresses material impacts, risks and opportunities related to biodiversity is the growth in renewable and circular solutions, as well as the decision to gradually transform Porvoo oil refinery into a renewable and circular solutions refining hub. Neste continues to work toward increasing the availability of renewable and recycled raw materials, while developing technologies to diversify its current portfolio with new scalable raw materials.

Neste is also addressing its material biodiversity risks through landscape initiatives. These projects aim to prevent deforestation, develop sustainability awareness and drive structural change to promote forest conservation

in Neste's renewable raw material supply chain.

Neste has utilized the SDG Compass by the United Nations Global Compact to identify Sustainable Development Goals (SDGs) that are the most significant for the company. The company's work on biodiversity contributes to SDG 15 - Life on land - on protecting, restoring and promoting sustainable use of terrestrial ecosystems. In addition, Neste's sustainability vision contributes towards the Global Biodiversity Framework target 1 to reduce biodiversity loss. The EU Biodiversity Strategy goal of prioritizing renewable energy solutions favorable to biodiversity is promoted by Neste through the use of waste materials instead of crop-based raw materials.

### Targets

As part of its sustainability vision, Neste aims to drive a positive impact on biodiversity and achieve a nature positive value chain by 2040. Neste is committed to develop its biodiversity approach and science-based methodology to assess, prioritize, mitigate and track impacts identified for land, water and pollution, in line with EU Corporate Sustainability Due Diligence Directive. This commitment supports the policy objectives of Neste Sustainability Policy, Responsible Sourcing Principle and Supplier Code of Conduct. Neste does not have separate measurable, time-bound and outcome-oriented targets specific to upstream material biodiversity impacts, risks and opportunities. Neste tracks the effectiveness of policies and actions through other relevant metrics and key performance indicators. These include for example, KPIs under the E1 Climate change and G1 Business conduct -sections of this report, which focus on the reduced reliance on fossil resources and driving environmental sustainability within the supply chain, respectively.



## Actions and resources

### Actions

To cover its biodiversity-related impacts, risks and opportunities in its upstream value chain, Neste works with suppliers to implement the Supplier Code of Conduct requirements. Neste's due diligence process for its suppliers are further described as part of the [G1 Business conduct](#) -section. The company has evaluated crude oil sourcing opportunities with the aim to reduce impacts to the environment and ensure suppliers have sufficient environmental policies and practices in place.

With Fauna & Flora, Neste continued in 2024 to develop and validate its biodiversity methodology. Through the SBTN validation pilot, key development areas for Neste's renewable supply chain were identified. Neste identifies which areas of its raw material supply chain to prioritize for action and pilot requirements for land targets.

Going forward, Neste will continue to assess biodiversity risks, prioritize material supply chains and develop impact mitigation activities e.g., through landscape engagement initiatives. Neste is developing action plans on land, water and pollution across the value chain.

Local and indigenous knowledge has not been directly incorporated in the actions reported above. Actions related to material upstream impacts, risks and opportunities do not include nature-based solutions. Scope of the actions is in the upstream value chain, especially focused on the sourcing of renewable raw materials. Neste expects current and planned actions to take place over the short, medium and long-term.

### Expected outcomes

These actions are expected to mitigate biodiversity risks in Neste's supply chains, and eventually reduce impacts identified for land, water and pollution and enhance waste material utilization, in line with Neste's Sustainability Policy and other biodiversity and ecosystems-related policy commitments.

### Resources to implement actions

Implementation of the actions reported above are not expected to require significant (> 50 MEUR) financial resources. Actions and resources related to Neste's climate targets and to reduce reliance on fossil fuels are described under [E1 Climate change](#).

### Impact metrics related to biodiversity and ecosystems change

Neste follows key frameworks and engages in collaborations in developing impact metrics related to biodiversity. For example, Neste has been collaborating with Fauna & Flora and SBTN to develop a methodology for Neste.

## E5 Resource use and circular economy

### Material impacts, risks and opportunities

Neste has identified the following material risks and opportunities with regards to resource use and circular economy:

#### Resource inflows, including resource use

<b>Opportunity</b>	Upstream value chain	Circular economy and enhanced recovery and utilization of waste materials can increase the availability of new raw materials, for example by collecting and utilizing used cooking oil (UCO) and liquefied waste plastics (LWP). This presents a medium-term opportunity for Neste to strengthen sales volumes or reduce the costs associated with raw materials.
<b>Risk</b>	Upstream value chain	Price volatility of renewable waste and residue raw materials and recycled raw materials due to e.g. challenges in material availability, or competition within or outside of the industry. This poses a short-term risk for Neste, impacting raw material costs.

Considering E5 Resource use and circular economy, four aspects are relevant for Neste's strategy and business model: renewable and recycled raw materials, resource efficiency and environmental impacts in own operations, renewable and circular products and innovation and collaboration. Based on the double materiality assessment, upstream risks and opportunities related to renewable and recycled raw materials were deemed material for Neste.

- **Renewable and recycled raw materials:** Neste is committed to resource efficiency and circular economy practices, ensuring sustainable management of resources throughout its operations. Neste is constantly working to diversify its current portfolio with scalable new raw materials as well as to develop technologies enabling their use.
- **Resource efficiency and environmental impacts in own operations:** All sites operated by Neste are required to be aware of any significant environmental impacts related to their operations, including issues related to waste generation. Waste in Neste's own operations is handled by contracted third parties locally. Neste follows the local waste legislation in its operations and is also continuously seeking new opportunities to minimize the waste sent to landfill and find new waste recovery solutions.

- **Renewable and circular products:** Neste's renewable and circular solutions have significantly lower GHG emissions over the product life cycle when compared to fossil alternatives. Neste's renewable and circular solutions cater to the demanding needs of transportation, aviation, marine and other industrial uses, as well as the chemical and plastics industries.
- **Innovation and collaboration:** Innovation has enabled Neste's transformation from a local oil refining company towards global leadership in renewable and circular solutions. The focus of Neste's innovation work is about exploring new business opportunities around scalable future raw materials and related technologies. Neste collaborates with various stakeholders, including governments, industries, and academic institutions, to advance circular economy solutions and ensure the widespread adoption of sustainable practices. By leveraging advanced technologies and fostering partnerships, Neste is driving the transition towards a more sustainable and circular economy. Neste invests in research and development to enhance the sustainability of its products. In 2024, Neste's R&D expenditure was EUR 86 million in innovation, research and development, and testing raw materials and the technologies that could enable their use.

The above elements of Neste's strategy and business model support resilience with relation to the risks and opportunities identified regarding resource use and circularity.

#### Policies

The policies and principles described below are utilized to manage Neste's material risks and opportunities related to the use of renewable and recycled raw materials.

Through the **Neste Sustainability Policy**, Neste commits to using natural resources responsibly and actively working towards a more sustainable resource and energy-efficient value chain by providing solutions taking advantage of waste and residue raw materials and contributing to a circular economy. In the related **Sustainability Principle**, Neste sets out relevant requirements for the sustainable sourcing and use of renewable resources, in alignment with relevant regulatory requirements. More detailed information regarding the Sustainability Policy and Principle is available under the [E1 Climate change](#) -section.

Neste's key principles relating to the sustainability of its renewable raw material supply chains are the **Neste Supplier Code of Conduct** and the **Responsible Sourcing Principle**. Additionally, The **Supplier Sustainability Approval Principle** sets the minimum

sustainability requirements for approving renewable raw material suppliers. The Supplier Code of Conduct, applicable for all Neste's raw material suppliers, and the Supplier Sustainability Approval Principle are described more in detail under [G1 Business Conduct](#).

In addition to the Supplier Code of Conduct, renewable raw material suppliers need to comply with **Neste's Responsible Sourcing Principle**. Neste expects its suppliers to have the same commitment to promote positive impacts and to prevent habitat conversion throughout its supply chain. Neste works to eliminate deforestation, habitat conversion, and other social and environment negative impacts. The Responsible Sourcing Principle is aligned with relevant regulatory requirements, such as the EU RED II and the US Renewable Fuels Standard (RFS), and the UN Guiding Principles on Business and Human Rights.

Neste monitors the implementation of these principles through rigorous sustainability due diligence, as described in the [G1 Business Conduct](#) -section. General governance, including the highest level of accountability for the policy, and stakeholder engagement related to policy implementation are described in the [ESRS 2 General disclosures](#) -section of this report.

## Targets

To address the material risks and opportunities related to resource use and circular economy, Neste continues to strengthen and expand its raw materials portfolio and global sourcing capabilities. Neste does not have separate measurable, time-bound and outcome-oriented targets in place for the material risks and opportunities related to resource use and circular economy but does nevertheless track the effectiveness of its policies and actions as described in the section below.

## Actions and resources

### Actions

Neste's main actions related to resource use and circular economy are producing renewable and circular solutions and investing in research and development.

These actions span over the short-, medium and long term and are further described below.

- Explore new markets and sourcing capabilities globally: Neste continues to work towards increasing the availability of renewable and recycled raw materials. The company sources renewable raw materials globally for its renewables refineries in Finland, the Netherlands and Singapore, and for its joint operation in California in the U.S.
- Developing technologies to diversify raw material portfolio: Neste develops technologies to diversify the raw materials portfolio with new scalable raw materials. Neste has also invested in technologies for chemical recycling, which will enable the conversion of hard-to-recycle plastic waste into high-quality feedstock for new plastics.
- Expanding raw material portfolio e.g. through R&D and innovation: Neste continuously searches for even lower-quality waste and residues for use in the production of fuels, polymers and chemicals. Neste is also exploring novel vegetable oils from regenerative agricultural practices. In the long term, e.g., renewable hydrogen and lignocellulosic waste and residues can be viable more sustainable raw material alternatives.

- Continuous development in supplier relationships: Neste expects all its business partners and suppliers to uphold the company's policies and principles, including the Neste Supplier Code of Conduct, which is a key element of its supplier management system.

To align with the material risks and opportunities identified, the scope of the actions is especially focused on the company's upstream value chain and the use of renewable (particularly waste and residue) and recycled raw materials. These activities do not include remediation actions.

### Expected outcomes

By implementing these actions, Neste aims to manage the identified material risks and opportunities related to the use of renewable (particularly waste and residue) and recycled raw materials. The actions are also related to the implementation of the objectives in Neste's Sustainability Policy on providing solutions taking advantage of waste and residue raw materials and contributing to a circular economy.

### Resources to implement actions

Implementation of the actions listed above are expected to require significant (>50 MEUR) financial resources. Implementation of these actions may be subject to individual investment decisions and depend on various factors, including external drivers such as market development and supportive policy environment.

## Metrics

Resource inflows	2024
Overall total weight of products and technical and biological materials used during the reporting period, tons	15,285,000
Biological materials, %	25
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture Neste's products and services, tons	2,000
Secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture Neste's products and services, %	0

### Reporting principles

The following materials are included in the resource inflow metric:

- Total weight of renewable and fossil raw materials used in production, including co-processed volumes;
- Purchased hydrogen used in production;
- Natural gas used in production;
- Recycled (liquefied waste plastic) raw materials used for production;
- Ethanol used in production;
- Propane used in production (purchased externally);
- Raw materials used for blending.

The metrics described above have not been validated separately by an external third party. Neste's material risks and opportunities related to resource inflows are

linked to the use of biological materials, which include renewable raw materials used by Neste, and recycled raw materials, which includes the use of liquefied waste plastics in production. Neste uses only sustainably-produced renewable raw materials that fully meet the sustainability requirements specified in the legislation in its key markets. Neste further addresses sustainability in its renewable fuel production chain through certifications such as European Commission-approved voluntary schemes like ISCC EU and national verification schemes. All Neste renewable product refineries have EU-compliant International Sustainability and Carbon Certification (ISCC) certificates. The data for resource inflows metrics are collected directly from Neste's internal source systems.

# Social information

## S1 Own workforce

### Material impacts, risks and opportunities

Neste has identified the following material impacts, risks and opportunities with regards to own workforce:

Working conditions: Health and safety		
<b>Negative impact</b>	Own operations	Neste's own employees' health and safety could be directly impacted in the short-term due to hazardous processes in the company's operations.
<b>Risk</b>	Own operations	Workplace injuries and/or ill-health of Neste's employees can represent a short-term risk for the company. Injuries, sick leave costs, and potential safety related process shutdowns could lead to various financial effects from one-off costs to prolonged production disruptions.
<b>Opportunity</b>	Own operations	With a robust safety management system Neste aims to prevent injuries, reduce sick leaves and downtimes caused by incidents and accidents. Neste aims to implement preventive measures for health and safety hazards.

Safety is a precondition for sustainable business at Neste. Ensuring and improving safety and operational excellence enables Neste to achieve its safety vision of "No Harm. Together". Safety is an integral part of Neste's values and culture in creating a psychologically safe and open working environment. Material risks and opportunities related to employee safety arise from dependencies on Neste's workforce. Ensuring a robust safety management system can enable Neste to prevent and reduce negative impacts on employees working at the company's refineries and sites. Safety awareness and understanding of hazards, risks and opportunities enables managing safety systematically and effectively. All Neste's own employees are included in the scope of disclosure in this report.

Material negative impacts related to the health and safety of Neste's employees may affect its employees working on production sites, in commercial operations or in construction and maintenance projects. Impacts related to health and safety can range from individual cases to more widespread or systemic cases. Neste operates in a high-hazard industry and systematic safety management is key in safeguarding individuals and the environment, as well as protecting the company's operations, assets, information and brand from any harm and

negative impact. Workplace assessments and regular safety reporting support Neste in developing an understanding of the material negative impacts that may affect its employees.

### Policies

#### Working conditions

The following policies, principles and management systems are in place at Neste to address impacts, risks and opportunities related its own workforce, i.e. own employees' health and safety, workplace injury and/or ill-health:

**Neste People Policy** provides a framework for Neste's people processes and practices to support executing company strategy and improve the business performance. Neste's values – we care, we have courage, we cooperate – create the foundation for a values-led culture, inclusive leadership and ways of working. The Policy also outlines Neste's commitment to a safe and healthy workplace. The Policy is applicable to the whole Neste Group. A summary of the Policy is available on the Neste website, while the Policy as a whole is available internally in the Neste Management System.

#### Neste Operations Excellence Policy and Operations Excellence Management System

The foundations of safety excellence and continuous improvement are defined by **Neste's Operations Excellence Policy** and **Operations Excellence Management System (OEMS)**. OEMS includes Operations Excellence Policy, Principles and supplementary detailed Standards. The requirements of the OEMS are applicable to all employees of Neste and to anyone working for or representing any business entity within the Neste Group. The objectives of Operations Excellence at Neste are to:

- Prevent fatalities, injuries, and incidents;
- Ensure effective safeguards that protect people, the environment, and property;
- Assure employee and contractor health and wellbeing;
- Manage product compliance and chemical safety hazards;
- Sustain asset integrity and reliable operations;
- Optimize resource and energy use;
- Ensure product and service quality meets customer needs;
- Comply with laws, regulations, and permits; and
- Drive continuous improvement in OEMS implementation.

The Neste OEMS is based on the principles of continual improvement and process-based thinking and aligned with ISO Standards 9001, 14001 and 45001. The leadership teams of Neste's business areas and functions are responsible for executing the requirements of the Policy in daily operations and the implementation of the Policy is monitored through on-site OEMS audits within the company's operations. Neste organizations in scope of the OEMS are covered by an internal audit specified in the company's Continual Improvement Principle. This means that each Principle (element) is covered by an internal audit every three years. The Policy is available publicly on Neste's website, while detailed Principles and Standards are available internally in the Neste Management System. The Policy covers impacts, risks and opportunities related to employee safety, and defines Neste's approach to the prevention of accidents at the workplace.

**The Safety Leadership Principle** sets the minimum requirements and expectations for safety leadership and accountability within Neste. The Principle includes Neste's Life Saving Rules and Stop Work Authority and covers impacts, risks and opportunities

related to employee safety. The Principle is applicable to all employees of Neste and to anyone working for or representing any business entity within the Neste Group. It is available internally in the Neste Management System. Members of the Neste Leadership team are responsible for overseeing the implementation of the Safety Leadership Principle in business areas and functions, where relevant.

### Human Rights

**Neste Human Rights Principle** describes Neste's commitment to respect human rights and engage in the remediation of adverse human rights impacts throughout its business operations and value chains. As stated in the Principle, 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 (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and the principles concerning fundamental rights set out in the ILO Declaration on Fundamental Principles and Rights at Work.

The Human Rights Principle explains how Neste implements an ongoing process of human rights due diligence to identify, prevent, mitigate and account for how it addresses adverse human rights impacts on people. This covers actual and potential human rights impacts that Neste may cause or contribute to through its own activities, or which may be directly linked to its business operations, products or services. The Principle outlines seven priority areas for human rights at Neste: Fair Employment, Health & Safety, Equity, Diversity & Non-Discrimination, Children & Young Workers, Modern Slavery, Fair Treatment, and Economic, Social & Cultural Rights.

Stakeholder engagement is a key component of Neste's human rights due diligence activities. Neste implements stakeholder engagement as an ongoing process of interaction and dialogue with its affected stakeholders, including its own employees, employees of contractors and service providers, supply chain workers, communities and customers. The Human Rights Principle also outlines Neste's approach to remediating adverse impacts. Neste provides access to appropriate and effective remedy by making efficient grievance mechanisms available. Where Neste identifies that it has caused or contributed to adverse impacts, Neste provides for or cooperates in remediation through legitimate processes intended to deliver remedy. Where adverse impacts have occurred that Neste has not caused or contributed to, but which are directly linked to Neste's activities through its business relationships, Neste seeks to use its leverage to prevent or mitigate the risk of the impacts continuing or recurring.

The Human Rights Principle explicitly addresses trafficking in human beings, forced labour or compulsory labour and child labour. It also specifically addresses discrimination and harassment, and the promotion of equal opportunities and other ways to advance diversity and inclusion. The Human Rights Principle prohibits discrimination on the basis of any grounds, including race, ethnicity, age, gender, gender identity, sex, sexual orientation, disability, medical condition, genetic information, color, religion, country of origin, nationality, ancestry, caste, marital status, pregnancy, dependants, social class, role, union membership, political views or any other characteristic protected by local law or regulation. This applies to all areas of employment. The Neste Human Rights Principle applies to the entire Neste group and is publicly available on Neste's website.

Major updates to the Human Rights Principle are informed by extensive consultation with both internal and external stakeholders. During the external consultation process, Neste seeks recommendations for improvements from a range of recognized topic experts, such as human rights NGOs, government representatives and trade union experts. Internally consultation and

feedback is gathered broadly with for example Sustainability, Human Resources, Safety, Public Affairs, Compliance and Legal.

General governance, including the highest level of accountability for policies, and stakeholder engagement related to policy implementation are described in the [ESRS 2 General disclosures](#) -section of this report.

### Processes for engaging with own workers and workers' representatives

Continuous engagement and communication ensures information sharing with and consultation of employees at Neste. Neste conducts global employee engagement surveys annually to understand how the company's operations impact its employees and what expectations employees have on Neste. The surveys engage employees directly on a range of topics, like, engagement, strategy, belonging, leadership, wellbeing and safety. The global employee engagement survey results are regularly discussed, and both measures and action plans are agreed and followed within teams at each level of the organization. The effectiveness of the defined actions is evaluated e.g. based on the employee engagement score in the next conducted survey. The EVP, People & Culture is responsible for ensuring these engagement activities take place at Neste.

At a local level, employee cooperation is driven by local requirements in each country of operation. Neste is committed to following applicable local collective agreements. Neste also has local cooperation bodies; In 2024, there is a cooperation committee or works council in Finland, the Netherlands and Singapore.

Neste's Safety Leadership Principle sets requirements for engaging the workforce in occupational health and safety issues, development of work practices, investigation of incidents and risk assessments throughout Neste globally. Neste conducts OEMS audits to follow the fulfilment of requirements and evaluate the effectiveness of the processes and management system. The President and CEO and members of the Neste Leadership Team are responsible for overseeing the implementation of the Safety Leadership Principle in business areas and functions, where relevant.

Safety topics are further discussed in team safety discussions, with the purpose of enabling sharing of knowledge and experience and learning directly between team members. Team leaders are accountable for ensuring that team safety discussions are held regularly, and target frequency and amount of team safety discussion are defined on the organization-level. Feedback from the team safety discussions is used to improve safety management and culture in the organization.

### Processes to remediate negative impacts and channels for own workers to raise concerns

#### Grievance channel

Neste provides mechanisms for employees to express concerns or grievances without fear of retaliation, and is committed to addressing issues fairly, confidentially and promptly. Neste's process for reporting and handling grievances is described more in detail under the [G1 Business Conduct](#) -chapter. Adverse impacts are remediated by providing and promoting access to grievance mechanisms and complaints channels, and by cooperating in the remediation of the adverse impacts that Neste has caused or contributed to.

#### Remediation process for material negative impacts related to employee safety

In addition to general grievance channels, **Neste's Hazard Identification, Risk Assessment and Control Principle** includes processes, Standards and Work Procedures for workers to identify, assess and control workplace hazards. Key common requirements include process hazard analysis, process risk classification, process safety information and work risk management. Neste applies the hierarchy of controls to guide hazard elimination and control. All Neste's employees and contractors have the license to use the Stop Work Authority which authorizes anyone to stop work and remove personnel from hazardous situations.

Neste's OEMS also includes **Emergency Management and Crisis Management Principles**. The purpose of these principles is to ensure sufficient capability

exists in Neste's businesses to be able to detect and effectively respond to emergent situations which have the potential to impact health and safety of workers and the environment. Neste's businesses are expected to meet the requirements of these principles to ensure this capability is in place.

Neste's OEMS Incident Learning Standard underpins the process by which workers can report hazardous situations, engage in incident learning and identify improvement actions. When a safety incident or near miss is reported, relevant corrective actions are defined and executed and the effectiveness of these actions is followed up in the responsible organization. OEMS audits are also used to assess the effectiveness of safety processes within Neste.

### Targets

Neste's safety targets contribute to the safety-related commitments set out in the Operations Excellence policy, Safety Leadership Principle and People policy.

Neste's safety targets have been set in line with Neste's safety vision "No harm. Together", Neste's Operations Excellence Policy, Neste Safety Leadership Principle and industry best-practices to ensure minimal harm to the company's own workforce. The targets are continuous and compared to the company's performance in the previous year. Key performance indicators on total fatalities and total recordable injuries (TRIF) are in accordance with ESRS metrics, while Process Safety Event (PSER) is an entity-specific KPI.

Neste engages in a dialogue with its own workforce to share the safety vision through for example, I Act Safe workshops. Neste incorporates changes as needed, including changing safety targets, tracking performance and identifying lessons or improvements as a result of performance.

### Progress in targets

In 2024, Neste's occupational safety performance (TRIF) 2.2 did not meet the target level (1.8). Process safety performance (PSER) was 1.3, which also did not meet the target level (0.9). Improvements were achieved in

TRIF which reduced from 2.3 in 2023 to 2.2, while process safety performance was behind 2023 performance where PSER was 1.2. Neste's safety performance and performance in targets is reviewed monthly, including at Neste Leadership Team and at every Board of Directors meeting.

### Actions and resources

#### Actions

Neste's process for identifying and addressing health and safety matters is in line with its safety vision. Neste's Safety Leadership Principle outlines the expectations and accountabilities for safety leadership across all employees and anyone working for the company. The foundation of safety excellence and continual improvement is defined by Neste's OEMS, which includes Operations Excellence Principles and supplementary detailed standards. The requirements extend not only to the company's employees but also to its suppliers and partners.

Key actions around safety of own workforce are in line with Neste Operations Excellence Policy:

- Continual improvement of the maturity of Neste's Operations Excellence Management System:** This activity is aimed at establishing high impact safety improvement programs in Neste's businesses. Key initiatives include conducting safety workshops and enhancing safety leadership and culture through training. In addition, Neste aims to improve process safety, through the design and construction of safe facilities, operations, life cycle asset management and regular inspections. Neste Process Safety Fundamentals (PSF), a learning resource with best practices for enhancing process safety understanding among frontline workers in their daily tasks, are also being implemented.

- Safety included in prioritised maintenance OpEx and CapEx:** Incorporating safety into projects such as investments, change initiatives, and turnarounds remained Neste's focus in 2024. Neste places significant emphasis on

### Neste's targets related to health and safety of own workforce

Targets	Key performance indicator	Performance and progress in 2024 <sup>1)</sup>
Permanent annual safety target of zero fatalities and serious accidents in own operations.	Total fatalities, own employees	0 fatalities
Long term target to continuously reduce the risk of all accidents and increase the number of Safe Days in own operations.	Process Safety Event Rate (PSER) in own operations <sup>2)</sup>	1.3
	Total recordable injury frequency (TRIF) in own operations <sup>2)</sup>	2.2

<sup>1)</sup> Excludes green-field expansion projects where Neste is not responsible for the construction site.

<sup>2)</sup> Includes contractors working on Neste's sites.

organizational learning to ensure its success in this area. Additionally, strengthening safety protocols, improving hazard identification and risk assessment processes are part of these actions.

- Prevention of fatalities and serious incidents:** Neste's Life Saving Rules serve as guidance for preventing fatal and life-changing injuries and incidents, empowering everyone with the authority, as well as the responsibility, to stop work when necessary to ensure their own or others' safety. Neste also conducts comprehensive safety training through Neste's Process Safety Fundamentals and I Act Safe workshops.

These actions are continuous and part of Neste's daily operations and practices. Action areas are developed in line with Operations Excellence Policy. Furthermore, it is ensured that the above practices do not cause or contribute to any further impacts on Neste's own workforce. These initiatives are focused on Neste's own workforce, with some additional initiatives aimed at contractors and value chain workers. The effectiveness of the safety processes at Neste is followed through regular monitoring of the safety performance in the organization and OEMS audits in Neste's own operations.

### Expected outcomes

These activities are expected to lead to an enduring culture for safety and effective control of hazards and risks. Through these actions, Neste can improve the proactive identification and mitigation of workplace hazards, and reduce the incidence of injuries. The progress and effectiveness in the actions is monitored through Neste's targets described above (TRIF, PSER).

### Resources to implement actions

Safety-related investments are part of prioritized maintenance operational or capital expenditures to ensure safety and operational reliability. Future financial resources allocated to safety and actions listed above may be subject to individual investment decisions and depend on various internal and external factors.

## Metrics

### Characteristics of Neste's employees

#### Headcount by gender

Gender	2024
Male	3,830
Female	1,744
<b>Total employees</b>	<b>5,574</b>

#### Headcount by Neste's main countries

Country	2024
Finland	3,439
United States (USA)	870
The Netherlands	511
Singapore	451
Others	303
<b>Total</b>	<b>5,574</b>

#### Headcount by contract type, broken down by gender in 2024

	Female	Male	Total
Number of employees	1,744	3,830	5,574
Number of permanent employees	1,641	3,294	4,935
Number of temporary employees	36	55	91
Number of non-guaranteed hours employees	67	481	548
Number of full-time employees	1,648	3,733	5,381
Number of part-time employees	96	97	193

#### Headcount by contract type, broken down by region in 2024

	Europe	Americas	Asia-Pacific	Total
Number of employees	4,203	878	493	5,574
Number of permanent employees	4,062	385	488	4,935
Number of temporary employees	86	0	5	91
Number of non-guaranteed hours employees	55	493 <sup>1)</sup>	0	548
Number of full-time employees	4,010	878	493	5,381
Number of part-time employees	193	0	0	193

<sup>1)</sup> US: Based on local legislation, no contractual obligation exists to offer the employees specified under this group a minimum or fixed number of working hours per day, week, or month. However, in practice, employees specified under this group have typically worked full-time hours in 2024.

#### The total number and rate of employees who have left Neste during the reporting period

	2024
The total number of employees who have left the Neste during the reporting period	1,184
The rate of employee turnover in the reporting period, %	21.2

### Health and safety

Health and safety	2024
Percentage of people in own workforce who are covered by health and safety management system	100%
Number of fatalities in own workforce as result of work-related injuries	0
Number of fatalities in own workforce as result of work-related ill health	0
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of fatalities as result of work-related injuries of other workers working on Neste's sites	0
Number of fatalities as result of work-related ill health of other workers working on Neste's sites	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on Neste's sites	0
Number of recordable work-related accidents for own workforce <sup>1)</sup>	29
Rate of recordable work-related accidents for own workforce <sup>1)</sup>	2.8

<sup>1)</sup> Excludes green-field expansion projects where Neste is not responsible for the construction site.

## Reporting principles

**Headcount:** The reported headcount reflects the end of the reporting period (31.12.2024) and includes all Neste employees. The headcount typically increases during the summer months due to the summer trainees. The total headcount compared to previous year has decreased due to organizational change and related change negotiations. Note 8 Employee benefit costs in the Consolidated Financial statements includes the number of personnel in the reporting year. The number in the Financial statements is reported as an average and does not include temporary hourly workers.

Neste does not disclose employee figures for the categories 'Other' and 'Not reported' in the Headcount by gender table. The main countries presented in the Headcount by Neste's main countries breakdown include countries where Neste has employees representing at least 10% of its total number of employees, and countries where Neste has production capacity.

**The rate of employee turnover** includes the number of permanent employees who have resigned or left due to dismissal, retirement, death or mutual consent divided by number of permanent employees (incl. non-guaranteed hours permanent employees in the US) at the end of the reporting period.

## Safety

**Workplace accidents** are those accidents that occur at work or while performing work duties. Total Recordable Injuries (TRI) includes the recorded accidents at work which result in absence from work, restriction to work, medical treatment or fatality. Reported fatalities include workplace accidents or accidents during work-related travel causing an injury resulting in death within one year of the day of the accident.

**Total Recordable Injury Frequency (TRIF):** The formula for calculating accident frequency (number of accidents at work per million working hours): total number of accidents at work × 1,000,000 / hours worked. Neste's entity specific KPI for TRIF includes contractors working on Neste's sites, while ESRS-metrics related to health and safety refer to Neste's own employees.

**Process Safety Event Rate (PSER)** is the rate of process safety events per million hours worked. It includes PSE1 and PSE 2 cases in Neste's own operations.

PSE1 (Process Safety Event) is an unplanned and uncontrolled release of any material, including non-toxic and non-flammable materials, from a process resulting in a consequence according to the PSE1 classification. Possible consequences:

- Injury leading to absence (LWI, RWI) or fatality.
- A hospital admission and/or fatality of a third party.
- Fires or explosions with direct costs (excluding loss of production) higher than EUR 100,000.
- An officially declared community evacuation or community shelter-in-place, including precautionary community evacuation or community shelter-in-place.
- An unignited release of material greater than or equal to the threshold quantities described in the American Petroleum Institute (API) Recommended Practice (RP) 754 Table 1, in any 1-hour period.
- Pressure relief discharge / upset emission to atmosphere that exceeds the PSE1 threshold value and has one or more of these consequences: Rainout; Discharge to a potentially unsafe location; An on-site shelter-in-place or on-site evacuation, excluding precautionary on-site shelter-in-place or on-site evacuation; Public protective measures, including precautionary public protective measures.

PSE2 (Process Safety Event) is an unplanned and uncontrolled release of any material, including nontoxic and non-flammable materials from a process, resulting in consequences according to the PSE2 classification. Possible consequences:

- Workplace accident requiring medical treatment (MTC).
- Fires or explosions with direct costs (excluding loss of production) higher than EUR 2,500.
- An unignited release of material greater than or equal to the threshold quantities described in API RP 754 Table 1, in any 1-hour period.
- Pressure relief discharge / upset emission to atmosphere that exceeds the PSE2 threshold value and has one or more of these consequences: Rainout; Discharge to a potentially unsafe location; An on-site shelter-in-place or on-site evacuation, excluding precautionary on-site shelter-in-place or on-site evacuation; Public protective measures, including precautionary public protective measures.

All incident and near miss cases are recorded in Synergi as per the Incident Learning standard and related instructions. If these cases are related to the process safety, they will get PSE classification in Synergi. Cases with PSE1 and PSE2 classification are taken into account in determining the PSER value.

**Hours worked:** The hours worked by the whole personnel and contractors during the period under review. When recording the working hours of contractors, an estimate (e.g. accounting hours) can be used if the accurate number of hours is not known.

The metrics related to own workforce described above have not been validated separately by an external third party.



## S2 Workers in the value chain

### Material impacts, risks and opportunities

Neste has identified the following material impact with regards to workers in the value chain:

#### Other work-related rights: Forced labor

<b>Negative impacts</b>	Upstream value chain	Forced labor in the value chain can severely impact workers by harming their physical and mental health, restricting their freedom, eroding their dignity, and depriving them of basic human rights. Value chain workers at risk of forced labor include workers in Neste's upstream supply chains for renewable raw materials, and third-party workers carrying out construction and maintenance activities at Neste's refineries. Migrant workers are a particularly vulnerable group. Neste's core business model and strategy is not assessed as being a direct cause of forced labor, yet Neste is exposed to forced labor risks through its business relationships, particularly in high risk geographies and sectors where forced labor is a systemic issue. These systemic issues present long-term, ongoing risks that necessitate continuous mitigation efforts.
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Neste has proactively adapted its actions to ensure effective modern slavery risk mitigation. Neste uses a bespoke, industry leading, country risk assessment methodology from Verisk Maplecroft to map modern slavery risks for the countries in which the company operates and has supply chains. Neste implements rigorous human rights due diligence measures, such as risk assessments, supplier onboarding surveys, on-the-ground sustainability audits, and audiovisual worker voice surveys. Additionally, the company actively participates in multi-stakeholder coalitions to collectively address and combat these structural issues within its supply chains.

While Neste acknowledges that modern slavery can be found in all countries and industries, the company has identified its renewable products supply chains in the palm oil sector <sup>1)</sup> in Southeast Asia as having the highest risks for child, forced and indebted labor, with migrant workers being particularly vulnerable to negative impacts in these supply chains. As detailed in Neste's modern slavery statements, this is based on the results of a third-party corporate-wide human rights impact assessment by BSR on Neste's business and value chains (2016); social and labor studies on the ground in Indonesia and Malaysia (2015–2016); supplier engagement activities (2015–2024); findings from sustainability

audits (2017–2024); an ethical recruitment survey of the company's Malaysian palm suppliers (2020); collaboration in various multi-stakeholder initiatives (2016–2024), and ongoing work to map the company's supply chains and assess human rights risks by sector and geography. Based on the assessments, these forced labor risks are systemic, pre-existing structural issues in the palm industry in Southeast Asia, and not caused through Neste's business model or strategy.

In its own operations, Neste has identified construction and maintenance projects at its refineries in Singapore, Rotterdam and Porvoo as being high risk for exploitative practices and forced labor. During such projects, large numbers of third-party construction and maintenance workers temporarily work onsite at Neste's refineries, with numbers peaking during refinery shutdowns, turnarounds and expansion projects. This includes third-party migrant workers who may not be familiar with the local working language, culture, labor standards or legal requirements, which makes them more vulnerable to becoming victims of labor exploitation.

Recognizing these risks and understanding that exploitation is systemic in the construction industry, Neste has proactively adapted its sustainability work to safeguard the rights of third-party and migrant workers on its sites.

### Policies

The following policies and principles within Neste cover the management of material impacts related to forced labor in Neste's upstream value chain:

The **Neste Code of Conduct** applies to the entire Neste Group and contains the key human rights requirements and expectations with which all Neste employees are to comply in their daily work. The Code of Conduct is described more in detail in the [G1 Business conduct](#) section.

Neste's minimum human rights requirements for suppliers are outlined in the **Supplier Code of Conduct**, which references 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. These requirements are aimed at reducing the risk of precarious work, in combination with minimum requirements for suppliers to ensure a safe and secure workplace and comply with local labor laws. Human trafficking is included under Neste's definition of forced labor, as explained in Neste's supplementary Supplier

Code of Conduct Guide for Suppliers. The supplementary guide also provides further references to specific applicable ILO standards, such as the ILO Minimum Age Convention, 1973 (No. 138). The Supplier Code of Conduct is described in more detail in the [G1 Business conduct](#) section.

The **Neste Human Rights Principle** describes Neste's commitment to respect human rights and engage in the remediation of adverse human rights impacts throughout its business operations and value chains. It explains Neste's approach to implementing the UN Guiding Principles on Business and Human Rights and carrying out ongoing human rights due diligence and stakeholder engagement. The Human Rights Principle sets the standards for a rights-based approach in all of Neste's business decisions. As stated in the Principle, Neste encourages and supports its business partners to continually improve and develop beyond the minimum requirements in the Supplier Code of Conduct to reach the human rights standards and expectations set out in the Human Rights Principle.

In accordance with the Human Rights Principle, Neste will not engage in or support the use of any form of forced or child labor, and is committed to identify, assess and address these risks in its global operations and value chains. This includes all situations of exploitation that a

<sup>1)</sup> Neste does not source crude palm oil but uses different palm oil industry residues in the production of renewable fuels.

person cannot refuse or leave, because of threats, violence, coercion, abuse of power or deception, including, but not limited to trafficking in persons, slavery, servitude, forced marriage, forced labor, compulsory labor, debt bondage, involuntary prison labor, deceptive recruiting for labor or services, and child labor. The Principle also prohibits practices that can lead to forced labor such as document retention, recruitment fees, deceptive practices regarding employment contracts and violations of freedom of movement. The Human Rights Principle is described in more detail in the [S1 Own Workforce](#) -section.

The **Responsible Sourcing Principle** sets out additional requirements for all Neste's renewable raw material suppliers. The Principle includes Neste's commitment to respect the human rights of all workers and communities in its supply base. Neste is committed to proactively prevent adverse human rights impacts throughout its business operations and value chains.

Neste communicates about the above policies on forced labor in various ways, including, for example making policies available on Neste's public website in various languages, implementing mandatory e-learnings on policies for Neste employees, and providing training workshops for contractors, suppliers and sub-suppliers.

General governance, including the highest level of accountability for policies, and stakeholder engagement related to policy implementation are described in the [ESRS 2 General disclosures](#) -section of this report.

## Processes

Neste conducts ongoing human rights due diligence in its operations and supply chains to identify, prevent, mitigate and, where necessary, remediate the occurrence of forced and child labor. Human rights due diligence refers to an ongoing risk management process and activities carried out to identify, prevent, mitigate and/or remedy human rights risks, such as developing internal processes, carrying out impact assessments, risk mapping and gap assessments. Due diligence activities may be carried out internally by Neste and/or by credible third party experts on Neste's behalf.

In addition, Neste has a sustainability due diligence process in place for renewable, recycled and fossil raw material suppliers. Forced labor risks, as well as potential incidents are monitored as part of the due diligence process. Neste has put in place ongoing management processes to identify, prevent, mitigate and remedy adverse human rights impacts. The company continuously monitors and tracks the effectiveness of its response, with transparent reporting and communication on how impacts are addressed. Neste's Sustainability unit has the operational responsibility for ensuring Neste's ongoing human rights due diligence and the related stakeholder engagement mechanisms.

## Processes for engaging with value chain workers about impacts

Stakeholder engagement, including engagement with workers in the value chain, is a key component of Neste's human rights due diligence. Neste implements stakeholder engagement as an ongoing process of interaction and dialogue with its affected stakeholders in order to hear, understand and respond to their interests and concerns, including through collaborative approaches. Neste takes a proactive approach in identifying affected and potentially affected stakeholders, and the best ways to engage with them or their legitimate representatives, paying special attention to individuals and groups who may be particularly vulnerable to adverse impacts.

Neste seeks to engage with potentially affected groups early on and before decisions are made, not only when a decision is imminent or a situation is already escalating. Neste seeks to take the perspectives of affected stakeholders into account in its decision-making, and in designing prevention, mitigation and remediation actions to address adverse human rights impacts. Neste takes steps to design stakeholder engagement processes that are inclusive, participatory, accessible, transparent, credible, culturally-appropriate, context-specific and gender sensitive. When assessing human rights risks, the company pays special attention to vulnerable groups such as women, children, migrant workers and Indigenous peoples.

Neste engages with value chain workers both directly and through representatives. Examples include:

- **Audiovisual worker voice technology:** Neste has implemented worker voice technology to scale up the number of workers the company engages with in its operations and value chains, and to improve the company's overall understanding of workers' experiences. The technology uses an audiovisual survey to enable direct and anonymous engagement with workers via mobile devices. The surveys are designed to be easily accessible for illiterate workers, can be taken in their mother-tongue language, and function even in remote regions without internet access, allowing Neste to engage with even the most vulnerable groups of workers. The technology is used on an ongoing basis throughout the year across Neste's global sourcing regions. The worker voice surveys provide direct insights from value chain workers on a range of topics including but not limited to indicators of forced labor, recruitment fees, children's rights, living wages, inequality, living standards, and issues impacting vulnerable groups such as young workers, migrant workers, women and workers with disabilities. The insights gathered through these engagements inform the annual human rights saliency assessment, which underpins Neste's human rights policies, and approach to risk mitigation.
- **Sustainability audits:** Neste's sustainability audits prioritize the assessment of impacts on people and identifying any signs of forced labor. The audits in the company's upstream supply chains for renewable raw materials include one-on-one interviews with different employee groups, including management, workers with different job profiles, third-party employees and, when possible, union or worker's committee representatives.

- **Human rights impact assessments:** Neste assesses human rights risks when planning to enter new sourcing regions for its renewable raw materials. This can involve on-the-ground field research and interviews with rights-holders and/or their legitimate representatives. For example, in 2023-24, Neste collaborated with third-party experts at the Solidaridad Foundation to assess the human rights impacts associated with its Brazilian supply chains. The assessment included gender-sensitive interviews with various groups, including representatives of value chain workers and Indigenous peoples.
- **Engaging with third-party workers on Neste sites:** Neste engages actively with third-party workers at its refineries through a variety of practices designed to ensure open communication and support. The company prioritizes educating third-party workers on their labor rights during site-entry-permit inductions and social toolbox meetings. These sessions provide a safe space for two-way conversations, allowing workers to voice concerns and discuss social issues directly with Neste representatives. In addition, Neste actively promotes the availability of site-level grievance channels and suggestion boxes, encouraging workers to share feedback and concerns in a manner that respects their anonymity and safety. Recognizing that migrant workers are a particularly vulnerable group, Neste ensures that key engagement materials are available in the languages most commonly spoken by these workers, for example, site induction pamphlets and posters informing workers of their rights and how to spot and report signs of exploitation.

The effectiveness of engagement channels is primarily assessed through direct worker feedback and ongoing monitoring of the number and quality of responses received via different engagement channels.

### Processes to remediate negative impacts and channels for value chain workers to raise concerns

Neste is committed to the remediation of adverse human rights impacts in its business operations and value chains, in accordance with its Human Rights Principle. Neste provides access to appropriate and effective remedy by making efficient grievance mechanisms available to its rights-holders, including at the operational level and site level and seek 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, the company provides for or cooperates in the remediation of the adverse impacts through legitimate processes intended to deliver an appropriate and effective remedy. This may include cooperating in good faith in the provision of remedy through state-led mechanisms, such as the OECD national contact points.

Where adverse impacts have occurred that Neste has not caused or contributed to, but which are directly linked to Neste's activities through its business relationships, Neste seeks to use its leverage to prevent or mitigate the risk of the impacts continuing or recurring. This may include supporting the company's business partners in the remediation of those impacts through their own grievance management processes, or support collaboration to provide for non-judicial remediation through third parties.

Neste takes seriously any allegations that human rights are not properly respected in its business or supply chains, and encourages 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 further described under [G1 Business conduct](#) -section of the report. 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 value chain workers.

Neste has established procedures for tracking and processing grievances at the group-level, including a

cross-functional team that ensures speed and consistency in managing grievance cases and assessing the effectiveness of its actions. The company publicly discloses and tracks the number and type of grievances that have been raised in person or via Ethics Online.

Neste has also established permanent site-level complaints channels at its refineries to address concerns of contracted and subcontracted workers, including migrant workers. These channels, accessible via both suggestion boxes and QR codes on posters discreetly placed around the sites, 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. The complaints are received and managed by local committees, who implement remediative actions and assess the effectiveness of these actions on an ongoing basis. 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.

Neste maintains a publicly available log of sustainability-related concerns and complaints raised in its renewable raw materials supply chains on its website. This grievance log is updated on a monthly basis to include new grievances, provide status updates on the remediation of existing grievances, and track the effectiveness of the remedial actions taken. Reports documented in the grievance log may involve cases of forced labor or severe human rights issues. The log also encompasses cases of actual or suspected non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises that involve value chain workers. Descriptions of the nature of such cases are provided within the log. In addition, Neste reports annually on the percentage of human rights and labor violations identified through its sustainability audits, which also assess compliance with these international standards. Certain cases are further

detailed in Neste's annual Modern Slavery Statement to provide additional context and transparency.

Neste encourages its suppliers to put in place appropriate complaints channels and grievance mechanisms that workers can use to report actual or suspected cases of human rights violations, and have transparent processes for receiving and following up on reports. This is outlined in the Neste Supplier Code of Conduct Guide for Suppliers and included as a regular topic in Neste-led capacity building sessions for its renewable raw materials suppliers. Neste uses worker voice technology and in-person interviews conducted during sustainability audits to assess whether value chain workers are aware of and trust the grievance channels in their workplace as a way to raise their concerns and have them addressed.

### Targets

Human Rights are part of Neste's sustainability vision, as Neste aims to create a more equitable and inclusive value chain by 2030, in which everyone works with dignity. Neste is committed to implement and sustain comprehensive sustainability due diligence across its own

operations and supply chains in line with Corporate Sustainability Due Diligence Directive requirements. Neste does not have a separate measurable, time-bound target related to human rights-related issues in the value chain but does track the effectiveness of its policies and actions with e.g., an entity-specific Key Performance Indicator (KPI) of Human Rights Due Diligence carried out for key business areas/functions. The scope of the KPI is focused on Neste's upstream and own activities. The KPI has not been validated by an external third party.

Monitoring: Neste annually analyzes the saliency of its human rights impacts based on severity and likelihood. The assessments evaluate Neste's actual and potential impacts on people throughout the value chain at a practical and granular level. This enables Neste to monitor its progress, account for any new risks resulting from changes in the business and accurately focus and prioritize work. As part of this assessment, Neste also tracks and evaluates the effectiveness of current prevention and mitigation measures in place, and assesses whether existing practices are sufficient in scale and complexity to address its salient human rights issues.

Key performance indicator	Performance in 2024
Human Rights Due Diligence carried out for key business areas/functions (# and description) <sup>1)</sup>	Four major assessments/initiatives undertaken in 2024: <ol style="list-style-type: none"> <li>1) Corporate-wide assessment to review Neste's salient issues and mitigation actions.</li> <li>2) Human rights impact &amp; risk assessment completed for the potential construction and operation of a new unit at Porvoo Refinery.</li> <li>3 Human rights due diligence assessments completed for Neste-owned terminals in Finland, Rotterdam and Baltics.</li> <li>4) Living wage gap assessments completed for Neste's own employees globally.</li> </ol>

<sup>1)</sup> See description of Human Rights Due Diligence process under 'Processes'.

## Actions and resources

### Actions

Neste has undertaken several initiatives to identify and understand how human rights risks, including modern slavery and child labor, may be present in its operations and supply chains, including contractors. For Neste to prioritize its activities, the company's risk assessment includes mapping supply chains and operations including contractors, country risk assessments, individual project risk assessments, desk-based research, supplier and contractors surveys and self-assessment questionnaires, supplier and contractor engagement, audits and discussions with expert stakeholders.

Neste conducts ongoing human rights due diligence in its operations and supply chains to identify, prevent, mitigate and, where necessary, remediate the occurrence of forced and child labor. Potential business partners undergo automated pre-screening for economic sanctions and selected ethical concern categories in third-party enforcement databases and major news outlets, which in practice can include topics on modern slavery. On top of this, renewable raw material suppliers and select contractors operating on Neste sites are subject to additional human rights due diligence on forced and child labor, such as country and sector risk assessments, supplier desktop evaluations, supplier engagement, sustainability audits, document reviews, and training for suppliers, contractors and staff.

Neste addresses adverse sustainability impacts once the company becomes aware of them, including any adverse human rights impacts, as further detailed under the description of Neste's remediation process below, a key part of its due diligence process. Remediation takes place in cases where adverse impacts are identified. The company's primary means of action is engagement and cooperation with its suppliers and contractors to remedy issues. This is because Neste seeks 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.

Remediation activities include:

- 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 the company's 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 Neste does not see adequate progress or if the supplier loses relevant certifications
- Reviewing, improving and adjusting the company's processes where needed.
- The company also conducts training of its own employees and capacity building of suppliers.
- The company tracks its progress and effectiveness of implementing these actions through KPI's and its Grievance Tracking process.

Neste believes that close engagement and collaboration with contractors on its sites and raw material suppliers provides it the best opportunities to advance human rights and proactively mitigate modern slavery risks within company supply chains. Neste therefore engages regularly in capacity building with its suppliers and contractors. The company also monitors supplier information and engages with its suppliers through its Supplier Sustainability Portal (SSP), a digital platform that is used to facilitate the evaluation of potential and existing renewable raw material suppliers, to support performance monitoring and to enable active supplier engagement. This, and engagement with other stakeholders

(as described in [ESRS 2 General disclosures](#)) informs Neste's ambition for addressing forced labor in the value chain.

Neste aims to continue the above actions until the context, best practice or requirements change. Neste continues to strengthen its due diligence system towards compliance with the EU Corporate Sustainability Due Diligence directive.

### Expected outcomes

Through these actions, Neste aims to ensure respect for human rights and mitigate the risk of forced labor across the value chain. In addition, these actions support improving social and environmental conditions in the supply chain and enhance supplier sustainability performance over the short and medium term. Above actions are also relevant in ensuring alignment with the Supplier Code of Conduct requirements for Environment, Social, Business Conduct, Safety and Human rights issues. Human Rights Due Diligence KPI is one indicator to monitor progress in these actions.

### Resources to implement actions

Implementation of the actions reported above are not expected to require significant (> 50 MEUR) financial resources.

# Governance information

## G1 Business conduct

### Material impacts, risks and opportunities

Neste has identified the following material impact with regards to the company's business conduct:

Management of relationships with suppliers		
<b>Positive impact</b>	Upstream value chain	Neste drives policies and practices that contribute to improved working conditions, ethical business practices, health and safety and environmental sustainability in its supply chains. Neste aims to include its Supplier Code of Conduct in the contract terms for suppliers and other business partners, setting strict criteria on human and labor rights, occupational health and safety, climate, the environment and ethical business conduct. All Neste's raw material suppliers are subject to additional sustainability due diligence. The positive impact potential is particularly relevant to Neste's renewable and recycled raw material sourcing and applicable across short- to long-term time horizons.

### Business conduct policies

**Neste's Code of Conduct** sets the framework for the company's global business operations. The Code of Conduct applies to the entire Neste Group. It contains the company's main principles and key requirements for all Neste employees to comply with in their daily work, as well as in interactions with customers, suppliers and other business partners and stakeholders. It also contains references to more detailed requirements and guidance in other governing documents. Neste management is responsible for ensuring the implementation of the Code of Conduct, supported by Neste's Compliance Function.

The Neste Code of Conduct references several international frameworks. In line with the United Nations Guiding Principles on Business and Human Rights, Neste respects internationally recognized human and labor rights as laid out in the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Neste is also committed to upholding and implementing the ten principles of the UN Global Compact, to which the company is a signatory. Neste Code of Conduct is publicly available for Neste's stakeholders. Raising awareness of and training in the Code of Conduct and its topics are central elements of the Neste compliance program. Neste regularly communicates internally

on compliance-related topics and trains its employees through both e-learning courses and in-person training. Selected business conduct topics are trained annually. The Code of Conduct e-learning course is part of the new employee onboarding and is also regularly issued to the organization.

The Compliance Function, headed by the Chief Compliance Officer, regularly reports on compliance activities to the Neste Leadership Team and the Board of Directors' Audit Committee. Neste also has an Ethics and Compliance Committee, which oversees and steers the management of the ethics and compliance program in Neste. Compliance topics and risks are also regularly reported and managed on a Business area and Function level.

As stated in the company's Code of Conduct, Neste has zero tolerance of corruption and bribery of any kind in connection with Neste's operations, whether committed by Neste employees or third parties acting on behalf of Neste. Neste's **Anti-Corruption Principle** sets the rules for preventing corruption in connection with Neste's business operations and provides more detailed guidance on responsible business practices and the prevention of corruption. The Principle applies to all Neste employees and to anyone working for or representing any business entity within the Neste Group. The principle is consistent with the United Nations Convention

against Corruption. The Anti-Corruption Principle and related guidance is internally available in Neste's global intranet and further communicated and trained via an anti-corruption e-learning issued to all office workers, targeted trainings and via regular newsletters. Neste management is responsible for ensuring the implementation of the Anti-Corruption Principle, supported by Neste's Compliance Function.

Risks of corruption and bribery are typically treated as inherent risks in the oil and gas sector due to its global nature, contractual relationships with local governments, and involvement in complex networks with various suppliers and contractors. As a preventive measure, Neste has developed a compliance program, which includes policy statements (Code of Conduct, Anti-Corruption Principle), dedicated e-learning packages, an annual compliance acknowledgment, regular communication and Ethics Online for the reporting of suspected misconduct. Neste's counterparties are required to comply with the Supplier Code of Conduct and/or their own equivalent principles and undergo a compliance clearance and counterparty risk assessment. As stated in the Code of Conduct, Neste has processes in place to carry out due diligence on its business partners. The compliance clearance and counterparty risk assessment covers the following risks: trade sanctions; politically exposed persons; money laundering; corruption and bribery.

Employees are encouraged and required to report their concerns, or observed or suspected violations of Neste's Code of Conduct or Anti-Corruption Principle to their own manager, Neste's HR, and the Compliance or Internal Audit functions. The Code of Conduct e-learning course includes guidelines on how to report observed or suspected violations of Neste's Code of Conduct, other Neste policies or principles or applicable legislation or regulations. 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 anonymously raise concerns related to alleged misconduct in Neste's operations. The Ethics Online can be used by phone or via the website. To assess the effectiveness of Neste's reporting channels, the number of reports submitted through the channels is followed regularly. Neste may seek feedback from its employees on the channels, for example, through employee engagement surveys.

Neste's Investigation Group is responsible for evaluating and investigating reported cases in a professional, objective, confidential and prompt manner. The Investigation Group will decide on the investigation lead and approach to investigate depending on the nature of the reported allegation and/or concern. All investigations

shall be impartial, unbiased and based on fact finding and managed by appropriate resources. Upon need and depending on the nature of the investigation, Neste Investigation Group regularly retains independent external forensic and/or legal expertise to conduct the investigation. Misconduct investigations and their outcome are regularly reported to Neste's Ethics and Compliance Committee and at least annually to the Neste Board Audit Committee.

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. The Standard is aligned with the Directive (EU) on the protection of persons who report breaches of Union law (2019/1937).

## Management of relationships with suppliers

### Policies

One of Neste's sustainability vision areas is to drive a safe and healthy workplace, fair labor practices and increased commitment to sustainability across the supply chain. Neste's commitments to responsible and ethical business depend not only on its own people but also on forming relationships with business partners who share the company's commitments.

Neste requires all its suppliers and other business partners to comply with applicable laws and expect them to follow equivalent ethical business standards as stated in the Neste Code of Conduct, further described in the **Neste Supplier Code of Conduct**. The Neste Supplier Code of Conduct outlines the basic requirements Neste expects its suppliers and their first tier suppliers, contractors and business partners to adhere to and implement throughout their businesses. Neste aims to include Supplier Code of Conduct in the contract terms for suppliers, contractors and other business partners participating in the delivery of raw materials, products, components, materials or services to Neste. Companies consolidated through mergers and acquisitions are also expected to implement the Neste Supplier Code of

Conduct in their sourcing. The Supplier Code of Conduct includes requirements on Compliance with laws and regulations; Business Conduct; Environmental impact and climate change; Occupational health, safety and security; and Human and labor rights. It references the Universal Declaration of Human Rights and the fundamental rights in the eight core conventions of the International Labor Organization.

The Supplier Code of Conduct is publicly available on Neste's webpages in several languages. Neste carries out training and provides a guide with practical recommendations to support the implementation and help its suppliers meet their obligations to comply with the Supplier Code of Conduct.

Additionally, Neste requires all its renewable raw material suppliers to comply with **Neste Responsible Sourcing Principle**. The requirements of the Responsible Sourcing Principle are described more in detail in the [E5 Resource Use](#) -section. The Supplier Code of Conduct and related Principles are a key tool for enhancing the positive impact Neste aims to achieve throughout its value chains.

General governance, including the highest level of accountability for policies, and stakeholder engagement related to policy implementation are described in the [ESRS 2 General disclosures](#) -section of this report.

### Targets

Neste is committed to implement and sustain comprehensive sustainability due diligence across Neste's own operations and supply chains in line with Corporate Sustainability Due Diligence Directive (CSDDD) requirements. Specific targets in line with the European Sustainability Reporting Standard and the CSDDD requirements may be developed where relevant.

Neste's sustainability due diligence process is a key element in addressing material impacts and implementing its policy commitments related to the management of relationships with suppliers. Neste's sustainability due diligence process covers renewable, recycled and fossil raw material suppliers, and includes country risk assessment, supplier due diligence and audits, supplier engagement and grievance investigations.

As a key performance indicator, Neste tracks percentages of business partners who have committed to Neste's minimum sustainability requirements covered in the Supplier Code of Conduct or equivalent as detailed in the table below. As a target level, Neste expects all its suppliers and other business partners to comply with applicable laws and expect them to follow equivalent ethical business standards as stated in the Neste Code of Conduct, further described in the Neste Supplier Code of Conduct. Neste has not defined a separate base year for the key performance indicator.

### Actions

Key actions related to the management of relationships with suppliers are described below:

**Risk assessment in supply chains:** A key element in understanding the sustainability risks in the company's supply chains is assessing country risks. Neste uses a bespoke, industry-leading country risk assessment methodology from Verisk Maplecroft to identify countries or geographical areas in which it operates and has raw material supply chains with high sustainability risks. Neste maintains an up-to-date country risk categorization based on country risk indices such as ethical business practices, human and labor rights, health and safety, and the environment. The 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 Neste to effectively prioritize its activities by identifying the most significant sustainability risks in certain countries or geographical areas.

**Conducting sustainability due diligence:** Assessing sustainability risks in the company's supply chains begins before agreements have been signed or raw materials, products, components, materials or services are delivered. To ensure its suppliers' compliance with the Supplier Code of Conduct, Neste has implemented systematic controls for counterparty screening and monitoring, during which potential business partners undergo automated 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. All Neste's raw material suppliers are subject to additional sustainability due diligence. 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 raw materials is a fundamental supplier requirement. Where possible, the aim is to gain visibility throughout the raw material supply chain, including Neste's suppliers' suppliers.

Key performance indicator	Performance in 2024
Business partners who have committed to Neste's minimum sustainability requirements covered in the Supplier Code of Conduct or equivalent <sup>1)</sup>	100% of the renewable and recycled raw material volumes
	81% of crude oil and fossil raw materials volumes
	91% overall indirect contracted spend

<sup>1)</sup> After the assessment of the supplier's or business partner's own policies and principles, Neste may agree that compliance with their own code of conduct is sufficient for the purpose of complying with the Neste Supplier Code of Conduct.

**Renewable raw materials sourcing:** Neste requires all its renewable raw material suppliers to comply with Neste Supplier Code of Conduct and Neste Responsible Sourcing Principle. All Neste's renewable raw material suppliers are also subject to rigorous sustainability due diligence, as stated in Neste's Supplier Sustainability Approval Principle. The Principle applies globally to any Neste company which is establishing a business relationship with a supplier of renewable raw materials. It sets the minimum sustainability requirements for approving suppliers through a five-step process, including raw material evaluation, risk assessments, counterparty screening, a sustainability review and audits. The Principle is available internally.

Neste verifies suppliers' compliance with Neste's Supplier Code of Conduct with the sustainability review, encompassing a range of topics such as governance, labor standards and practices, human rights, the environment and health and safety. The company continues commercial negotiations only with approved parties that meet its sustainability requirements, and all partners must continue to meet these criteria. The validity period of the sustainability approval for a supplier is three or five years, depending on, e.g. country risk, raw material volumes supplied to Neste and the outcome of the sustainability review. Once the validity period expires, the supplier undergoes a new review.

**Liquefied waste plastics sourcing:** Neste requires its liquefied waste plastic suppliers to fulfill the requirements in the Neste Supplier Code of Conduct and only accept liquefied waste plastic that is traceable and complies with the ISCC Plus certification requirements.

**Crude oil and other fossil raw material sourcing:** The due diligence process for the company's crude oil and other fossil raw material suppliers includes a country risk assessment and a counterparty screening. Neste also conducts a sustainability review of all new suppliers based on publicly available information regarding topics outlined in the Neste Supplier Code of Conduct, suppliers' climate and environmental commitments, and crude oil production-specific issues such as flaring and spills. The sustainability review is renewed for fossil raw material suppliers every three years.

**Indirect Procurement:** 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 crude oil and other fossil raw materials or renewable and recycled raw materials. In addition to the automated counterparty compliance screening, Neste has carried out category and supplier specific risk assessments to enhance its understanding of the sustainability risk in Neste's indirect procurement supply chains. Neste has completed Sedex self-assessment questionnaires for its refineries in Porvoo, Rotterdam and Singapore, allowing the company to thoroughly assess gaps in its management systems and human rights due diligence. The company plans to further integrate sustainability into indirect procurement and continues to work proactively to promote respect for labor rights across its production sites. See [S2 Workers in the value chain](#) for a more detailed description of Neste's processes for engaging with value chain workers about impacts.

**Sustainability audits:** Neste carries out audits to mitigate sustainability risks in the supply chains. When selecting suppliers to be audited, special attention is paid to suppliers, raw materials or countries with the highest sustainability risks. Sustainability audits are one way of verifying that Neste's suppliers comply with the Neste Supplier Code of Conduct. All audits adhere to the requirements of the Neste Sustainability Audit Standard, which is regularly benchmarked against globally recognized methodologies such as SMETA and SA8000. After the audit, Neste follows up cases of non-compliance and requires its suppliers to remediate significant open issues within a specified timeframe. The sustainability audits are conducted either by Neste's own local sustainability specialists or a third-party auditor. Where possible, the company also conducts audits on its suppliers' suppliers (second-tier suppliers or even beyond).

**Capacity building:** Neste understands that due diligence processes and sustainability audits alone are insufficient for a positive impact in its value chain. The company therefore engages regularly in capacity building with its suppliers. Neste regularly organizes training sessions and workshops on topics such as the Neste

Supplier Code of Conduct requirements, sustainability policy development, due diligence, traceability and grievance management. The company is also committed to training its employees on its policies. To support implementation across its business, Neste has issued an e-learning to train relevant Neste employees on the Supplier Code of Conduct requirements, while also providing live training sessions for selected Neste teams, led by the company's human rights and sustainability specialists.

**Grievances and concerns in the supply chain:** Neste investigates all complaints and allegations of suspected sustainability violations. This includes any suspected breaches of the Neste Supplier Code of Conduct or the Neste Responsible Sourcing Principle. Engagement and cooperation with the company's suppliers and contractors are its primary ways of addressing any grievances and concerns. Ending purchases does not necessarily solve the problem, while by working with the suppliers, Neste can work for improvements. If the sustainability criteria or contractual requirements included in contracts have been verifiably breached, their nature is considered serious, and progress to resolve those issues is not made in a reasonable time, Neste will terminate its contract with the supplier or contractor in question. See [S2 Workers in the value chain](#) for a more detailed description of Neste's processes to remedy negative impacts and ensure grievance mechanisms are available for value chain workers to raise concerns.

In the future, Neste will continue developing its supplier due diligence in accordance upcoming regulations, such as the Corporate Sustainability Due Diligence Directive.

### Expected outcomes

Through these actions, Neste aims to improve social and environmental conditions in the supply chain and enhance supplier sustainability performance over the short and medium term. The actions support in ensuring alignment with the Supplier Code of Conduct requirements for environment, social, business conduct, safety and human rights issues. The progress in these actions is monitored by the KPI presented on the previous page.

### Resources to implement actions

Implementation of the actions reported above are not expected to require significant (>50 MEUR) financial resources.

### Reporting principles

**Supplier Code of Conduct:** The share of renewable and recycled raw material volumes and crude oil and fossil raw materials volumes covered by the Neste Supplier Code of Conduct or equivalent is calculated based on the volumes delivered to Neste during the reporting year. The share of the Neste Supplier Code of Conduct coverage for indirect procurement is calculated based on spend. An external third party has not validated the KPI.

## Appendixes

### Statement on due diligence

<b>Core elements of due diligence</b>	<b>Sections in the Sustainability statement</b>	<b>Page</b>
<b>a) Embedding due diligence in governance, strategy and business model</b>	S2 Workers in the value chain	137-138
	G1 Business Conduct	142-143
<b>b) Engaging with affected stakeholders in all key steps of the due diligence</b>	ESRS 2 General disclosures	105-106
	S1 Own workforce	133-134
	S2 Workers in the value chain	138-139
<b>c) Identifying and assessing adverse impacts</b>	ESRS 2 General disclosures	108-109
	S1 Own workforce	132
	S2 Workers in the value chain	137, 138
	G1 Business conduct	142-143
<b>d) Taking actions to address those adverse impacts</b>	S1 Own workforce	134
	S2 Workers in the value chain	139-140
<b>e) Tracking the effectiveness of these efforts and communicating</b>	S1 Own workforce	133-134
	S2 Workers in the value chain	137-140



## Disclosure Requirements in ESRS covered by Neste's Sustainability statement

The following table lists all ESRS disclosure requirements in ESRS 2 and the seven topical standards which are material to Neste and included in the Sustainability statement. Neste omits all disclosures related to topical standards E3 Water and marine resources, S3 Affected communities and S4 Consumers and end-users, as

these were not deemed material in the double materiality assessment. Relevant disclosure requirements have been identified by linking material impacts, risks and opportunities, and their related sub-topics or sub-sub topics, to the relevant ESRS. Additional entity-specific disclosures have been defined based on implemented targets and for the entity-specific topic 'carbon handprint'.

<b>ESRS 2 General Disclosures</b>	
<b>Disclosure requirement</b>	<b>Page</b>
BP-1 General basis for preparation of sustainability statement	101
BP-2 Disclosures in relation to specific circumstances	101, 122–123, 126, 131, 136, 143
GOV-1 The role of the administrative, management and supervisory bodies	101–102
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	102
GOV-3 Integration of sustainability-related performance in incentive schemes	102
GOV-4 Statement on due diligence	144
GOV-5 Risk management and internal controls over sustainability reporting	102–103
SBM-1 Strategy, business model and value chain	103–104
SBM-2 Interests and views of stakeholders	105–106
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	107–108
IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	108–109
IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	145–149

<b>ESRS E1 Climate change</b>	
<b>Disclosure requirement</b>	<b>Page</b>
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	102
E1-1 Transition plan for climate change mitigation	103–104, 119–121
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model(s)	107–108, 116–118
ESRS 2 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	108–109, 117–118
E1-2 Policies related to climate change mitigation and adaptation	109, 118–119
E1-3 Actions and resources in relation to climate change policies	120–121
E1-4 Targets related to climate change mitigation and adaptation	119–120
E1-5 Energy consumption and mix	121, 122–123
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	122–123
E1-8 Internal carbon pricing	121
<b>ESRS E2 Pollution</b>	
<b>Disclosure requirement</b>	<b>Page</b>
ESRS 2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	108–109, 124
E2-1 Policies related to pollution	109, 124–125
E2-2 Actions and resources related to pollution	125
E2-3 Targets related to pollution	125
E2-5 Substances of concern and substances of very high concern	126
<b>ESRS E4 Biodiversity and ecosystems</b>	
<b>Disclosure requirement</b>	<b>Page</b>
E4-1 Transition plan on biodiversity and ecosystems	103, 128–129
ESRS SBM 3 Material impacts, risks and opportunities and their interaction with strategy and business model	107–108, 127–128
ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	108–109, 127–128
E4-2 Policies related to biodiversity and ecosystems	109, 128
E4-3 Actions and resource related to biodiversity and ecosystems	129
E4-4 Targets related to biodiversity and ecosystems	128
E4-5 Impact metrics related to biodiversity and ecosystems change	129

<b>ESRS E5 Resource use and circular economy</b>	
<b>Disclosure requirement</b>	<b>Page</b>
ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	108–109
E5-1 Policies related to resource use and circular economy	109, 130
E5-2 Actions and resources related to resource use and circular economy	131
E5-3 Targets related to resource use and circular economy	131
E5-4 Resource inflows	131
<b>ESRS S1 Own workforce</b>	
<b>Disclosure requirement</b>	<b>Page</b>
SBM-2 Interest and views of stakeholders	105–106
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	107–108, 132
S1-1 Policies related to own workforce	109, 132–133
S1-2 Processes for engaging with own workers and workers' representatives about impacts	133
S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	133–134, 141–142
S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	134
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	134
S1-6 Characteristics of Neste's employees	135, 136
S1-14 Health and safety indicators	135, 136

<b>ESRS S2 Workers in the value chain</b>	
<b>Disclosure requirement</b>	<b>Page</b>
SBM-2 Interest and views of stakeholders	105–106
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	107–108, 137
S2-1 Policies related to value chain workers	109, 133, 137–138
S2-2 Processes for engaging with value chain workers about impacts	138
S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	139, 141–142
S2-4 Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	140
S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	139
<b>ESRS G1 Business conduct</b>	
<b>Disclosure requirement</b>	<b>Page</b>
ESRS 2 GOV-1 The role of the administrative, supervisory and management bodies	101–102
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	108–109
G1-1 Corporate culture and business conduct policies	109, 141–142
G1-2 Management of relationships with suppliers	104, 142–143

## List of datapoints in cross-cutting and topical standards that derive from other EU legislation

The table below includes all of the data points that derive from other EU legislation as listed in ESRS 2 appendix B. The table indicates on which page the data points can

be found in Neste's Sustainability statement. Excluded data points are marked as i) 'Not material' based on the results of the double materiality assessment, ii) 'Not disclosed', if the disclosure requirement is phased in based on the provision in Appendix C of ESRS 1, or iii) 'Not applicable' if the disclosure requirement is not relevant for Neste's business.

Disclosure requirement and related datapoint	SFDR	Pillar 3	Benchmark regulation	EU Climate Law	Page reference in Sustainability statement
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	X		X		102
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			X		102
ESRS 2 GOV-4 Statement on due diligence paragraph 30	X				144
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	X	X	X		104
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	X		X		Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	X		X		Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			X		Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				X	119–121
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		X	X		119
ESRS E1-4 GHG emission reduction targets paragraph 34	X	X	X		119–120
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	X				121
ESRS E1-5 Energy consumption and mix paragraph 37	X				121
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	X				121, 123
ESRS E1-6 Gross Scope 1, 2, 3, and Total GHG emissions paragraph 44	X	X	X		122
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	X	X	X		122, 123
ESRS E1-7 GHG removals and carbon credits paragraph 56				X	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			X		Not disclosed
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		X			Not disclosed
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		X			Not disclosed
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		X			Not disclosed
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			X		Not disclosed
ESRS E2-4 Amount of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	X				Not material
ESRS E3-1 Water and marine resources paragraph 9	X				Not material

<b>Disclosure Requirement and related datapoint</b>	<b>SFDR</b>	<b>Pillar 3</b>	<b>Benchmark regulation</b>	<b>EU Climate Law</b>	<b>Page reference in Sustainability statement</b>
ESRS E3-1 Dedicated policy paragraph 13	X				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	X				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	X				Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	X				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	X				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (b)	X				127
ESRS 2- IRO 1 - E4 paragraph 16 (c)	X				127
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	X				128
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	X				128
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	X				128
ESRS E5-5 Non-recycled waste paragraph 37 (d)	X				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	X				Not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labor paragraph 14 (f)	X				Not material
ESRS 2- SBM3 - S1 Risk of incidents of child labor paragraph 14 (g)	X				Not material
ESRS S1-1 Human rights policy commitments paragraph 20	X				133
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			X		133
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	X				133
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	X				132
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	X				133, 141–142
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	X		X		135
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	X				Not disclosed
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	X		X		Not material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	X				Not material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	X				Not material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	X		X		Not material
ESRS 2- SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	X				137
ESRS S2-1 Human rights policy commitments paragraph 17	X				137–138, 142
ESRS S2-1 Policies related to value chain workers paragraph 18	X				137–138, 142
ESRS S2-1 Non- respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	X		X		139

<b>Disclosure Requirement and related datapoint</b>	<b>SFDR</b>	<b>Pillar 3</b>	<b>Benchmark regulation</b>	<b>EU Climate Law</b>	<b>Page reference in Sustainability statement</b>
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			X		137–138, 142
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	X				139
ESRS S3-1 Human rights policy commitments paragraph 16	X				Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	X		X		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	X				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	X				Not material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	X		X		Not material
ESRS S4-4 Human rights issues and incidents paragraph 35	X				Not material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	X				Not applicable
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	X				Not applicable
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	X		X		Not material
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	X				Not material

## Key Figures

<b>Income statement</b>		<b>2024</b>	<b>2023</b>	<b>2022</b>
Revenue	EUR million	20,635	22,926	25,707
EBITDA	EUR million	1,005	2,548	3,048
- of revenue	%	4.9	11.1	11.9
Operating profit	EUR million	25	1,682	2,410
- of revenue	%	0.1	7.3	9.4
Profit before income taxes	EUR million	-113	1,596	2,279
- of revenue	%	-0.5	7.0	8.9
Profit for the period	EUR million	-95	1,436	1,891
- of revenue	%	-0.5	6.3	7.4
Comparable EBITDA	EUR million	1,252	3,458	3,537
Comparable net profit	EUR million	131	2,216	2,336
<b>Profitability</b>				
Return on equity (ROE)	%	-1.2	17.9	25.1
Comparable return on average capital employed, after tax (Comparable ROACE)	%	2.5	23.9	30.1
<b>Financing and financial position</b>				
Interest-bearing net debt	EUR million	4,192	2,488	1,344
Leverage ratio	%	36.1	22.7	13.9
Equity-to-assets ratio	%	47.7	53.1	56.3
Net Debt to EBITDA	%	4.2	1.0	0.4
<b>Other indicators</b>				
Capital employed	EUR million	12,564	12,532	10,942
Net working capital in days outstanding		39.4	41.0	35.4
Capital expenditure and investments in shares	EUR million	2,006	2,351	2,218
- of revenue	%	9.7	10.3	8.6
Research and development expenditure	EUR million	86	94	85
- of revenue	%	0.4	0.4	0.3
Average number of personnel		5,796	6,018	5,244

<b>Share-related indicators</b>		<b>2024</b>	<b>2023</b>	<b>2022</b>
Earnings per share (EPS)	EUR	-0.12	1.87	2.46
Comparable earnings per share	EUR	0.17	2.88	3.04
Equity per share	EUR	9.65	11.02	10.83
Cash flow per share	EUR	1.54	2.97	1.56
Dividend per share	EUR	0.20 <sup>1)</sup>	1.20	1.52
Dividend payout ratio	%	-162.3 <sup>1)</sup>	64.3	61.8
Dividend yield	%	1.6 <sup>1)</sup>	3.7	3.5
<b>Share prices</b>				
Closing price	EUR	12.13	32.21	43.02
Average price	EUR	19.26	37.66	42.26
Lowest price	EUR	10.98	28.55	30.81
Highest price	EUR	33.60	48.50	52.18
Market capitalization	EUR million	9,331	24,776	33,091
<b>Trading volumes</b>				
Number of shares traded	1,000	443,798	242,189	270,643
- of weighted average number of shares	%	58	32	35
Weighted average number of shares outstanding		768,212,287	768,175,637	768,060,103
Number of shares outstanding at the end of the period		768,215,734	768,199,747	768,083,170

<sup>1)</sup> Board of Directors' proposal to the Annual General Meeting. 2022 key figures include an ordinary dividend of EUR 1.02 per share, an extraordinary dividend of EUR 0.25 per share, and a discretionary second extraordinary dividend of EUR 0.25 per share.

## Reconciliation of key figures to IFRS Financial Statements

Reconciliation between comparable EBITDA, EBITDA and operating profit is presented in Note 4, Segment information.

### Reconciliation between comparable EBITDA and comparable net profit

EUR million	2024	2023	2022
<b>Comparable EBITDA</b>	1,252	3,458	3,537
<b>IS</b> Depreciation, amortization and impairments	-980	-866	-638
Items in depreciation, amortization and impairments affecting comparability	15	0	27
<b>IS</b> Total financial income and expenses	-138	-86	-131
<b>IS</b> Income tax expense	19	-160	-388
<b>IS</b> Non-controlling interests	0	-3	-3
Tax on items affecting comparability	-37	-128	-68
<b>Comparable net profit</b>	131	2,216	2,336

### Reconciliation of comparable return on average capital employed, after tax (Comparable ROACE), %

EUR million	2024	2023	2022
<b>Comparable EBITDA, last 12 months</b>	1,252	3,458	3,537
<b>IS</b> Depreciation, amortization and impairments	-980	-866	-638
Items in depreciation, amortization and impairments affecting comparability	15	0	27
<b>IS</b> Financial income	47	45	9
<b>IS</b> Exchange rate and fair value gains and losses	-29	-9	-80
<b>IS</b> Income tax expense	19	-160	-388
Tax on other items affecting Comparable ROACE	-59	-145	-76
Comparable net profit, net of tax	266	2,324	2,391
Capital employed average	12,398	11,514	9,823
Assets under construction average	-1,756	-1,789	-1,880
<b>Return on comparable average capital employed, after tax (Comparable ROACE), %</b>	2.5	23.9	30.1

### Reconciliation of equity-to-assets ratio, %

EUR million	2024	2023	2022
<b>BS</b> Total equity	7,417	8,463	8,327
<b>BS</b> Total assets	15,581	15,983	14,917
Advances received	-42	-39	-138
<b>Equity-to-assets ratio, %</b>	47.7	53.1	56.3

### Reconciliation of net working capital in days outstanding

EUR million	2024	2023	2022
Operative receivables	1,488	1,788	1,902
<b>BS</b> Inventories	2,898	3,366	3,648
Operative liabilities	-2,159	-2,581	-3,057
Net working capital	2,227	2,573	2,494
<b>IS</b> Revenue	20,635	22,926	25,707
<b>Net working capital in days outstanding</b>	39.4	41.0	35.4

## Calculation of key figures

Neste presents Alternative Performance Measures to enhance comparability between financial periods as well as to reflect operational performance and financial risk level. These indicators should be examined together with the IFRS-compliant performance indicators.

Key figure	Calculation	Reason for use
EBITDA	= Operating profit + depreciation, amortization and impairments	EBITDA is an indicator to measure the operational performance and cash flow generation.
Comparable EBITDA	= EBITDA +/- inventory valuation gains/losses +/- changes in the fair value of open commodity and currency derivatives +/- capital gains/losses - insurance and other compensations +/- other adjustments	Comparable EBITDA describes underlying operational performance and cash flow generation. <sup>1)</sup>
Items affecting comparability	= Inventory valuation gains/losses, changes in the fair value of open commodity and currency derivatives, capital gains/losses, insurance and other compensations, impairments and other adjustments	Items affecting comparability are linked to unpredictability events of a significant nature that do not form part of normal day-to-day business. <sup>1)</sup>
Comparable net profit	= Comparable EBITDA - depreciation, amortizations and impairments +/- items in depreciation, amortization and impairments affecting comparability - total financial income and expense - income tax expense - non-controlling interests - tax on items affecting comparability	Comparable net profit is used to provide additional financial performance indicators to support meaningful comparison of underlying net profitability between periods.
Return on equity (ROE), %	= $100 \times \frac{\text{Profit before income taxes - income tax expense, last 12 months}}{\text{Total equity average, 5 quarters end values}}$	Return on equity provides additional information on the profitability of operations.
Comparable return on average capital employed, after-tax (Comparable ROACE), %	= $100 \times \frac{\text{Comparable EBITDA - depreciation, amortizations and impairments +/- items in depreciation, amortization and impairments affecting comparability + financial income + exchange rate and fair value gains and losses - income tax expense - tax on other items affecting Comparable ROACE, last 12 months}}{\text{Capital employed average - assets under construction average, 5 quarters end values}}$	Comparable return on average capital employed after-tax (Comparable ROACE) is one of Neste's key financial targets. It is a long-term over the cycle indicator measuring Neste's profitability and efficiency of capital usage.
Capital employed	= Total equity + interest bearing liabilities	Capital employed is primarily used to determine the comparable return on average capital employed (Comparable ROACE) which is Neste's key financial target.
Interest-bearing net debt	= Interest-bearing liabilities - cash and cash equivalents - current investments	Interest-bearing net debt is an indicator to measure the total external debt financing.
Leverage ratio, %	= $100 \times \frac{\text{Interest-bearing net debt}}{\text{Interest bearing net debt + total equity}}$	Leverage ratio is one of Neste's key financial targets. It provides useful information regarding Neste's capital structure and financial risk level.



Key figure		Calculation	Reason for use
Equity-to-assets ratio, %	= 100 x	$\frac{\text{Total equity}}{\text{Total assets - advances received}}$	Equity-to-assets ratio provides useful information regarding financial risk level.
Net working capital in days outstanding	= 365 x	$\frac{\text{Net working capital}}{\text{Revenue, last 12 months}}$	Net working capital in days outstanding measures efficiency in turning net working capital into revenue.
Net Debt to EBITDA	=	$\frac{\text{Interest-bearing net debt}}{\text{EBITDA, last 12 months}}$	Net debt to EBITDA measures capital structure and ability to cover debt.
Return on net assets, %	= 100 x	$\frac{\text{Segment operating profit, last 12 months}}{\text{Average segment net assets, 5 quarters end values}}$	Neste uses return on net assets to follow the operational performance of its operating segments.
Comparable return on net assets, %	= 100 x	$\frac{\text{Segment comparable EBITDA, last 12 months - depreciation, amortization and impairments +/- items in depreciation, amortization and impairments affecting comparability}}{\text{Average segment net assets, 5 quarters end values}}$	Neste uses comparable return on net assets to follow the underlying operational performance of its operating segments.
Segment net assets	=	Property, plant and equipment + goodwill + intangible assets + investments in associates and joint ventures + inventories + interest-free receivables and liabilities - provisions - pension liabilities allocated to the business segment	Segment net assets are primarily used to determine the return on net assets and comparable return on net assets.
<b>Calculation of share-related indicators</b>			
Earnings per share (EPS)	=	$\frac{\text{Profit for the period attributable to the owners of the parent}}{\text{Weighted average number of shares outstanding during the period}}$	
Comparable earnings per share	=	$\frac{\text{Comparable net profit}}{\text{Weighted average number of shares outstanding during the period}}$	
Equity per share	=	$\frac{\text{Shareholder's equity attributable to the owners of the parent}}{\text{Number of shares outstanding at the end of the period}}$	
Cash flow per share	=	$\frac{\text{Net cash generated from operating activities}}{\text{Weighted average number of shares outstanding during the period}}$	

Key figure		Calculation	Reason for use
Dividend payout ratio, %	= 100 x	$\frac{\text{Dividend per share}}{\text{Earnings per share}}$	
Dividend yield, %	= 100 x	$\frac{\text{Dividend per share}}{\text{Share price at the end of the period}}$	
Average share price	=	$\frac{\text{Amount traded in euros during the period}}{\text{Number of shares traded during the period}}$	
Market capitalization	=	Number of shares at the end of the period x share price at the end of the period	

#### Calculation of key drivers

Oil Products total refining margin (USD/bbl)	=	$\frac{\text{Comparable sales margin x average EUR/USD exchange rate for the period x standard refinery yield}}{\text{Refined sales volume x standard barrels per ton}}$	Oil Products total refining margin measures the segment's comparable sales margin per refined unit sold. USD/bbl is a standard unit used in the oil industry.
Renewable Products comparable sales margin (USD/ton)	=	$\frac{\text{Comparable sales margin x average EUR/USD exchange rate for the period}}{\text{Sales volumes of renewable diesel, sustainable aviation fuel and other products}}$	Renewable Products comparable sales margin measures the sales margin per unit sold.

<sup>1)</sup> In the business environment where Neste operates, commodity prices and foreign exchange rates are volatile and can cause significant fluctuations in inventory values and operating profit. Comparable EBITDA eliminates both the inventory valuation gains/losses generated by the volatility in raw material prices and changes in open derivatives, and better reflects the company's underlying operational performance. Also, it reflects Neste's operational cash flow, where the change in operating profit caused by inventory valuation is mostly compensated by changing net working capital. Items affecting comparability are linked to unpredictability events of a significant nature that do not form part of normal day-to-day business. They include among others impairment losses and reversals, gains and losses associated with the combination or termination of businesses, restructuring costs, and gains and losses on the sales of assets. Only items having an impact of more than EUR 1 million on Neste's result will be classified as items affecting comparability.



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## Consolidated Statement of Income

EUR million	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Revenue</b>	4, 5	20,635	22,926
Other income	6	54	55
Share of profit (loss) of associates and joint ventures	15	-9	1
Materials and services	7	-18,388	-19,098
Employee benefit costs	8	-582	-642
Depreciation, amortization and impairments	4	-980	-866
Other expenses	9	-706	-695
<b>Operating profit</b>		25	1,682
<b>Financial income and expenses</b>	10		
Financial income		47	45
Financial expenses		-156	-122
Exchange rate and fair value gains and losses		-29	-9
<b>Total financial income and expenses</b>		-138	-86
<b>Profit before income taxes</b>		-113	1,596
Income tax expense	11	19	-160
<b>Profit for the period</b>		-95	1,436
<b>Profit attributable to</b>			
Owners of the parent		-95	1,433
Non-controlling interests		0	3
		-95	1,436
<b>Earnings per share from profit attributable to owners of the parent (in euro per share)</b>	12		
Basic earnings per share		-0.12	1.87
Diluted earnings per share		-0.12	1.87

## Consolidated Statement of Comprehensive Income

EUR million	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Profit for the period</b>	-95	1,436
<b>Other comprehensive income net of tax:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements on defined benefit plans	5	11
Net change of other investments at fair value	-15	-3
Total	-10	8
<b>Items that may be reclassified subsequently to profit or loss</b>		
Translation differences	100	-66
Cash flow hedges		
recorded in equity	-141	50
transferred to income statement	19	-85
Share of other comprehensive income of investments accounted for using the equity method	-2	-4
Total	-23	-105
<b>Other comprehensive income for the period, net of tax</b>	-34	-97
<b>Total comprehensive income for the period</b>	-128	1,339
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	-128	1,336
Non-controlling interests	0	3
	-128	1,339

The notes are an integral part of these consolidated financial statements.

## Consolidated Statement of Financial Position

EUR million	Note	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	13	514	496
Intangible assets	13	164	185
Property, plant and equipment	14	8,872	7,786
Investments in associates and joint ventures	15	53	58
Non-current receivables	17	128	126
Deferred tax assets	11	222	127
Derivative financial instruments	16, 19	33	26
Other financial assets	17	40	54
<b>Total non-current assets</b>		10,026	8,858
<b>Current assets</b>			
Inventories	18	2,898	3,366
Trade and other receivables	17	1,539	1,913
Current tax assets		50	76
Derivative financial instruments	16, 19	113	190
Current investments	17	0	5
Cash and cash equivalents	17	955	1,575
<b>Total current assets</b>		5,555	7,125
<b>Total assets</b>		15,581	15,983

EUR million	Note	31 Dec 2024	31 Dec 2023
<b>EQUITY</b>			
<b>Capital and reserves attributable to the owners of the parent</b>			
	20		
Share capital		40	40
Other equity		7,377	8,423
<b>Total</b>		7,417	8,463
<b>Non-controlling interests</b>			
<b>Total equity</b>		7,417	8,463
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities	21	4,362	3,487
Deferred tax liabilities	11	335	317
Provisions	22	144	187
Pension liabilities	23	73	93
Derivative financial instruments	16, 19	8	6
Other non-current liabilities	21	32	42
<b>Total non-current liabilities</b>		4,953	4,132
<b>Current liabilities</b>			
Interest-bearing liabilities	21	786	581
Current tax liabilities		11	15
Derivative financial instruments	16, 19	230	212
Trade and other payables	21	2,185	2,580
<b>Total current liabilities</b>		3,210	3,388
<b>Total liabilities</b>		8,164	7,520
<b>Total equity and liabilities</b>		15,581	15,983

The notes are an integral part of these consolidated financial statements.

## Consolidated Cash Flow Statement

EUR million	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Cash flows from operating activities</b>			
Profit before income taxes		-113	1,596
Adjustments for			
Share of profit (loss) of associates and joint ventures	4, 15	9	-1
Depreciation, amortization and impairments	4	980	866
Other non-cash income and expenses		-159	109
Financial expenses - net	10	138	86
Profit / loss from disposal of fixed assets and shares		1	0
Cash flow before change in net working capital		855	2,656
Change in net working capital			
Decrease (+) / increase (-) in trade and other receivables		326	99
Decrease (+) / increase (-) in inventories		504	261
Decrease (-) / increase (+) in trade and other payables		-376	-338
Change in net working capital		454	21
Cash generated from operations		1,309	2,677
Interest and other finance cost paid		-189	-109
Interest income received		38	34
Realized foreign exchange gains and losses		28	-17
Income taxes paid		-5	-307
Finance cost and income taxes paid		-127	-398
<b>Net cash generated from operating activities</b>		<b>1,183</b>	<b>2,279</b>

EUR million	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		-1,525	-1,403
Purchases of intangible assets	13	-27	-27
Acquisitions of subsidiaries		-11	-176
Proceeds from sales of property, plant and equipment		8	0
Changes in long-term receivables and other financial assets		59	78
<b>Cash flows from investing activities</b>		<b>-1,496</b>	<b>-1,528</b>
<b>Cash flow before financing activities</b>		<b>-313</b>	<b>751</b>
<b>Cash flows from financing activities</b>			
Payment of (-) / proceeds from (+) current interest-bearing liabilities		295	-380
Proceeds from non-current interest-bearing liabilities		1,374	1,591
Repayments of non-current interest-bearing liabilities		-782	-209
Repayments of lease liabilities		-278	-254
Transactions with non-controlling interests		0	-18
Dividends paid to the owners of the parent		-922	-1,168
Dividends paid to non-controlling interests		-1	-3
<b>Cash flows from financing activities</b>		<b>-314</b>	<b>-441</b>
<b>Net decrease (-) / increase (+) in cash and cash equivalents</b>		<b>-627</b>	<b>311</b>
Cash and cash equivalents at beginning of the period		1,575	1,271
Exchange gains (+) / losses (-) on cash and cash equivalents		7	-7
<b>Cash and cash equivalents at end of the period</b>	17	<b>955</b>	<b>1,575</b>

The notes are an integral part of these consolidated financial statements.

## Consolidated Statement of Changes in Equity

EUR million	Note	Share capital	Reserve fund	Reserve of invested unrestricted equity	Treasury shares	Fair value and other reserves	Actuarial gains and losses	Translation differences	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
<b>Total equity at 1 January 2024</b>		40	7	16	-5	56	-67	-131	8,548	<b>8,463</b>	0	<b>8,463</b>
Profit for the period									-95	<b>-95</b>	0	<b>-95</b>
Other comprehensive income for the period, net of tax						-138	5	100		<b>-34</b>		<b>-34</b>
Total comprehensive income for the period		0	0	0	0	-138	5	100	-95	<b>-128</b>	0	<b>-128</b>
Transactions with the owners in their capacity as owners												
Dividend decision									-922	<b>-922</b>	0	<b>-922</b>
Share-based compensation					0				3	<b>3</b>		<b>3</b>
Transfer from retained earnings			0						0	<b>0</b>		<b>0</b>
<b>Total equity at 31 December 2024</b>	20	40	7	16	-5	-82	-63	-32	7,536	<b>7,417</b>	0	<b>7,417</b>
<b>Total equity at 1 January 2023</b>		40	7	16	-5	98	-78	-66	8,309	<b>8,322</b>	5	<b>8,327</b>
Profit for the period									1,433	<b>1,433</b>	3	<b>1,436</b>
Other comprehensive income for the period, net of tax						-43	11	-66		<b>-97</b>	0	<b>-97</b>
Total comprehensive income for the period		0	0	0	0	-43	11	-66	1,433	<b>1,336</b>	3	<b>1,339</b>
Transactions with the owners in their capacity as owners												
Dividend decision									-1,168	<b>-1,168</b>	-3	<b>-1,171</b>
Transactions with non-controlling interests									-27	<b>-27</b>	-4	<b>-31</b>
Share-based compensation					1				0	<b>1</b>		<b>1</b>
Transfer from retained earnings			0						0	<b>-1</b>		<b>-1</b>
<b>Total equity at 31 December 2023</b>	20	40	7	16	-5	56	-67	-131	8,548	<b>8,463</b>	0	<b>8,463</b>

The notes are an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

## 1 General information

Neste Corporation is a Finnish public limited liability company domiciled in Espoo, Finland. Neste Corporation is listed on the NASDAQ Helsinki Oy. The address of its registered office is Keilaranta 21, P.O. Box 95, 00095 Neste, Finland.

Neste Corporation and its subsidiaries (together referred to as Neste) is the world's leading producer of sustainable aviation fuel (SAF) and renewable diesel and a forerunner in developing renewable and circular feedstock solutions for polymers and chemicals. The company creates solutions for mitigating climate change and accelerating a shift to a circular economy.

Neste's refineries are located in Finland, the Netherlands and Singapore. Additionally, Neste has a joint operation together with Marathon Petroleum to produce renewable diesel in the United States. Neste has an extensive station network in Finland and the Baltics.

The Board of Directors has approved these consolidated financial statements for issue on 12th of February 2025.

## 2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS as adopted by the European Union. The consolidated financial statements also include compliance with Finnish accounting and corporate legislation. The consolidated financial statements have been prepared under the historical cost convention unless otherwise stated in the Neste's accounting policies.

The consolidated financial statements are presented in million euros unless otherwise stated. The figures in the tables are subject to rounding, which may cause some rounding inaccuracies in aggregate column and row totals.

Neste discloses its accounting policies in conjunction with each Note to provide enhanced understanding of each accounting area. The following symbols **IS**, **OCI**, **BS**, and **CF** are used to show which amounts in the Notes can be reconciled to consolidated statement of income (**IS**), consolidated statement of comprehensive income (**OCI**), consolidated statement of financial position (**BS**) or consolidated cash flow statement (**CF**).

### New standards, significant amendments and interpretations adopted by Neste

Neste applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024. These amendments did not have a material impact on the consolidated financial statements of Neste. Neste has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following new standards and amendments became effective as of 1 January 2024 (unless otherwise stated):

- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases
- Classification of Liabilities as Current and Non-current – Amendments to IAS 1 Presentation of Financial Statements
- Supplier Finance Arrangements – Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures

Neste has adopted the global minimum tax rules (Pillar Two) in the beginning of 2024 and recognizes income tax accordingly. More information can be found in the Note 11 Income taxes.

### New standards, amendments and interpretations not yet adopted

Certain new interpretations, amendments to existing standards or new standards have been published. Neste intends to adopt these standards when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements will be effective on financial years beginning on or after 1.1.2027. IFRS 18 will affect the way of presentation in the financial statements and Neste is preparing for the adoption.

There is no other IFRS or IFRIC interpretations that are not yet effective and that would be expected to have a material impact on Neste.

### Estimates and judgements requiring management estimation

The preparation of consolidated financial statements in conformity with the International Accounting Standard as adopted by EU requires Neste's management to make estimates and assumptions which have an impact on reported assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of income and expenses during the reporting period. In addition, management judgement may be required in applying the accounting principles, for example, classifying assets as held for sale.

These estimates, assumptions and judgements are based on management's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual amounts may differ significantly from the estimates used in the financial statements.

Neste follows the changes in estimates, assumptions and the factors affecting them by using multiple internal and external sources of information. Possible changes in estimates and assumptions are recognized in the financial period the estimate or assumption is changed.

The sources of uncertainty which have been identified as most significant estimates by Neste are presented in connection to the items considered to be affected.

Neste's growth and financial performance may be impacted by the general macroeconomic and geopolitical development. In addition, regulatory changes in the European Union or individual member state level or in the US may adversely affect particularly Neste's renewables businesses. As an example, implications from the transition from Blender Tax Credit (BTC) to Clean Fuels Production Credit (CFPC) in the US could have an impact on the relative competitiveness of US vs. foreign fuel producers. These together with trade policy related risks could lead to changes in optimization of Neste's overall production of renewables as well as balancing of sales between different solutions and end markets. Neste has assessed the impacts of war in Ukraine by reviewing the carrying values of the balance sheet items, which did not indicate a need for asset impairments. Neste does not have fixed assets in Russia nor in Ukraine. Neste's financial position remained good. Changes in the macroeconomic environment have been taken into account by updating the interest rate, discount rate and inflation assumptions to reflect the current situation. More information can be found in the Notes 3 Financial risk management, 13 Goodwill and intangible assets and 23 Employee benefit obligations.



## Climate-related topics

Neste has a two-pronged approach to combating climate change. Neste enables its customers to reduce their greenhouse gas (GHG) emissions with renewable and circular solutions. At the same time, Neste is committed to reducing its own carbon footprint. The performance indicators related to these climate commitments are included in the long-term incentives for Neste's key personnel. More information in Note 24 Share-based payments.

The financial impacts of the climate-related matters have been booked in the financial statements in accordance with the accounting policies. For example, investments to the Renewable Products segment are mainly EU taxonomy-aligned capital expenditure.

Climate change and the transition to a lower-carbon economy poses both business risks and opportunities to Neste. The Review by the Board of Directors includes the Sustainability statements of Neste, which describes the most relevant climate risks for Neste. Growing pressure to combat climate change and reduce greenhouse gas emissions is primarily a positive driver for Neste's business. Neste's business areas mainly benefit from increased support for biofuels and renewable fuels.

However, political and societal focus on the low-carbon transition and the energy sector's carbon footprint also creates risks. Changing regulation implicates uncertainties through affecting the development of demand for renewable products and rapidness of utilizing the use of waste and residue feedstock. The indirect economic and political consequences of climate change may contribute to general uncertainty in the business environment and affect the competitiveness of the raw materials important to Neste.

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. Risks include, but are not limited to, less favorable development of greenhouse gas emissions pricing and unforeseen regulatory development for GHG reductions.

Relevant market risks are stakeholder and customer attitudes moving in a less favorable direction, shifts in Neste's products' supply and demand and increases in raw material or utilities costs and availability of renewable raw materials. Neste's views that increase of global climate ambitions and related regulations would increase the demand for Neste's renewable and circular products.

The risks and opportunities described above have been taken into account in the goodwill impairment testing of the Renewable Products cash-generating unit. More information in Note 13 Goodwill and intangible assets.

Neste uses green finance in accordance with its Green Finance Framework to further the achievement of climate targets. During 2024, Neste issued three green loans. More information in Note 21 Financial liabilities. Climate-related matters do not have material impact on provisions. More information in Note 22 Provisions. In 2024, the environmental authorities imposed an order subject to a penalty on the Neste Rotterdam site relating to the exceeding of emission limits for volatile organic carbon components (VOC) and initiated an investigation under criminal law following an alleged violation associated with the flaring system. The order had no material impact on the financial statements.

## Consolidation

### Subsidiaries

The consolidated financial statements cover the parent company, Neste Corporation, and all those companies over which Neste has control. Neste controls an entity when Neste is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to Neste and are no longer consolidated when this control ceases.

Acquired or established subsidiaries are accounted for by using the acquisition method. The consideration transferred and the identifiable assets acquired, and liabilities assumed in the acquired company are measured at their fair value on their date of acquisition. The consideration transferred includes any assets transferred by the acquirer, liabilities incurred by the acquirer to former owners of the acquiree. Any contingent consideration related to the business combination is measured at fair value on

their acquisition date and it is classified as either liability or equity. Contingent consideration classified as liability is re-measured at its fair value at the end of each reporting period and the subsequent changes to fair value are recognized in profit or loss. Contingent consideration classified as equity is not subsequently re-measured. The consideration transferred does not include any transactions accounted for separately from the acquisition. Acquisition-related costs are expensed as incurred.

Changes in non-controlling interest without losing control, due to changes in ownership interest of a subsidiary, are accounted for as equity transactions. Subsidiaries are treated as 100% owned subsidiaries, if Neste has an obligation to redeem the remaining non-controlling interest within an agreed period. Thus, the share of the non-controlling interest is not recognized in the statement of financial position and the non-controlling shareholders' share of the financial year's profit is included until the recognition of the obligation. The obligation is measured at fair value and recorded as a liability in the consolidated statement of financial position.

All intra-group transactions, receivables, liabilities and unrealized margins, as well as distribution of profits within Neste, are eliminated in the preparation of consolidated financial statements.

The result for the period and items recognized in other comprehensive income are allocated to the equity holders of the parent company and non-controlling interests and presented in the statement of income and statement of other comprehensive income. Non-controlling interests are presented separately from the equity allocated to the equity holders of the company. Other comprehensive income is allocated to the equity holders of the parent company and to non-controlling interests even in situations where the allocation would result in the non-controlling interests' share being negative, unless non-controlling interests have an exemption not to meet obligations which exceed the non-controlling interests' investment in the company.

### Joint arrangements

A joint arrangement is an arrangement in which two or more parties have joint control, and in which the sharing of control has been contractually agreed between the parties. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Neste has assessed the nature of its joint arrangements and determined them to be either joint ventures or joint operations.

Joint operation is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement. Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Neste has 50% interest in Martinez Renewables, a joint arrangement, which was established for production of renewable fuels. At the time of making the investment, Neste made the interpretation to treat the establishment and initial investment into the joint arrangement as an asset acquisition. After the initial investment, Neste classified the joint arrangement as a joint operation as Neste and Marathon Petroleum have a joint control over the arrangement's relevant activities, and the production output will be divided evenly between Neste and Marathon Petroleum. As a result of the joint operation classification, Neste recognizes its 50% share of Martinez Renewables' assets, liabilities, revenues and expenses.

Joint ventures are accounted for using the equity method. Joint operations are consolidated for its share of the assets, liabilities, revenues, expenses and cash flow on a line-by-line basis. Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize Neste's share of the post-acquisition profits or losses and movements in other comprehensive income. When Neste's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of Neste's net investment in the joint ventures), Neste does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between Neste and its joint arrangements are eliminated to the extent of Neste's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset being transferred.

## Associates

Associated companies are entities over which Neste has significant influence but not control, and generally involve a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by using the equity method as described above in the 'Joint arrangements' paragraph.

## Structured entities

Neste engages in business activities with structured entities which are designed to achieve a specific business purpose. A structured entity is one that has been set up so that voting rights or similar rights are not the dominant factor in deciding who controls the entity. An example is when voting rights relate only to administrative tasks and the relevant activities are directed by contractual arrangements.

Structured entities are consolidated when the substance of the relationship between Neste and the structured entities indicate that the structured entities are controlled by Neste. The extent of Neste's interests in unconsolidated structured entities will vary depending on the type of structured entities. Entities are not consolidated because Neste does not control them through voting rights, contract, funding agreements, or other means.

Management uses judgement when determining the accounting treatment of the structured entities. In addition to the voting rights or similar rights, the management considers other factors such as the nature of the arrangement, contractual arrangements and level of influence with the structured entities.

## Foreign currency translation

### (a) Presentation currency

Items included in the financial statements of each of Neste's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euros, which is the company's presentation currency.

### (b) Transactions in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

### (c) Group companies

The results and financial position of all Neste entities (none of which uses a hyperinflationary economy currency) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate quoted on the relevant balance sheet date;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
- All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and currency instruments designated as hedges of such investments, are recognized in other comprehensive income and allocated to the translation differences in equity. When a foreign operation is partially disposed of, sold, or liquidated, translation differences accrued in equity

are recognized in the income statement as part of the gain or loss on the sale/liquidation. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the entity in question and translated at the closing rate.

## 3 Financial risk management

### Financial risk management principles

The Neste Board of Directors has approved the Corporate risk management policy. This policy together with the related principles and instructions defines the framework for financial risk management within Neste. Mandates and limits that are applicable to financial risks have been defined in the risk management policy.

For more information regarding Neste's risk management principles and key risk areas, please refer to the risk management section in the annual report.

### Market risks

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. For Neste, the main types of market risks are commodity price risk, foreign exchange risk and interest rate risk. These are specified in more detail in the following sections.

In accordance with the Corporate risk management policy, various derivatives transactions are executed to mitigate exposure to risk. The positions are monitored and managed on a daily basis.

### 1. Commodity price risks

The main commodity price risks Neste faces in its businesses are related to market prices for crude oil, renewable feedstocks, and other feedstocks, as well as refined petroleum and renewable products. These prices are subject to significant fluctuations resulting from a periodic over-supply and supply tightness in various regional markets, coupled with fluctuations in demand.

Neste's results of operations in any given period are principally driven by the demand for and prices of renewable and oil products relative to the supply and cost of raw materials. These factors, combined with Neste's own consumption of raw materials and output of refined products, drive operational performance and cash flows in Renewable Products and Oil Products, which are Neste's largest segments in terms of revenue, profits and net assets.

Neste divides the commodity price risks affecting Neste's revenue, profits and net assets into two main categories: inventory price risk and refining margin risk.

#### Inventory price risk

From a price risk management perspective, Neste's refinery inventory consists of two components. The first and largest component remains relatively constant over time and is referred to as the 'base inventory'. The second and daily fluctuating component is the amount of inventories differing from the base inventory level and at Neste it is called 'transaction position'.

The base inventory is the minimum level that can reasonably assure the continuous operation of the refineries and prevent deliveries from being compromised. It comprises inventories at the refineries and within the supply chain. The base inventory includes the minimum level of stocks that Neste is required to maintain under Finnish laws and regulations.

The base inventory creates a risk in consolidated statement of income and consolidated statement of financial position since Neste applies the weighted average method for measuring the cost of goods sold, raw materials and inventories. Hedging operations related to price risk do not target the base inventory. Instead, Neste's inventory risk management policies target the 'transaction position' in as much as these stocks create cash flow risks depending on the relationships between feedstock

purchases, refinery production and refined petroleum product sales over any given period. According to the Neste risk management policy, open exposures of the transaction position are hedged without delay when the underlying pricing-in or pricing-out occurs if existing hedging instruments provide appropriate hedging efficiency.

In hedging the transaction position, derivative financial instruments are used. Because of the differences between the quality of the underlying feedstocks or end products for which derivative financial instruments can be sold and purchased and the actual quality of Neste's feedstocks and end products, the business will remain exposed to some degree of basis risk. Basis risk is typically higher in the Renewables business compared to the fossil fuel refining due to the nature of the feedstock pool and limited availability of hedging instruments.

If crude or oil product markets are in contango where current forward prices are higher than current spot prices, Neste has the capability to build physical contango storages from time to time. These storages are excluded from the transaction position and are hedged separately.

### Refining margin risk

Neste is exposed to a greater margin volatility in the Renewable Products segment compared to that of fossil fuel refining. In the Renewables business, the refining margin is mainly an outcome of the renewable product sale price received, and the cost of feedstocks used. The underlying price quotations used in renewable diesel pricing are primarily related to oil products. Premiums over pricing indices fluctuate regionally depending on the nature of bio mandates and incentives, local supply and demand, and fossil fuel prices. In North America, Soy Methyl Ester (SME) is an important price driver through its link to Renewable Identification Number (RIN) prices. The cost of feedstocks depends on feedstock selection and is typically derived from different vegetable oils and fats. Feedstock prices are mainly driven by supply and demand balances, crop forecasts and regional weather. In Renewable Products segment, operational activities and margin hedges are the primary means of mitigating margin volatility.

Refining margin is an important determinant of Oil Products segment's earnings. Its fluctuations constitute a significant risk. The refining margin risk is a result of the revenue from sold petroleum products and the cost of raw materials together with other costs. Neste's exposure to low refining margins in traditional oil refining is partly offset by its high-conversion refinery capacity.

With the aim of securing its margin and cash flow, Neste has defined margin hedging principles for its main refining businesses. In the Renewable Products segment, the targeted hedge ratios are typically higher and can be expected to fluctuate over time. In the fossil fuel business, the hedge ratios are typically moderate.

Both Oil and Renewable Product segments' margins are also exposed to utility price risk that mainly arises from consumption of electricity and natural gas. Neste has also defined principles for hedging these exposures. In hedging the refining margin and utility price risks, commodity derivatives are used. Just as in transaction position hedging, also when hedging the refining margin and utility risks, the business will remain exposed to a certain degree of basis risk that comes from the differences between actual qualities of feedstocks and products and qualities of available hedging arrangements.

The exposure to open positions of commodity derivative contracts is summarized in Note 19 Derivative financial instruments. Neste does not apply IFRS hedge accounting for commodity hedging positions.

## 2. Foreign exchange risk

As the underlying currency of Neste's main markets is the U.S. Dollar, and Neste operates and reports in Euro, this factor is one that exposes Neste's business to currency risk. The objective of foreign exchange risk management in Neste is to limit the uncertainty created by changes in foreign exchange rates on the future value of cash flows and earnings, and in the consolidated statement of financial position. Generally, foreign exchange risk can be managed by hedging currency risks in contracted and forecast cash flows and balance sheet exposures (referred to as transaction exposure) as well as the equity of non-euro-based subsidiaries (referred to as translation exposure).

### Transaction exposure

In general, all reporting segments hedge their transaction exposure related to highly probable future cash flows. Net foreign currency cash flows are forecast over a 12-month period on a rolling basis and hedged on average 70% for the first six months and 30% of the next six months for the Renewable business and on average 80% for the first six months and 40% for the following six months for the fossil fuel business. Deviations from the benchmark hedging ratio are allowed in line with the limits set by the Corporate risk management policy. The most important hedged currency is the U.S. dollar. Other currencies to which Neste is exposed to are the Swedish crown (SEK), the Chinese renminbi (CNY), the Singapore dollar (SGD) and the Australian dollar (AUD). Neste's net exposure is managed through the use of forward contracts and options. All transactions are made for hedging purposes, and the majority is also hedge-accounted for according to IFRS. The reporting segments are responsible for forecasting net foreign currency cash flows, while Group Treasury & Risk Management is responsible for implementing hedging transactions. In addition to the above-mentioned foreign currency hedging programs, Neste has continued to hedge material currency exposures related to investments.

Neste has several currency-denominated assets and liabilities in its consolidated statement of financial position, such as foreign currency loans, deposits, net working capital and cash in other currencies than home currency. The principle is to hedge this balance sheet exposure fully using forward contracts. Similarly to commodity price risk management, the foreign exchange transaction hedging targets inventories in excess of the base inventory. Open exposures are allowed based on risk limits set by the Corporate risk management policy. The largest and most volatile item in terms of balance sheet exposure is net working capital. Since many of the Neste's business transactions, sales of products and services and purchases of crude oil and other feedstock are linked to the U.S. dollar, the daily exposure of net working capital is hedged as part of the balance sheet hedge in order to neutralize the effect of volatility in EUR/USD exchange rate. During 2024, the daily balance sheet exposure fluctuated between approximately USD 830 million and 2,083 million (2023: USD 827 million and 2,322 million).

### USD transaction exposure under hedge accounting

USD million	31 Dec 2024	31 Dec 2023
Net exposure, 12 months	3,686	6,096
Hedging, 12 months (forward)	1,874	2,795
Average rate of hedging	1.098	1.089

Group Treasury & Risk Management is responsible for consolidating various balance sheet items and carrying out hedging transactions. The exposure to open positions of foreign exchange derivative contracts is summarized in Note 19 Derivative financial instruments.

### Translation exposure

Group Treasury & Risk Management is responsible for managing Neste's translation exposure. This consists of net investments in foreign subsidiaries and joint ventures. Although the main principle is to leave translation exposure unhedged, Neste may seek to reduce the volatility in equity in the consolidated statement of financial position through hedging transactions. Any hedging decisions are made by Group Treasury & Risk Management. At the end of 2024, the most important translation exposures were U.S. dollar EUR 2,963 million and Swedish Crown EUR 92 million (2023: U.S dollar EUR 3,106 million, Swedish Crown EUR 87 million). Neste has not hedged the exposures in 2024 or 2023.

### 3. Interest rate risk

Neste is exposed to interest rate risk mainly through its interest-bearing net debt. The objective of the interest rate risk management is to limit the volatility of interest expenses in the consolidated statement of income. The benchmark duration for the debt portfolio is 12 months, and the duration can vary between six and 96 months. As of 31 December 2024, the duration was 27 months (2023: 34 months). In addition to duration, Neste has defined a limitation for interest flow risk.

Interest rate derivatives are used to adjust the duration of the debt portfolio. Neste's interest rate risk management is handled by Group Treasury & Risk Management. The nominal and fair values of the outstanding interest rate derivative contracts as of 31 December 2024 (2023) are summarized in Note 19.

The re-pricing period of interest-bearing liabilities occurs 2024	Within 1 year	1 year– 5 years	> 5 years	Total
Financial instruments with floating interest rate				
Loans from financial institutions	1,580	0	0	1,580
Other loans	1	0	0	1
Effect of interest rate swaps	250	0	0	250
Financial instruments with fixed interest rate				
Bonds	0	994	1,121	2,115
Commercial paper liabilities	307	0	0	307
Lease liabilities	224	420	470	1,114
Other loans	0	30	0	30
Effect of interest rate swaps	0	100	-350	-250
	2,363	1,544	1,240	5,147

The re-pricing period of interest-bearing liabilities occurs 2023	Within 1 year	1 year– 5 years	> 5 years	Total
Financial instruments with floating interest rate				
Loans from financial institutions	759	0	0	759
Other loans	1	0	0	1
Effect of interest rate swaps	550	0	0	550
Financial instruments with fixed interest rate				
Bonds	201	496	1,614	2,311
Lease liabilities	199	370	398	967
Other loans	30	0	0	30
Effect of interest rate swaps	0	0	-550	-550
	1,740	866	1,462	4,068

### 4. Key sensitivities to market risks

#### Sensitivity of operating profit to market risks arising from the Group's operations

Due to the nature of its operations, Neste's financial performance is sensitive to the market risks described above. The following table details the approximate impact that movements in the Neste's key price and currency exposures would have on its operating profit for 2025 (2024), assuming normal market and operating conditions and with following assumptions on sensitivities:

- Hedging transactions are excluded
- The sensitivity of each factor in the table is individual, assuming other factors to remain constant, i.e., the ceteris paribus principle
- The sensitivity in the EUR/USD exchange rate is based on exposure forecast
- The sensitivity in the Oil Product total refining margin is based on forecast volumes, representing an impact from change of 1 USD/barrel
- The sensitivity in the Oil Products crude oil price is based on impacts through inventory gains/losses and changes in utility and freight costs
- The sensitivity in the Renewable Products refining margin is based on nameplate capacity at end of 2024, representing an impact from a change of 50 USD/ton

Approximate impact on operating profit, excluding hedges		2025	2024
+/- 10% in the EUR/USD exchange rate	EUR million	-323/+394	-502/+613
+/- USD 1.00/barrel in Oil Products total refining margin	USD million	+/-85	+/-80
+/- USD 10/barrel in crude oil price for Oil Products <sup>1)</sup>	USD million	+/-115	+/-110
+/- USD 50/t in Renewable Products refining margin <sup>2)</sup>	USD million	+/-280	+/-280

<sup>1)</sup> Inventory valuation gains/losses excluded from comparable EBITDA

<sup>2)</sup> Based on nameplate capacity

#### Sensitivity to market risks arising from financial instruments as required by IFRS 7

The following analysis, required by IFRS 7, is intended to illustrate the sensitivity of Neste's profit for the period and equity to changes in oil prices, the EUR/USD exchange rate, and interest rates, resulting from financial instruments, such as financial assets and liabilities and derivative financial instruments, as defined by IFRS, included in the consolidated statement of financial position as of 31 December 2024 (2023). Financial instruments affected by the above market risks include net working capital items, such as trade and other receivables and trade and other payables, interest-bearing liabilities, deposits, liquid funds, and derivative financial instruments. When cash flow hedge accounting is applied, the change in the fair value of derivative financial instruments is assumed to be recorded fully in equity.

The following assumptions were made when calculating the sensitivity to the change in oil prices:

- The price variation for oil derivative contracts of crude oil, refined oil products and vegetable oil is assumed to be +/- 20%
- The sensitivity related to oil derivative contracts held for hedging refinery oil inventory position is included; the underlying physical oil inventory position is excluded from the calculation, since inventory is not a financial instrument
- The sensitivity related to oil derivative contracts held for hedging expected future refining margin is included; the underlying expected refining margin position is excluded from the calculation

The following assumptions were made when calculating the sensitivity to changes in the EUR/USD exchange rate:

- The variation in the EUR/USD-rate is assumed to be +/- 10%
- The position includes USD-denominated financial assets and liabilities, such as interest-bearing liabilities, deposits, trade and other receivables, trade and other payables, and liquid funds, as well as derivative financial instruments
- The position excludes USD-denominated future cash flows

The following assumptions were applied when calculating the sensitivity to changes in interest rates:

- The variation of interest rate is assumed to be a 1 percentage point parallel shift in the interest rate curve
- The interest rate risk position includes interest-bearing liabilities (excluding leases), interest-bearing receivables, and interest rate swaps, however liquid funds are excluded
- The consolidated statement of income is affected by changes in the interest rates of floating-rate financial instruments except derivative financial instruments that are designated as and qualifying for cash flow hedges, which are recorded directly in equity

The sensitivity analysis presented in the following table may not be representative, since the Neste's exposure to market risks also arises from balance sheet items other than financial instruments, such as inventories. As the sensitivity analysis does not take into account future cash flows, which Neste hedges in significant volumes, it only reflects the change in fair value of hedging instruments. In addition, the size of the exposure sensitive to changes in the EUR/USD exchange rate varies significantly, so the position on the balance sheet date may not be representative for the financial period on average. Equity in the following table includes items which are recorded directly in equity. Items affecting the statement of income are not included in equity.

Sensitivity to market risk arising from financial instruments as required by IFRS 7		2024		2023	
		Income statement	Equity	Income statement	Equity
+/- 20% change in oil price <sup>1)</sup>	EUR million	+/-25	+/-0	+/- 37	+/- 0
+/- 10% change in EUR/USD exchange rate	EUR million	+114/-139	+143/-143	+144/-176	+197/-197
+/- 1% parallel shift in interest rates	EUR million	-/+14	+/-1	-/+8	+/-0

<sup>1)</sup> Includes crude oil, refined oil products and vegetable oil derivatives

## Liquidity and refinancing risks

Liquidity risk is defined as financial distress or extraordinarily high financing costs due to a shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The objective of liquidity risk management is to maintain sufficient liquidity at all times to prevent financial distress.

Neste's principal source of liquidity is expected to be cash generated from operations. In addition, Neste seeks to reduce liquidity and refinancing risks by maintaining a diversified maturity profile in its loan portfolio. Certain other limits have also been set to minimize liquidity and refinancing risks. The amount of short-term financing is limited to the greater of the following: EUR 500 million or 30% of total interest-bearing liabilities. Unused committed credit facilities together with cash must always be at a minimum EUR 700 million and sufficient to cover all forecasted negative free cash flows and interest bearing liabilities maturing within the next 12-month period.

The average loan maturity as of 31 December 2024 was 4.1 years (2023: 5.1 years). The most important financing programs in place are committed revolving multicurrency credit agreement of EUR 1,200 million, other committed revolving credit agreements totaling EUR 825 million, committed overdraft facilities totaling EUR 150 million and uncommitted domestic commercial paper program of EUR 400 million. The EUR 1,200 million revolving multicurrency credit agreement signed in 2019 for general corporate purposes will expire in December 2026. The margin under the agreement will be adjusted based on Neste's progress to meet its greenhouse gas emission reduction target. Other committed revolving credit agreements, totaling EUR 825 million, will expire during years 2025–2027.

Liquid funds and committed unutilized credit facilities	31 Dec 2024	31 Dec 2023
Liquid funds	955	1,580
Overdraft and revolving credit facilities, expiring within one year	242	150
Revolving credit facility, expiring beyond one year	1,683	1,750
Total	2,880	3,480
In addition: unused commercial paper program (uncommitted)	89	400

<b>Maturity profile of financial liabilities based on contractual payments 31 Dec 2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030–</b>	<b>Total</b>
Trade payables and other liabilities	2,092	1	1	15	1	13	2,124
Interest-bearing liabilities							
Bonds <sup>1)</sup>	0	0	0	500	500	1,100	2,100
Loans from financial institutions	253	156	773	0	200	200	1,582
Lease liabilities <sup>2)</sup>	224	160	107	85	68	470	1,114
Commercial papers	307	0	0	0	0	0	307
Other loans	1	0	0	0	30	0	31
Interest of lease liabilities	54	46	40	35	31	323	528
Interest of other liabilities	120	116	100	84	81	135	636
Total	3,052	479	1,021	719	910	2,241	8,423
Commodity derivatives	83	2	0	0	0	0	84
Interest rate swaps	0	2	1	1	1	0	6
Gross settled forward foreign exchange contracts							
- inflow (-)	-3,636	0	0	0	0	0	-3,636
- outflow	3,783	0	0	0	0	0	3,783
Derivatives total	230	4	1	1	1	0	237

<sup>1)</sup> Refer to Note 21 Financial liabilities for further information

<sup>2)</sup> Refer to Note 29 Leases for further information

<b>Maturity profile of financial liabilities based on contractual payments 31 Dec 2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029–</b>	<b>Total</b>
Trade payables and other liabilities	2,433	10	2	2	2	24	2,473
Interest-bearing liabilities							
Bonds <sup>1)</sup>	201	0	0	0	500	1,600	2,301
Loans from financial institutions	149	6	506	98	0	0	759
Lease liabilities <sup>2)</sup>	199	145	98	70	58	398	967
Other loans	32	0	0	0	0	0	32
Interest of lease liabilities	50	41	36	32	28	310	497
Interest of other liabilities	91	95	82	72	68	195	604
Total	3,154	297	723	274	655	2,528	7,633
Commodity derivatives	203	6	0	0	0	0	209
Gross settled forward foreign exchange contracts							
- inflow (-)	-770	0	0	0	0	0	-770
- outflow	779	0	0	0	0	0	779
Derivatives total	212	6	0	0	0	0	219

<sup>1)</sup> Refer to Note 21 Financial liabilities for further information

<sup>2)</sup> Refer to Note 29 Leases for further information

As described in Note 21 Financial liabilities, Neste also participates in a supplier finance arrangement with the principal purpose of facilitating efficient payment processing of supplier invoices. Under the arrangement the supplier may elect to receive early payment from the financial institution by selling its receivables from Neste.

From Neste's perspective, the arrangement does extend to some extent payment terms beyond the normal terms agreed with other suppliers that are not participating. On average, the payment terms for invoices relating to participating suppliers are extended by 60 days compared to the normal terms agreed with other suppliers individually.

Neste maintains sufficient cash and unused committed credit facilities to reduce the refinancing risk in relation to the supplier finance arrangement.

### Credit and counterparty risk

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 risk arises especially from sales, supply, hedging and trading transactions as well as from cash investments. Risk magnitude depends on the size of the business exposure and creditworthiness of the counterparty. The objective of counterparty and credit risk management is to prevent and minimize the losses incurred as a result of a counterparty not fulfilling its obligations. Limits, mandates and management principles for counterparty and credit risk are covered in the Corporate risk management policy and separate principle and instruction-level documents. Credit risk limits are set at the Group level, designated by different levels of authorization and delegated to Neste's reporting segments, which are responsible for counterparty risk management within these limits.

When determining the credit lines for sales contracts, counterparties are screened and evaluated vis-à-vis their creditworthiness to decide whether an open credit line is acceptable or collateral, for example, a letter of credit, bank guarantee or parent company guarantee has to be posted. In the event that collateral is required credit risk is evaluated based on a financial evaluation of the party posting the collateral. If appropriate in terms of the potential credit risk associated with a specific customer, advance payment is required before delivery of products or services. In addition, Neste may reduce its counterparty risks by selling trade receivables to a third party, e.g., the bank.

Neste risk management policy divides credit lines for counterparties into following categories according to contract type: physical sales transactions, derivative transactions and financial transactions. In each of the categories counterparty credit limits and decision-making mandates are determined separately for counterparties rated by general rating agencies and unrated counterparties. For OTC (over-the-counter) derivative financial instrument contracts, Neste has negotiated framework agreements in the form of the ISDA (International Swaps and Derivatives Association) master agreement with the main counterparties concerning commodity, emission allowance, currency and interest rate derivative financial instruments. These contracts permit netting and allow for termination of the contract on the occurrence of certain events of defaults and termination events. Some of these agreements include Credit Support Annexes (CSA) with the aim of reducing credit and counterparty risk by requiring margin call deposits in the form of cash or letter of credit for balances exceeding the mutually agreed limit. At the end of December 2024, Neste had received EUR 1 million in cash collateral (2023: EUR 1 million) and EUR 0 million letter of credit (2023: EUR 0 million) due to CSA agreements. Neste had issued EUR 21 million in cash collateral (2023: EUR 35 million) and EUR 0 million letter of credit (2023: EUR 0 million) due to CSA agreements.

	31 Dec 2024				31 Dec 2023			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	Derivatives	Trade receivables	Derivatives	Trade payables	Derivatives	Trade receivables	Derivatives	Trade payables
<b>Financial impact of netting for instruments subject to an enforceable master netting agreement (or similar)</b>								
Gross amount of recognized financial instruments	145	18	238	3	217	0	219	23
Related liabilities or assets subject to master netting agreements	128	0	128	0	120	0	120	0
CSA agreements	1	0	21	0	1	0	35	0
Net exposure	16	18	89	3	96	0	64	23

Neste subsidiaries are required to deposit their excess cash balances with the Group Treasury on an ongoing basis in order to provide sufficient visibility and management of Neste's cash balance and risks associated with it.

As for counterparty risk management, the minimum credit rating requirement for companies providing insurance for Neste Group is defined in the insurance principles.

Neste has a large number of different international counterparties. As to the range of counterparties, the most significant types are primarily large international oil companies and financial institutions. Neste's exposure to unexpected credit losses within one reporting segment may increase with the concentration of credit risk through a number of counterparties operating in the same industry sector or geographical area, which may be adversely affected by changes in economic, political or other conditions. These risks are reduced by taking concentration risks into consideration in credit decisions.

Counterparties to contracts comprising derivative financial instruments exposure on 31 December 2024: over 85% of the counterparties or their parent companies related to commodity derivative contracts have investment-grade rating from an established international credit rating agency. Respectively, Group Treasury & Risk Management had an exposure for currency and interest rate derivative contracts as of 31 December 2024 with banks, of which all have investment-grade rating at a minimum. Commodity derivative transactions are also done through exchange.

Neste assesses expected credit losses and calculates impairment loss from trade receivables based on historical credit loss experience combined with current conditions and forward-looking macroeconomic analysis. Analysis is conducted utilizing industry outlook and economic forecasts from various data sources. Neste has chosen a cautious expected credit loss calculation as indicated by the low level of actual historical credit losses compared to the expected credit loss provision. The receivables have been divided in aging buckets and segments depending on business area and geographic region, in addition to which they are assessed case by case. Impairment loss from trade receivables for the period is EUR 14 million (2023: EUR 17 million). Recognized credit loss of trade receivables amounts to EUR 1 million (2023: EUR 1 million).

<b>Analysis of trade receivables by age</b>	<b>31 Dec 2024</b>	<b>Probability of Credit Loss, %</b>	<b>31 Dec 2023</b>	<b>Probability of Credit Loss, %</b>
not past due	1,100	0–0.04%	1,263	0–0.04%
1–30 days overdue <sup>1)</sup>	111	0.01–4%	179	0.01–4%
31–60 days overdue	8	5–43%	47	5–43%
61–90 days overdue	11	10–55%	17	10–55%
91–180 days overdue	4	25–100%	73	25–100%
more than 180 days overdue	99	100%	43	100%
Trade receivables total	1,333		1,622	
Impairment loss	-14		-17	
Trade receivables – Net	1,319		1,605	

<sup>1)</sup> Blender's Tax Credit receivables from the US tax authorities on 31.12.2024 were total EUR 200 million, of which EUR 10 million 1–30 days overdue and EUR 76 million more than 180 days overdue.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indications that there is no reasonable expectation of recovery may be, e.g., a debtor failing to engage in a repayment plan with the company, or a debtor failing to make contractual payments more than 180 days past due. However, the write-offs are interpreted case by case and thus if there is a high probability that the receivable is still paid, no write-off is made. For all bankruptcies and debt restructurings, Neste makes an immediate write off. Where trade receivables or contract assets have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss as a reversal of the write-off.



## Capital risk management

Neste's objective when managing capital is to secure a capital structure that ensures access to capital markets at all times despite the business cycle of the industry in which Neste operates. Neste seeks to maintain a capital structure equivalent to a strong investment-grade rating. The capital structure of Neste is reviewed by the Board of Directors on a regular basis.

Neste monitors its capital on the basis of leverage ratio, the ratio of interest-bearing net debt to interest-bearing net debt plus total equity. Interest-bearing net debt is calculated as interest-bearing liabilities less liquid funds. Over the cycle, Neste's leverage ratio is likely to fluctuate, and it is Neste's objective to maintain the leverage ratio below 40%.

The leverage ratio	31 Dec 2024	31 Dec 2023
Total interest-bearing liabilities	5,147	4,068
Liquid funds	955	1,580
Interest-bearing net debt	4,192	2,488
Total equity	7,417	8,463
Interest-bearing net debt and total equity	11,609	10,952
Leverage ratio	36.1%	22.7%

Reconciliation of interest-bearing net debt	Cash and cash equivalents	Liquid investments	Lease liabilities	Borrowings	Total
Net debt as of 1 January 2024	-1,575	-5	967	3,101	2,488
Cash flows	655	5	-278	943	1,325
New lease liabilities	0	0	420	0	420
Acquisitions and disposals	0	0	0	0	0
Foreign exchange differences	-36	0	11	-10	-35
Other non-cash movements	0	0	-6	0	-6
Net debt as of 31 December 2024	-955	0	1,114	4,034	4,192

Reconciliation of interest-bearing net debt	Cash and cash equivalents	Liquid investments	Lease liabilities	Borrowings	Total
Net debt as of 1 January 2023	-1,271	0	535	2,080	1,344
Cash flows	-327	-5	-254	1,033	447
New lease liabilities	0	0	765	0	765
Acquisitions and disposals	0	0	1	6	7
Foreign exchange differences	24	0	-8	-19	-3
Other non-cash movements	0	0	-72	0	-72
Net debt as of 31 December 2023	-1,575	-5	967	3,101	2,488

## 4 Segment information

### Accounting policy

Neste's operations are divided into three operating segments: Renewable Products, Oil Products, Marketing & Services. The performance of the reporting segments is reviewed regularly by the chief operating decision-maker, Neste's President & CEO, to assess performance and to decide on allocation of resources. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The segments' operating results are measured based on comparable EBITDA and comparable return on net assets. The accounting policies applicable to the segment reporting are the same as those used in the Neste's consolidated financial statements. All inter-segment transactions are on an arm's length basis and are eliminated in consolidation. Segment operating profit includes realized gains and losses from foreign currency and commodity derivative contracts hedging cash flows of commercial sales and purchases that have been recognized in the consolidated statement of income.

Segments' operating assets and liabilities consist of assets and liabilities utilized in the segments' business operations. Assets consist primarily of property, plant and equipment, goodwill, intangible assets, investments in associates and joint ventures, inventories and operative receivables. They exclude current and deferred taxes, interest-bearing receivables, and derivative financial instruments designated as hedges of forecasted future cash flows. Segment operative liabilities consist of operative liabilities, pension liabilities, current and non-current lease liabilities and provisions; and exclude items such as current and deferred taxes, interest-bearing liabilities, and derivative financial instruments designated as hedges of forecasted future cash flows.

### Neste's business structure

On 13 March 2024, Neste completed its organizational change process, which was started on 1 November 2023. Furthermore in order to improve operational efficiency and performance, Neste appointed a new Leadership Team on 28 October 2024. The changes in organizational structure had no impact on Neste's segment reporting. Neste's organization consists of three business areas and three functions. The business areas act as profit centers and are responsible for their customers, products, and business development. Business areas are Renewable Products, Oil Products, and Marketing & Services. The functions are COO Office, CFO Office and People & Culture. The functions are responsible for supporting business areas and other organizations, and ensuring their cost efficiency, transparency, and harmonization of processes across the company, and for overseeing the use and sufficiency of Neste's resources.

## Operating segments

Operating segments are engaged in the following key business activities:

**Renewable Products segment** produces, markets and sells renewable diesel, sustainable aviation fuel and related solutions, as well as renewable and recycled feedstock for plastics and chemicals to business customers, as well as domestic and international wholesale markets. Renewable products are produced at Neste's refineries in Finland, the Netherlands and Singapore, as well as through a joint operation with Marathon Petroleum in Martinez, California, the U.S., entirely from renewable raw materials with an annual nameplate capacity of approximately 5.5 million tons. When completed, Neste's Rotterdam refinery capacity expansion project will further increase the company's total production capacity of renewable products to 6.8 million tons annually. This will help Neste to meet the increasing global demand for lower-emission products. Renewable Products segment is assessed to contain taxonomy-eligible and -aligned economic activities based on the Climate Delegated Act of the Taxonomy Regulation. These taxonomy-aligned activities are climate change mitigation solutions and are in line with the company's climate targets.

Neste's calculations related to its carbon handprint and the EU Taxonomy eligibility and alignment figures are mainly based on Renewable Products segment figures. More information about sustainability at Neste including climate-related matters can be found in the Annual review and the Sustainability statement (CSRD) in the Review by the Board of Directors.

**Oil Products segment** produces, markets and sells an extensive range of high-quality oil products and related services to a global customer base. The product range includes diesel, gasoline, aviation and marine fuels, light and heavy fuel oils, gasoline components, special fuels, such as small-engine gasoline, solvents, and liquid gases. Oil products are refined at the Neste's refinery in Porvoo, Finland. Crude oil refining capacity is ca. 10 million tons per year.

Neste's ambition is to gradually transform the oil refinery in Porvoo, Finland into a leading renewable and circular solutions refining hub in the mid-2030s. To achieve the ambition at the Porvoo refinery, Neste is, for example, building an upgrading unit for liquefied waste plastic, and has started modifying

existing refinery units to enable co-processing of renewable and recycled raw materials with fossil raw materials in the conventional refining process. With the help of co-processing in Neste's oil refining processes, the company can produce additional volumes of products that have lower GHG emissions.

**Marketing & Services segment** markets and sells lower-emission fuels and high-quality oil products and associated digital solutions to its customers in Finland, Estonia, Latvia, and Lithuania. The most important customers include consumers, transport service providers, customers in aviation, shipping, industrial and agricultural sectors, municipalities and heating fuel customers. Transport fuels and high power EV charging services are marketed through Neste's own service station network in Finland and the Baltics.

'Others' consists of common corporate and functional cost.

The operating segments presented above do not include any segments which are formed by aggregating two or more smaller segments.

The 'other expenses' included in the consolidated statement of income for each business segment includes the following major items:

- **Renewable Products:** repairs and maintenance, planning and consulting services, rents and other property costs, travel, HSE and marketing costs, and insurance premiums.
- **Oil Products:** repairs and maintenance, planning and consulting services, rents and other property costs, travel and HSE costs and insurance premiums.
- **Marketing & Services:** repairs and maintenance, rents and other property costs and marketing costs.

Neste's customer structure in 2024 and 2023 did not result in any major concentration in any given geographical area or operating segment.



Information about Nestlé's operating segments as of and for the years ended December 31, 2024 and 2023 is presented in the following tables:

<b>2024</b>	<b>Renewable Products <sup>1)</sup></b>	<b>Oil Products</b>	<b>Marketing &amp; Services</b>	<b>Others</b>	<b>Eliminations</b>	<b>Group</b>	<b>Note</b>
<b>IS</b> External revenue	7,075	8,904	4,645	11	0	20,635	
Internal revenue	246	2,925	42	114	-3,326	0	
<b>IS</b> Total revenue	7,321	11,829	4,687	125	-3,326	20,635	5
<b>IS</b> Other income	22	22	5	33	-27	54	6
<b>IS, CF</b> Share of profit (loss) of associates and joint ventures	-6	-2	0	0	0	-9	15
<b>IS</b> Materials and services	-6,289	-10,839	-4,475	-12	3,228	-18,388	7
<b>IS</b> Employee benefit costs	-257	-135	-33	-156	0	-582	8
<b>IS, CF</b> Depreciation, amortization and impairments	-589	-322	-28	-41	0	-980	
<b>IS</b> Other expenses	-549	-207	-83	1	132	-706	9
<b>IS</b> Operating profit <sup>1)</sup>	-347	345	72	-51	6	25	
<b>IS</b> Financial income and expense						-138	10
<b>IS</b> Profit before income taxes						-113	
<b>IS</b> Income tax expense						19	11
<b>IS</b> Profit for the period						-95	
Comparable EBITDA	514	633	101	-1	6	1,252	
inventory valuation gains/losses	-352	-7	0	0	0	-359	
changes in the fair value of open commodity and currency derivatives	86	-2	0	0	0	84	
capital gains and losses	0	-2	0	0	0	-2	
other adjustments	-6	45	-1	-9	0	29	
EBITDA	242	667	100	-10	6	1,005	
<b>IS, CF</b> Depreciation, amortization and impairments	-589	-322	-28	-41	0	-980	
<b>IS</b> Operating profit	-347	345	72	-51	6	25	

<sup>1)</sup>The US Blender's Tax Credit (BTC) contribution was EUR 590 million on the Renewable Products' operating profit in 2024. More information about biofuel credits in general in addition with their accounting policies, sold volumes and average prices can be found in Note 5 Revenue.

<b>2024</b>	<b>Renewable Products</b>	<b>Oil Products</b>	<b>Marketing &amp; Services</b>	<b>Others</b>	<b>Eliminations</b>	<b>Group</b>	<b>Note</b>
Capital expenditure and investments in shares	1,446	453	39	69	0	2,006	
Segment operating assets	9,911	3,560	559	357	-333	14,053	
<b>BS</b> Investments in associates and joint ventures	32	21	0	0	0	53	15
<b>BS</b> Deferred tax assets						222	11
Unallocated assets						1,252	
<b>BS</b> Total assets	9,943	3,581	559	357	-333	15,581	
Segment operating liabilities	1,891	1,310	421	280	-328	3,574	
<b>BS</b> Deferred tax liabilities						335	11
Unallocated liabilities						4,255	
<b>BS</b> Total liabilities	1,891	1,310	421	280	-328	8,164	
Segment net assets	9,064	2,300	198	88	-5	11,646	
Return on net assets, %	-4.0	14.0	30.9				
Comparable return on net assets, %	-0.9	13.2	31.4				

<b>2023</b>	<b>Renewable Products <sup>1)</sup></b>	<b>Oil Products</b>	<b>Marketing &amp; Services</b>	<b>Others</b>	<b>Eliminations</b>	<b>Group</b>	<b>Note</b>
<b>IS</b> External revenue	8,212	9,566	5,123	26	0	22,926	
Internal revenue	254	3,720	45	75	-4,094	0	
<b>IS</b> Total revenue	8,466	13,285	5,168	100	-4,094	22,926	5
<b>IS</b> Other income	12	16	4	46	-23	55	6
<b>IS, CF</b> Share of profit (loss) of associates and joint ventures	-4	5	0	0	0	1	15
<b>IS</b> Materials and services	-6,624	-11,548	-4,945	-14	4,033	-19,098	7
<b>IS</b> Employee benefit costs	-282	-146	-32	-181	0	-642	8
<b>IS, CF</b> Depreciation, amortization and impairments	-480	-307	-33	-46	0	-866	
<b>IS</b> Other expenses	-519	-238	-77	54	85	-695	9
<b>IS</b> Operating profit <sup>1)</sup>	568	1,068	84	-41	2	1,682	
<b>IS</b> Financial income and expense						-86	10
<b>IS</b> Profit before income taxes						1,596	
<b>IS</b> Income tax expense						-160	11
<b>IS</b> Profit for the period						1,436	
Comparable EBITDA	1,906	1,434	118	-2	2	3,458	
inventory valuation gains/losses	-784	-43	0	0	0	-827	
changes in the fair value of open commodity and currency derivatives	-73	-25	0	0	0	-98	
capital gains and losses	0	5	0	2	0	7	
other adjustments	0	4	-1	5	0	8	
EBITDA	1,049	1,375	117	5	2	2,548	
<b>IS, CF</b> Depreciation, amortization and impairments	-480	-307	-33	-46	0	-866	
<b>IS</b> Operating profit	568	1,068	84	-41	2	1,682	

<sup>1)</sup>The US Blender's Tax Credit (BTC) contribution was EUR 417 million on the Renewable Products' operating profit in 2023.

<b>2023</b>	<b>Renewable Products</b>	<b>Oil Products</b>	<b>Marketing &amp; Services</b>	<b>Others</b>	<b>Eliminations</b>	<b>Group</b>	<b>Note</b>
Capital expenditure and investments in shares	1,915	336	38	61	0	2,351	
Segment operating assets	9,242	3,824	647	480	-397	13,794	
<b>BS</b> Investments in associates and joint ventures	33	25	0	0	0	58	15
<b>BS</b> Deferred tax assets						127	11
Unallocated assets						2,004	
<b>BS</b> Total assets	9,275	3,849	647	480	-397	15,983	
Segment operating liabilities	2,046	1,521	473	384	-387	4,037	
<b>BS</b> Deferred tax liabilities						317	11
Unallocated liabilities						3,166	
<b>BS</b> Total liabilities	2,046	1,521	473	384	-387	7,520	
Segment net assets	8,069	2,384	236	104	-11	10,783	
Return on net assets, %	7.5	42.6	34.6				
Comparable return on net assets, %	18.9	45.0	35.2				

## Geographical information

Neste operates production facilities in Finland, Singapore, the Netherlands and in the USA and its retail sales network in Finland, Estonia, Latvia and Lithuania. The following table provides information on Neste's revenue, which is allocated based on the country of destination, irrespective of the origin of the goods or services, and non-current assets and capital expenditure, which are allocated based on where the assets are located.

Non-current assets consist of goodwill, intangible assets, property, plant and equipment and investments in associates and joint ventures. 'Other Nordic countries' includes Sweden, Norway, Denmark and Iceland. 'Baltic rim' includes Estonia, Latvia, Lithuania and Poland. Neste's activities in this geographical area consists mainly of retail activities in the aforementioned countries.

<b>2024</b>	<b>Finland</b>	<b>Other Nordic countries</b>	<b>Baltic rim</b>	<b>Other European countries</b>	<b>USA</b>	<b>Other countries</b>	<b>Group</b>
<b>IS</b> Revenue by destination	5,641	1,911	1,763	4,236	6,242	841	20,635
Non-current assets	2,763	3	79	2,835	1,865	2,059	9,603
Capital expenditure	678	3	8	966	165	187	2,006

<b>2023</b>	<b>Finland</b>	<b>Other Nordic countries</b>	<b>Baltic rim</b>	<b>Other European countries</b>	<b>USA</b>	<b>Other countries</b>	<b>Group</b>
<b>IS</b> Revenue by destination	6,515	3,278	1,715	4,775	5,640	1,002	22,926
Non-current assets	2,578	2	78	1,779	2,022	2,065	8,525
Capital expenditure	415	3	11	774	814	334	2,351

## 5 Revenue

### Accounting policy

Revenue from contracts with customers is recognized when or as Neste satisfies a performance obligation by transferring control of a promised good or service to a customer. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service, either over time or at a point in time. Neste principally satisfies its performance obligations at a point in time. The amounts of revenue recognized relating to performance obligations satisfied over time are not significant.

When, or as, a performance obligation is satisfied, Neste recognizes as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which Neste expects to be entitled in exchange for the promised goods or services. The transaction price is allocated to the performance obligations in the contract based on the standalone selling prices of the goods or services promised.

Timing for revenue recognized at a point in time is typically when control has been transferred based on the delivery terms used. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue recognized over time is measured in accordance with the input method (progress measured based on costs incurred) when the outcome of the contract can be estimated reliably. Neste uses an input method in measuring progress of the services because there is a direct relationship between Neste's effort and the transfer of service to the customer. When the outcome cannot be reliably determined, the costs arising are expensed in the same financial period in which they occur, but the revenue is recorded only to the extent that the company will receive an amount corresponding to actual costs. Any losses are expensed immediately.

Some of Neste's contracts may involve elements of variable considerations, such as rebates, bonuses or penalties. The variable consideration is estimated by using either the expected value or the most likely amount –method, depending on the type of variable element and related contractual terms and conditions. Amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal of revenue does not occur later.

Neste provides its customers with standard payment terms. If extended payment terms exceeding one year are offered to customers, the invoiced amount is discounted to its present value and interest income is recognized over the credit term.

Revenue is presented net of indirect sales taxes such as value added tax and statutory stockpiling fees, penalties and discounts.

### Biofuel credits

Neste earns biofuel credits in the US in the form of California Low Carbon Fuel Standard credits (LCFS) and Renewable Identification Numbers (RINs) which are recognized in revenue. Neste considers biofuel credits as assets created under various government programs to incentivize renewable fuel supply. Thus, Neste recognizes biofuel credits as government grants when receiving the inventory in the USA and recognizes them as revenue when sold to third parties. The LCFS (low carbon fuel standard) is designed to reduce greenhouse gas (GHG) emissions from the transportation sector. Established by the California Air Resources Board (CARB), the target is to lower the carbon intensity (CI) of transportation fuels used within the state. Credits are earned by producing fuels with CI levels which are below the set target. Deficits are generated by producing fuels with CI levels which are above the set target. Producers can sell and buy credits to offset the deficit generated. A Renewable Identification Number (or RIN) is a serial number assigned to a batch of biofuel for the purpose of tracking its production, use, and trading. RINs are earned when either producing or importing renewable fuels that

meet the United States Environmental Protection Agency's (EPA) eligibility criteria. Both LCFS credits and RINs are actively traded in the market. The liquidity of the market is sufficient to enable the company to reliably estimate the fair value of the biofuel credits.

In addition to LCFS and RINs, Blender's Tax Credit (BTC) impacts Revenue and Materials and services and is recognized if the Government of the United States decide to grant it. The decision is made annually. Blender's Tax Credit is an incentive given to fuel blenders to use more renewable fuel by making the bio mandates less costly to achieve. In case Neste's customers are blenders, the BTC credit value is included in the sale price and recognized in revenue. The Blender's Tax Credit received directly from the US tax authorities are recognized as deduction of costs in materials and services. The BTC credit expired at the end of 2024. The uncertainties regarding transition from Blender's Tax Credit (BTC) to Clean Fuels Production Credit (CFPC) in the US could have an impact on the relative competitiveness of US vs. foreign fuel producers and might require Neste to reoptimize its global production capacity and supply chains to maximize value. The effect of the new Clean Fuel Production Credit (CFPC) also remains to be seen.



Revenue by category	2024					2023				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
<b>External revenue</b>										
Fuels <sup>1)</sup>	6,355	8,421	4,539	0	19,315	7,522	9,162	5,003	0	21,687
Middle distillates	6,203	4,650	3,596	0	14,449	7,383	5,141	3,986	0	16,510
Light distillates	153	3,161	938	0	4,252	139	3,404	1,012	0	4,556
Heavy fuel oil	0	610	5	0	615	0	616	5	0	620
Other products	681	359	96	0	1,136	685	338	107	0	1,129
Other services	38	124	10	11	183	5	66	12	26	109
<b>IS Total</b>	<b>7,075</b>	<b>8,904</b>	<b>4,645</b>	<b>11</b>	<b>20,635</b>	<b>8,212</b>	<b>9,566</b>	<b>5,123</b>	<b>26</b>	<b>22,926</b>

<sup>1)</sup> Middle distillates comprise diesel, jet fuels, low sulphur marine fuels, heating oil, renewable fuels, and sustainable aviation fuels. Light distillates comprise motor gasoline, gasoline components, liquefied petroleum gas, renewable naphtha, and biopropane. RINs (Renewable Identification Number), LCFS (Low Carbon Fuels Standard) credits, and BTCs (Blender's Tax Credits) are included in the corresponding fuel categories in the Renewable Products segment.

Fuels category includes product sales from the Neste's own refineries, other production facilities and retail stations as well as other sale of petroleum products, feedstock, raw materials and oil trading. Excise taxes included in the retail selling price of finished oil products amounting to EUR 1,422 million (2023: EUR 1,523 million) are included in the Middle distillates amount. The corresponding amount is included in the purchase price of petroleum products and included in Materials and Services, in Note 7.

Oil trading included in the Fuels category comprise of result from physical trading activities conducted on international and regional markets by taking delivery of and selling petroleum products and raw materials within a short period of time for the purpose of generating a profit from short-term fluctuations in product and raw material prices and margins.

Net gains/losses on financial instruments related to sales designated as cash flow hedges are included in revenue amounting to EUR -23 million (2023: EUR 108 million).

Timing of revenue recognition	2024					2023				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
<b>External revenue</b>										
Goods transferred at point in time	7,037	8,780	4,635	0	20,452	8,207	9,499	5,110	0	22,816
Services transferred at point in time	38	124	10	1	173	5	66	12	1	84
Services transferred over time	0	0	0	10	10	0	0	0	25	25
<b>IS Total</b>	<b>7,075</b>	<b>8,904</b>	<b>4,645</b>	<b>11</b>	<b>20,635</b>	<b>8,212</b>	<b>9,566</b>	<b>5,123</b>	<b>26</b>	<b>22,926</b>

Revenue by operating segment 2024	Renewable Products	Oil Products	Marketing & Services	Others	Eliminations	Total
External revenue	7,075	8,904	4,645	11	0	20,635
Internal revenue	246	2,925	42	114	-3,326	0
<b>IS Total revenue</b>	<b>7,321</b>	<b>11,829</b>	<b>4,687</b>	<b>125</b>	<b>-3,326</b>	<b>20,635</b>

Revenue by operating segment 2023	Renewable Products	Oil Products	Marketing & Services	Others	Eliminations	Total
External revenue	8,212	9,566	5,123	26	0	22,926
Internal revenue	254	3,720	45	75	-4,094	0
<b>IS Total revenue</b>	<b>8,466</b>	<b>13,285</b>	<b>5,168</b>	<b>100</b>	<b>-4,094</b>	<b>22,926</b>

Revenue by operating destination	2024					2023				
	Renewable Products	Oil Products	Marketing & Services	Others	Total	Renewable Products	Oil Products	Marketing & Services	Others	Total
<b>External revenue</b>										
Finland	172	1,849	3,609	11	5,641	406	2,021	4,063	26	6,515
Other Nordic countries	722	1,187	2	0	1,911	2,175	1,101	2	0	3,278
Baltic Rim	56	676	1,031	0	1,763	40	620	1,055	0	1,715
Other European countries	2,392	1,841	3	0	4,236	1,984	2,789	3	0	4,775
USA	3,556	2,687	0	0	6,242	3,437	2,203	0	0	5,640
Other countries	177	664	0	0	841	170	832	0	0	1,002
<b>IS Total</b>	<b>7,075</b>	<b>8,904</b>	<b>4,645</b>	<b>11</b>	<b>20,635</b>	<b>8,212</b>	<b>9,566</b>	<b>5,123</b>	<b>26</b>	<b>22,926</b>

### Biofuel credits

Key drivers	2024	2023
Biomass-based diesel (D4) RIN, USD/gal	0.59	1.35
California LCFS Credit, USD/ton	60	73
Number of sold RIN Credits (1,000)	1,161,628	658,096
Number of sold LCFS Credits (1,000)	2,886	2,138

## 6 Other income

### Accounting policy

Revenue from activities outside normal operations is reported in other income. This includes items such as capital gains on disposal of non-current assets and rental income.

	2024	2023
Government grants	19	20
Insurance compensations	11	6
Rental income	7	7
Capital gains on disposal of non-current assets	3	0
Other	14	22
<b>IS Other income</b>	<b>54</b>	<b>55</b>

Government grants relate mainly to innovation subsidies, and grants to shipping operations, which are entitled to apply for certain grants based on Finnish legislation.

## 7 Materials and services

### Accounting policy

Blender's Tax Credit (BTC) impacts revenue, and materials and services and is recognized if the Government of the United States decide to grant it. The decision is made annually. Blender's Tax Credit is an incentive given to fuel blenders to use more renewable fuel by making the bio mandates less costly to achieve. In case Neste's customers are blenders, the BTC credit value is included in sales price and recognized in Revenue. The Blender's Tax Credit received directly from the US tax authorities are recognized as deduction of costs in Materials and services. The BTC credit expired at the end of 2024.

	2024	2023
Materials and supplies	17,821	18,752
Change in inventories	497	279
External services	70	66
<b>IS Materials and services</b>	<b>18,388</b>	<b>19,098</b>

Materials and supplies include excise taxes included in the retail selling price of petroleum products amounting to EUR 1,422 million (2023: EUR 1,523 million). The corresponding amount is included in Revenue in Note 5.

The net result of non-hedge accounted commodity and foreign exchange derivatives amounted to EUR 2 million (2023: EUR -288 million). Net gains/losses on derivative instruments related to purchases designated as cash flow hedges amounted to EUR 0 million (2023: EUR 1 million). Both above-mentioned items are included in Materials and supplies.

Materials and supplies also include EUR 17 million (2023: 14 million) of expenses related to lease contracts which are accounted for as an expense on a straight-line basis over the lease term. Refer to Note 29 Leases for further information.

## 8 Employee benefit costs

	2024	2023
Wages and salaries	500	531
Social security costs	28	30
Share-based payments	5	7
Pension costs - defined contribution plans	62	69
Pension costs - defined benefit plans	2	4
Wages and salaries capitalized in fixed assets	-33	-20
Other costs	18	21
<b>IS Employee benefit costs</b>	<b>582</b>	<b>642</b>

Wages, salaries and other compensation for key management are presented in Note 25 Related party transactions. Share-based payments are described in Note 24 Share-based payments and defined benefit plans in Note 23 Employee benefit obligations.

Number of personnel (average)	2024	2023
Renewable Products	2,046	1,983
Oil Products	1,301	1,257
Marketing & Services	424	412
Others	2,025	2,366
	5,796	6,018

## 9 Other expenses

	2024	2023
Repairs and maintenance	210	184
Services	317	289
Rents and other property costs	49	48
Insurances	50	48
Other	80	126
<b>IS Other expenses</b>	<b>706</b>	<b>695</b>

Services include planning and consulting services, IT services, research and lab services and other services.

Rents and other property costs include EUR 13 million (2023: EUR 13 million) of expenses related to lease contracts which are accounted for as an expense on a straight-line basis over the lease term. Refer to Note 29 Leases for further information.

Other expenses include travel expenses, health safety and environment and advertising costs.

Research expenditure is recognized as an expense as incurred and included in other expenses in the consolidated statement of income.

Fees charged by the statutory auditor	2024	2023
Authorised Public Accountants	KPMG	KPMG
Audit fees	1.8	1.6
Auditor's statements	0.2	0.0
Tax advisory	0.6	0.8
Other advisory services	0.2	0.3
	2.8	2.7

KPMG Oy Ab's fees included 791 thousand euros for audit and 160 thousand euros for auditor's statements. The auditor's statements include fees for the sustainability reporting assurance. Non-audit services to entities of Neste Group were 737 thousand euros (2023: 1,002 thousand euros) in total during the financial year 2024. These services included 559 thousand euros (2023: 707 thousand euros) of tax advisory and 178 thousand euros (2023: 295 thousand euros) of other advisory services.

## 10 Financial income and expenses

	2024	2023
<b>Financial income</b>		
Interest income from financial assets at amortized cost	47	45
	47	45
<b>Financial expenses</b>		
Interest expenses for financial liabilities/receivables at amortized cost		
Lease liabilities	-60	-50
Other liabilities	-87	-68
Interest rate derivatives, fair value hedge accounted	0	-1
Other financial expenses	-9	-3
	-156	-122
<b>Exchange rate and fair value gains and losses</b>		
Financial instruments at amortized cost	32	9
Financial instruments at fair value through profit or loss	-62	-18
	-29	-9
<b>IS, CF</b> Total financial income and expenses	-138	-86
<b>Net gains/losses on financial instruments included in operating profit and fixed assets</b>	<b>2024</b>	<b>2023</b>
Foreign exchange derivatives, hedge accounted <sup>1)</sup>		
Included in revenue	-23	108
Included in materials and services	0	1
Included in fixed assets	0	-6
Foreign exchange derivatives, non-hedge accounted		
Included in materials and services	-2	14
Commodity derivatives, non-hedge accounted		
Included in materials and services	4	-302
	-21	-186

<sup>1)</sup>The recognized ineffectiveness was EUR 0 million (2023: EUR 0 million).

## 11 Income taxes

### Accounting policy

Neste's income tax expenses include taxes of group companies calculated on the basis of the taxable profit for the period, with adjustments for previous periods, as well as the change in deferred income taxes. In respect of the deferred tax liability on undistributed foreign earnings, the amount recorded is based on expected circumstances and management expectations regarding the profit distribution. For items recognized directly in equity or other comprehensive income, the income tax effect is similarly recognized.

If adjustments regarding uncertain tax positions (IFRIC 23) are made in situations where it is not likely that the tax authority and/or the court would accept a certain tax treatment, Neste will choose a method of recording the liability that best describes the realization of the uncertainty.

Deferred income taxes are stated using the balance sheet liability method, to reflect the net tax effect of temporary differences between the financial reporting and tax bases of assets and liabilities. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is determined using tax rates that are in force on the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred tax assets are recognized for tax loss carryforwards and other unused tax credits to the extent that the utilization of the related tax benefit through future taxable profits is probable.

Neste has determined that the global minimum top-up tax, which it is required to pay under Pillar Two legislation, is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

### Estimates and judgements requiring management estimation

Liabilities and assets are recognised with respect to income tax amounts when management is expecting to pay and recover, respectively. Non-current tax balances are not discounted.

Neste has deferred tax assets and liabilities which are expected to be realized through the consolidated statement of income over extended periods of time in the future. Neste management has made certain assumptions regarding future tax consequences and used certain estimates when calculating differences between carrying amounts of assets and liabilities and their tax bases. Key assumptions underlying tax calculations include e.g. likelihood that recoverability periods for tax loss carryforwards will not change, and that existing tax laws and rates remain unchanged into the foreseeable future. At each balance sheet date, management uses judgment to assess the recoverability of deferred tax assets. When circumstances indicate that it is no longer probable that deferred tax assets can be recovered in the foreseeable future, balances are reduced to their recoverable amounts.

The major components of income tax expense	2024	2023
Current tax	22	296
Global minimum top-up tax	0	0
Adjustments recognized for current tax for prior periods	7	-56
Change in deferred taxes	-48	-81
<b>IS</b> Income tax expense	-19	160

The reconciliation of income taxes	2024	2023
<b>IS</b> Profit before income taxes	-113	1 596
Hypothetical income tax calculated at Finnish tax rate 20%	23	-319
Differences in tax rates in other countries	-17	68
Non-deductible expenses and other permanent differences	-1	-2
Tax exempt income	98	78
Tax on undistributed earnings	-1	-2
Taxes for prior periods	-9	53
Net results of joint ventures	-2	0
Realisability of deferred tax assets	-77	-38
Other	5	4
<b>IS</b> Income tax expense	19	-160
Effective tax rate, %	17	10

In 2024, in addition to tax rate differences, the effective tax rate of Neste was notably affected by the US Blender's Tax Credit as a portion of this credit is treated as tax-exempt income for corporate income tax purposes. Furthermore, the realisability of deferred tax assets increased as a result of an increase in the valuation allowance established against the deferred tax asset on tax loss carryforwards in the USA. Lastly, the adjustments to prior period taxes largely resulted from the finalization of a bilateral advance pricing agreement (BAPA) between the tax administrations of Finland and Singapore, which also included a rollback for 2022 and 2023.

The new Pillar Two rules for global minimum tax are in force in 2024 in several Neste countries, including Finland. The impact from Pillar Two taxes in Neste's 2024 financial statements is immaterial.

<b>Changes in deferred tax assets and liabilities 2024</b>	<b>On 1 Jan 2024</b>	<b>Charged to Income Statement</b>	<b>Charged in Other comprehensive income</b>	<b>Exchange rate differences, assets held for sale and other changes</b>	<b>On 31 Dec 2024</b>
Tax loss carried forward	280	107	0	21	407
Provisions	34	-12	0	0	22
Pensions	18	-3	-1	0	15
Fixed assets	191	35	0	4	230
Derivative financial instruments	2	11	0	0	13
Other temporary differences	32	7	2	1	42
Total deferred tax assets	557	146	1	26	730
Netting against liabilities	-431	-61	0	-17	-508
<b>BS</b> Deferred tax assets	127	85	1	9	222
Tax on undistributed earnings	11	-1	0	0	10
Fixed assets	531	102	0	6	638
Derivative financial instruments	17	3	-19	0	1
Investments in partnerships	181	-16	0	11	176
Other temporary differences	8	10	0	0	18
Total deferred tax liabilities	747	98	-19	17	843
Netting against assets	-431	-60	0	-17	-508
<b>BS</b> Deferred tax liabilities	317	37	-19	0	335

<b>Changes in deferred tax assets and liabilities 2023</b>	<b>On 1 Jan 2023</b>	<b>Charged to Income Statement</b>	<b>Charged in Other comprehensive income</b>	<b>Exchange rate differences, assets held for sale and other changes</b>	<b>On 31 Dec 2023</b>
Tax loss carried forward	61	219	0	0	280
Provisions	33	2	0	0	34
Pensions	24	-3	-3	0	18
Fixed assets	116	75	0	0	191
Derivative financial instruments	2	0	0	0	2
Other temporary differences	25	6	1	0	32
Total deferred tax assets	260	300	-2	0	557
Netting against liabilities	-201	-229	0	0	-431
<b>BS</b> Deferred tax assets	59	70	-2	0	127
Tax on undistributed earnings	9	2	0	0	11
Fixed assets	454	77	0	0	531
Derivative financial instruments	17	9	-10	0	17
Investments in partnerships	50	130	0	0	181
Other temporary differences	7	0	0	1	8
Total deferred tax liabilities	537	219	-10	1	747
Netting against assets	-201	-229	0	0	-431
<b>BS</b> Deferred tax liabilities	336	-11	-10	1	317

Neste has tax losses of EUR 1,143 million (2023: EUR 806 million) for which no deferred tax asset has been recognized. These losses have been generated in the USA where Neste has established a valuation allowance and where the tax losses do not have an expiry date.

Tax losses for which deferred tax asset has been recognized increased mainly due to losses generated in the USA, Finland and Singapore.

Investments in partnerships includes temporary differences in joint operation Martinez Renewables LLC.

Movements in deferred tax assets and liabilities related to fixed assets reflect the impact of IFRS 16 Leases also the increase in deferred tax liabilities resulting from tax depreciations.

A deferred tax liability has been recognized for undistributed earnings of subsidiaries where income taxes would be payable upon distribution.

Deferred tax recognized relating to components of other comprehensive income:

	2024		
	Before tax	Tax (charge) / credit	After tax
<b>OCI</b> Remeasurements of defined benefit plans	6	-1	5
<b>OCI</b> Net change of other investments at fair value	-19	4	-15
<b>OCI</b> Translation differences	100	0	100
Cash flow hedges			
<b>OCI</b> recorded in equity	-163	23	-141
<b>OCI</b> transferred to income statement	23	-4	19
<b>OCI</b> Share of other comprehensive income of investments accounted for using the equity method	-2	0	-2
<b>OCI</b> Other comprehensive income	-55	21	-34

	2023		
	Before tax	Tax (charge) / credit	After tax
<b>OCI</b> Remeasurements of defined benefit plans	14	-3	11
<b>OCI</b> Net change of other investments at fair value	-4	1	-3
<b>OCI</b> Translation differences	-66	0	-66
Cash flow hedges			
<b>OCI</b> recorded in equity	57	-7	50
<b>OCI</b> transferred to income statement	-102	17	-85
<b>OCI</b> Share of other comprehensive income of investments accounted for using the equity method	-4	0	-4
<b>OCI</b> Other comprehensive income	-105	8	-97

## 12 Earnings per share and dividend per share

### Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the parent by the weighted average number of shares outstanding during the year. The dilutive effect of equity settled share-based payments is included in the computation of diluted earnings per share.

	2024	2023
<b>IS</b> Profit for the period attributable to owners of the parent, EUR million	-95	1,433
Weighted average number of shares outstanding during the year (thousands)	768,212	768,176
<b>IS</b> Basic earnings per share (euro per share)	-0.12	1.87
Effect of share-based incentive plans (thousands) <sup>1)</sup>	289	260
Diluted weighted average number of shares during the year (thousands)	768,501	768,436
<b>IS</b> Diluted earnings per share (euro per share)	-0.12	1.87

<sup>1)</sup> Effect of share-based incentive plans not taken into account in 2024 as the diluted earnings per share is negative.

### Dividend per share

The dividends paid in 2024 were EUR 1.20 per share, totaling EUR 922 million (2023: EUR 1.52 per share, totaling EUR 1,168 million). A dividend of EUR 0.20 per share, totaling approximately EUR 154 million are proposed at the Annual General Meeting on 25 March 2025. This dividend is not recognized in the financial statements.

## 13 Goodwill and intangible assets

### Accounting policy

#### Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of Neste's share of the net identifiable assets of the acquired business, subsidiary, associate or joint venture at the date of acquisition. Separately recognized goodwill is tested for impairment and carried at cost, less accumulated impairment losses. Impairment testing is done annually and whenever there is an indication that the asset may be impaired. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing, using those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

The discount rates used in impairment testing of goodwill represent the WACC specified for the business area in question after tax. The WACC formula inputs are risk-free rate of return, market risk premium, industry-specific beta factor, target capital structure, borrowing cost and country risks. WACC rates are specified for each of the cash generating units separately. WACC-% and growth rate are used purely for the impairment testing.

#### Intangible assets

Intangible assets are stated at historical cost and amortized in a straight-line method over expected useful lives. Intangible assets comprise the following:

#### Computer software

Computer software licenses are capitalized on the basis of the costs incurred to acquire and introduce the software in question. The costs include the software development employee costs and professional fees arising directly bringing the asset to its working condition. Capitalization also depends on the technology used, e.g., cloud services are not capitalized. Costs are amortized over their estimated useful lives (three to five years). Costs associated with updates or maintaining computer software programs are recognized as an expense.

#### Trademarks and licenses

Trademarks and licenses have a definite useful life and are carried at cost less accumulated amortization. They are amortized over their estimated useful lives (three to ten years).

#### Emission allowances

Emission allowances, which are purchased to cover future periods deficit, are recorded in intangible assets and measured at cost, and emission allowances received free of charge are recorded in their nominal value, i.e., at zero.

A provision is recognized to cover the obligation to buy emission allowances if emission allowances received free of charge and purchased emission allowances intended to cover the deficit do not cover actual emissions. The provision is measured at its probable settlement amount. The difference between emissions made and emission allowances received, as well as any change in the probable amount of the provision, are reflected in the operating profit.

#### Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the consolidated statement of income to the extent that the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill are reviewed for possible reversal of impairment recognised in prior periods at each reporting date.

#### Estimates and judgements requiring management estimation

Intangible assets as well as property, plant and equipment are always tested for impairment, when there is any indication that an asset may be impaired. When the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognized as an expense immediately and the carrying amount is reduced to the asset's recoverable amount.

Management has used judgement in determining Renewables Products as one of the cash-generating units and in choosing to determine the amounts recoverable from cash-generating units' operating activities based on value in use calculations. These calculations are based on estimated future cash flows in financial plans approved by Neste's management, covering a period of five years. Preparation of these estimates requires management to make assumptions relating to future expectations. The main assumptions are considered to be the sales margin and discount rate. Expectations are based on Neste's analysis which also considers publicly available information, e.g. regulations, to estimate industry's and Neste's business growth and changes in supply, demand and pricing.

The climate-related assumptions in the calculations include the demand development in the Renewable Products, which is affecting the sales margin and nominal growth rate assumptions.



<b>2024</b>	<b>Goodwill</b>	<b>Intangible assets</b>	<b>Total</b>
Gross carrying amount on 1 January	498	537	1,035
Exchange rate differences	19	4	23
<b>CF</b> Additions	0	27	27
Disposals	0	-10	-10
Reclassifications	0	0	0
Gross carrying amount on 31 December	516	559	1,075
Accumulated amortization and impairment losses on 1 January	2	352	354
Exchange rate differences	0	1	1
Disposals	0	-10	-10
Amortization and impairments for the period	0	51	51
Accumulated amortization and impairment losses on 31 December	2	395	396
<b>BS</b> Carrying amount on 1 January 2024	496	185	681
<b>BS</b> Carrying amount on 31 December 2024	514	164	678

<b>2023</b>	<b>Goodwill</b>	<b>Intangible assets</b>	<b>Total</b>
Gross carrying amount on 1 January	402	470	873
Exchange rate differences	-9	-3	-12
Acquisitions	104	43	147
<b>CF</b> Additions	0	27	27
Disposals	0	-1	-1
Reclassifications	0	1	1
Gross carrying amount on 31 December	498	537	1,035
Accumulated amortization and impairment losses on 1 January	2	301	303
Exchange rate differences	0	0	0
Disposals	0	-1	-1
Amortization for the period	0	53	53
Accumulated amortization and impairment losses on 31 December	2	352	354
<b>BS</b> Carrying amount on 1 January 2023	401	169	570
<b>BS</b> Carrying amount on 31 December 2023	496	185	681

### Impairment test of goodwill

Goodwill is allocated to Neste's Renewable Products cash-generating unit (CGU), which is equal with the Renewable Products segment. In 2024 impairment testing, the recoverable amount of Renewables Products cash-generating unit was higher than the carrying amount. The impairment testings of 2024 and 2023 did not indicate need for an impairment.

	<b>2024</b>	<b>2023</b>
Renewable Products	514	496
<b>BS</b> Goodwill	514	496
WACC%	9.4	8.1

Based on the sensitivity analysis, a decrease of 20% (2023: 20%) in sales margin or 2.9%-points (2023: 4.0%) increase in the discount rate would not create a situation in which the carrying amounts of the cash-generating units would exceed their recoverable amounts. Cash flows beyond the five year period are extrapolated by using 2.0% (2023: 2.0%) nominal growth rate.

## 14 Property, plant and equipment

### Accounting policy

Property, plant, and equipment mainly comprise oil refineries and other production plants and storage tanks, marine fleet, and retail station network infrastructure and equipment. Neste owns station network infrastructure with the exception of dealer stations. Property, plant, and equipment are stated at historical cost in the balance sheet, less depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items in question and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges related to foreign currency purchases of property, plant, and equipment. Assets acquired through the acquisition of a new subsidiary are stated at their fair value on the date of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Neste and the cost of the item can be measured reliably. Costs for major periodic overhauls at oil refineries and other production plants on a 2–5 year cycle are capitalized when they occur and then depreciated during the shutdown cycle, i.e., the time between shutdowns. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

Land areas are not depreciated. The bottom of crude oil rock inventory and precious metals in catalysts used in production process are included in other tangible assets and are depreciated according to possible usage. Depreciation on tangible assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings and structures, including terminals	20–40 years
Machinery and equipment:	
Production machinery and equipment	15–20 years
Marine fleet	15–20 years
Retail station network infrastructure and equipment	5–15 years
Other equipment and vehicles	2–15 years
Other tangible assets	20–40 years

The residual values and useful lives of assets are reviewed and adjusted where appropriate at each balance sheet date. The carrying amount of an asset is written down immediately to its recoverable amount if the former amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in 'Other income' or 'Other expenses' in the consolidated statement of income.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, a major initial investment, such as a new production facility, form part of the cost of that asset. Other borrowing costs are recognized as an expense.

Research expenditure is recognised as an expense as incurred and included in other expenses in the consolidated statement of income. Expenditure on development activities is capitalized only when it fulfills strict criteria e.g., development relates to new products that are both technically and commercially feasible. The majority of Neste's development expenditure does not meet the criteria for capitalization and are recognized as expenses as incurred.

### Leases

Neste assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee, Neste recognizes the right-of-use asset on the balance sheet as property, plant and equipment at a value equivalent to the initial measurement of the lease liability adjusted for lease prepayments, lease incentives, initial direct costs and any restoration obligations at the commencement date of the lease.

Right-of-use assets are depreciated on a straight-line basis over the lease term of the assets. Right-of-use assets are assessed for impairment in line with the accounting policy for impairment of property, plant and equipment, intangible assets, and goodwill (see Note 13 Goodwill and intangible assets).

Refer to Note 29 Leases for further information.

<b>2024</b>	<b>Land</b>	<b>Buildings and constructions</b>	<b>Machinery and equipment</b>	<b>Other tangible assets</b>	<b>Assets under construction</b>	<b>Total</b>
Gross carrying amount on 1 January	349	3,637	7,242	1,108	1,274	13,610
Exchange rate differences	3	3	85	21	1	113
Additions	45	35	501	320	1,026	1,927
Disposals	-3	-23	-54	-104	6	-178
Reclassifications	1	16	3	104	-72	52
Gross carrying amount on 31 December	395	3,668	7,776	1,449	2,236	15,524
Accumulated depreciation and impairment losses on 1 January	54	1,407	3,988	341	33	5,824
Exchange rate differences	0	1	12	7	0	21
Disposals	0	-8	-22	-93	0	-123
Reclassifications	2	0	-52	52	0	2
Depreciation and write downs for the period	16	124	586	188	15	929
Accumulated depreciation and impairment losses on 31 December	73	1,525	4,513	494	48	6,653
<b>BS</b> Carrying amount on 1 January 2024	295	2,230	3,254	767	1,241	7,786
<b>BS</b> Carrying amount on 31 December 2024	322	2,144	3,264	955	2,188	8,872

The carrying amount of assets under construction on 31 December 2024 includes mainly assets related to the ongoing expansion project in the Netherlands. Property, plant and equipment includes right-of-use (ROU) assets where Neste is a lessee as specified in Note 29 Leases.

<b>2023</b>	<b>Land</b>	<b>Buildings and constructions</b>	<b>Machinery and equipment</b>	<b>Other tangible assets</b>	<b>Assets under construction</b>	<b>Total</b>
Gross carrying amount on 1 January	363	2,654	5,557	567	2,595	11,736
Exchange rate differences	-2	-1	-24	-11	-19	-56
Additions	30	106	620	600	777	2,132
Acquisitions	1	17	10	0	2	29
Disposals	-37	-17	-15	-146	7	-208
Reclassifications	-5	878	1,094	98	-2,087	-22
Gross carrying amount on 31 December	349	3,637	7,242	1,108	1,274	13,610
Accumulated depreciation and impairment losses on 1 January	46	1,300	3,527	262	32	5,166
Exchange rate differences	0	0	-3	-4	0	-8
Disposals	-8	-12	-39	-67	0	-126
Reclassifications	2	0	-24	0	0	-22
Depreciation and write downs for the period	15	119	527	150	2	813
Accumulated depreciation and impairment losses on 31 December	54	1,407	3,988	341	33	5,824
<b>BS</b> Carrying amount on 1 January 2023	318	1,354	2,030	305	2,563	6,570
<b>BS</b> Carrying amount on 31 December 2023	295	2,230	3,254	767	1,241	7,786

The carrying amount of assets under construction on 31 December 2023 includes mainly assets related to the ongoing expansion project in the Netherlands. Property, plant and equipment includes right-of-use (ROU) assets where Neste is a lessee as specified in Note 29 Leases.

### Capitalized borrowing costs

During 2024 borrowing costs amounting to EUR 53 million (2023: EUR 22 million) were capitalized related mainly to the expansion project in the Netherlands. They are included in property, plant and equipment. Neste's average interest rate of borrowings for each month was applied as the capitalization rate, which was 3.6% in 2024 (2023: 3.2%).

## 15 Investments in associates and joint ventures

Carrying amount	2024	2023
On 1 January	58	63
<b>IS, CF</b> Share of profit (loss) of associates and joint ventures	-9	1
<b>OCI</b> Share of other comprehensive income of investments accounted for using the equity method	-2	-4
Translation differences	1	-1
Investments	5	0
Other changes	0	0
<b>BS</b> On 31 December	53	58

Neste's interest and nature of the relationship in its principle associates and joint ventures at 31 December, all of which are unlisted, are listed in the following table:

	Nature of the relationship	Country of incorporation	2024 % interest held	2023 % interest held
Alterra Energy LLC	Associated company <sup>1)</sup>	USA	29.99	40.00
Kilpilahti Power Plant Ltd	Joint Venture <sup>2)</sup>	Finland	40.00	40.00

**1)** Alterra Energy LLC is a US-based, chemical recycling technology company. The cooperation between Neste and Alterra includes joint technology development and commercialization of the technology. Management has classified Alterra as an associated company due to the significant influence that Neste has in the company. Neste's interest in Alterra decreased by approximately 10% during 2024.

**2)** Kilpilahti Power Plant Ltd is a joint venture company that produces and supplies steam and other utilities to Neste's refinery and Borealis' petrochemical plant in Porvoo, Finland. The joint venture is owned 40% each by Neste and Veolia and 20% by Borealis.

Management has classified this ownership as a joint venture because the arrangement is structured through a separate vehicle, the legal form of which separates its assets and liabilities of its shareholders and it is directed so that the relevant activities of the company require unanimous consent from all parties sharing control. The power plant's capacity is also meant to serve external customers in addition to Neste and Borealis and thus optimize the returns of all shareholders in form of net profit. Management has also taken into account that Kilpilahti Power Plant Ltd plans and executes the power plant operations as its own business decisions which are operated by Veolia.

Associates and joint ventures have been consolidated using the equity method.

Summarized financial information in respect of Neste's associates and joint ventures are set out in the following table:

	Alterra Energy LLC		Kilpilahti Power Plant Ltd	
	2024	2023	2024	2023
<b>Non-current assets</b>	36	36	501	532
<b>Current assets</b>				
Cash and cash equivalents	20	2	9	5
Other current assets (excl. cash and cash equivalents)	1	1	78	90
<b>Total current assets</b>	21	3	87	95
<b>Non-current liabilities</b>				
Non-current financial liabilities (excl. trade payables and provisions)	6	11	490	510
Other non-current liabilities	0	0	21	21
<b>Total non-current liabilities</b>	6	11	512	531
<b>Current liabilities</b>				
Current financial liabilities (excl. trade payables and provisions)	0	0	31	31
Other current liabilities	4	2	24	37
<b>Total current liabilities</b>	4	2	55	68
<b>Net assets</b>	47	25	22	29
<b>Revenue</b>	8	5	234	306
Depreciation, amortization and impairments	2	2	33	13
Interest income	0	0	6	2
Interest expense	1	0	26	14
Income tax expense	0	0	0	0
<b>Profit/loss</b>	-17	-11	1	-3

## Reconciliation of summarized financial information

Reconciliation of the summarized financial information presented to the carrying amount of its interest in the associates and joint ventures.

	Alterra Energy LLC		Kilpilahti Power Plant Ltd	
	2024	2023	2024	2023
<b>Opening net assets 1 January</b>	82	96	62	61
Investment in associate/joint venture	38	0	0	0
Profit for the period	-17	-11	-6	13
Other comprehensive income	4	-2	-4	-11
Other changes	0	0	0	-1
<b>Closing net assets 31 December</b>	107	82	52	62
Interest in joint venture	32	33	21	25
<b>Carrying value</b>	32	33	21	25

The share of profits of associates and joint ventures are consolidated based on the companys' preliminary results for the financial period.

Transactions carried out with associates and joint ventures are disclosed in Note 25 Related party transactions. Contingent liabilities relating to the Neste's interest in the associates and joint ventures are disclosed in Note 28 Contingencies and commitments.

## 16 Financial assets and liabilities by measurement categories

Neste classifies financial assets and liabilities according to IFRS 9. Accounting policies, classification criterias and other information relating to financial assets and liabilities can be found in Note 17 Financial assets and Note 21 Financial liabilities.

Derivative financial instruments under Fair value through OCI -category meet criteria for hedge accounting. Derivative financial instruments are initially recognized at fair value on the trade date and are subsequently re-measured at their fair value on the balance sheet date. The fair values of the foreign exchange forward and the interest rate swap contracts are calculated as the present values of the future cash flows and the fair values of foreign exchange options by using the Black and Scholes option pricing model. The fair value of the exchange traded commodity derivatives is based on exchange market quotations and the fair value of over-the-counter commodity derivative contracts is based on the net present value of cash flows. The fair value of all derivatives is calculated using the observable market inputs for currency and interest rates, volatilities and commodity price quotations on the closing date. Derivative contracts are included in current assets or liabilities, except derivatives maturities over 12 months after the balance sheet date, which are classified as non-current assets or liabilities. More information relating to derivative financial instruments can be found in Note 19 Derivative financial instruments.

31 Dec 2024 Balance sheet item	Fair value through OCI	Fair value through profit or loss	Amortized cost	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets								
BS Non-current receivables			128	128	128			
BS Derivative financial instruments		33		33	33	0	33	
BS Other financial assets	30	10		40	40			40
Current financial assets								
Trade and other receivables <sup>1)</sup>			1,490	1,490	1,490			
BS Derivative financial instruments	27	85		113	113	22	90	
BS Current investments				0	0			
BS Cash and cash equivalents			955	955	955			
Financial assets	57	128	2,573	2,758	2,758			
Non-current financial liabilities								
BS Interest-bearing liabilities			4,362	4,362	4,348	2,101	2,247	
BS Derivative financial instruments	6	2		8	8		8	
Other non-current liabilities <sup>1)</sup>		14	17	32	32			14
Current financial liabilities								
BS Interest-bearing liabilities			786	786	786		786	
BS Derivative financial instruments	114	116		230	230	46	184	
Trade and other payables <sup>1)</sup>		13	2,080	2,092	2,092			13
Financial liabilities	120	145	7,244	7,509	7,495			

<sup>1)</sup>Excluding non-financial items

Financial instruments that are measured at fair value in the balance sheet and the interest-bearing liabilities are presented according to fair value measurement hierarchy:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** inputs for the assets or liability that is not based on observable market data.

Interest-bearing liabilities at level 1 consist of listed bonds. Derivative financial instruments at level 1 consist of commodity derivatives which are directly valued based on exchange quotations. Other financial assets in fair value through profit and loss category include unlisted other investments of EUR 10 million. Other financial assets in fair value through other comprehensive income category include unlisted shares of EUR 30 million. Other financial liabilities in fair value through profit and loss category mainly consist contingent considerations of acquisition made in ended financial year and prior years. Fair values are determined in accordance of IFRS 13. During the year 2024 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.



<b>31 Dec 2023</b>									
<b>Balance sheet item</b>	<b>Fair value through OCI</b>	<b>Fair value through profit or loss</b>	<b>Amortized cost</b>	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Non-current financial assets									
<b>BS</b> Non-current receivables			126	126	126				
<b>BS</b> Derivative financial instruments		26		26	26	0	26		
<b>BS</b> Other financial assets	46	8		54	54			54	
Current financial assets									
Trade and other receivables <sup>1)</sup>			1,872	1,872	1,872				
<b>BS</b> Derivative financial instruments	52	138		190	190	37	153		
<b>BS</b> Current investments			5	5	5				
<b>BS</b> Cash and cash equivalents			1,575	1,575	1,575				
Financial assets	98	173	3,578	3,848	3,848				
Non-current financial liabilities									
<b>BS</b> Interest-bearing liabilities			3,487	3,487	3,503	2,125	1,377		
<b>BS</b> Derivative financial instruments		6		6	6		6		
Other non-current liabilities <sup>1)</sup>		22	18	40	40			22	
Current financial liabilities									
<b>BS</b> Interest-bearing liabilities			581	581	579	199	380		
<b>BS</b> Derivative financial instruments	4	208		212	212	40	172		
Trade and other payables <sup>1)</sup>		9	2,424	2,433	2,433			9	
Financial liabilities	4	246	6,509	6,759	6,773				

<sup>1)</sup>Excluding non-financial items

During the year 2023 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

## 17 Financial assets

### Accounting policy

Financial assets are classified in the following measurement categories: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification depends on used business model for managing the financial assets and the contractual terms of the cash flows. Assets are classified as current assets, except for maturities over 12 months after balance sheet date, which are classified as non-current assets. Purchases and sales of financial assets are recognized on the settlement date (excluding derivatives, Note 19 Derivative financial instruments). Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Amortized cost category consists of liquid funds, trade receivables and loan receivables where the business model is to hold the asset to collect the contractual cash flows which represent only payments of principal and interest. Financial assets recognized at amortized cost are valued using the effective interest method.

Assets at fair value through profit or loss consists of equity investments (and derivatives which do not meet the criteria for hedge accounting). The investments in unlisted companies are measured at their fair value according to IFRS 13. Gains or losses of the equity investments are included in financial income and expenses.

Other financial assets in fair value through other comprehensive income category include unlisted shares which are not held for trading. These are strategic investments and Neste considers this classification to be more relevant.

### Liquid funds

Liquid funds consists of cash and cash equivalents and current investments. Cash and cash equivalents includes cash in hand, deposits held at banks, and other highly liquid investments with original maturities of three months or less. Current investments includes deposits held at banks and other liquid investments including money market funds with original maturities from 3 to 12 months.

### Impairment

The general expected credit loss model is used for debt instruments carried at amortized cost and the impairment is recognized through profit or loss. The credit loss is recognized based on individual assessment of receivable. The simplified expected credit loss model is applied for trade receivables according to IFRS 9. Every business area uses a specific provision matrix for the trade receivables due to the different nature of the businesses. The business area impairment process is based on historical credit loss experience combined with current conditions and forward looking macroeconomic analysis. The impairment or credit loss is recognized in the consolidated statement of income within other expenses.

<b>Liquid funds</b>	<b>2024</b>	<b>2023</b>
<b>BS</b> Current investments	0	5
<b>BS, CF</b> Cash and cash equivalents	955	1,575
Liquid Funds	955	1,580

The maximum exposure to credit risk is the carrying amount of the liquid funds. Note 3 Financial risk management sets out more information about credit risk. The impairment of liquid funds has not been recognized because the amount is immaterial.

<b>Trade and other receivables</b>	<b>2024</b>	<b>2023</b>
Trade receivables	1,319	1,605
Other receivables	150	248
Advances paid	12	14
Accrued income and prepaid expenses	58	47
<b>BS</b> Trade and other receivables	1,539	1,913
Trade and other receivables excluding non-financial items	1,490	1,872

Due to the nature of short-term trade and other receivables their carrying amount is expected to be equal to their fair value. The maximum exposure to credit risk is the carrying amount of the trade and other receivables. Analysis of trade receivables by age, information about the impairment and credit losses are presented in Note 3 Financial risk management, section 'credit and counterparty risk'.

<b>Non-current financial assets</b>	<b>2024</b>	<b>2023</b>
Non-current interest-bearing receivables	113	107
Other non-current receivables	15	18
<b>BS</b> Non-current receivables	128	126
<b>BS</b> Other financial assets	40	54

The fair value of non-current financial receivables is not materially different from the carrying amount which is also the maximum exposure to credit risk. No impairment losses have been recognized as there are no significant credit risks associated with the receivables. Other financial assets consist of unlisted shares.

## 18 Inventories

### Accounting policy

Inventories are stated at either cost or net realizable value, whichever is the lowest. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs, and related production overheads (based on normal operating capacity). Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventories held for trading purposes are measured at fair value less selling expenses. Standard spare parts are carried as inventory and recognized in profit or loss as consumed. RIN (Renewable Identification Number) and LCFS (Low Carbon Fuels Standard) credits are accounted for as government grants upon receipt of the product inventory in the USA and are accounted for as inventory. RINs and LCFSs are included in Finished products and goods -category.

### Estimates and judgements requiring management estimation

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Neste considers biofuel credits as assets created under various government programs to incentivize renewable fuel supply. Furthermore, since Neste plans to sell the biofuel credits, they are recognized as inventory.

	2024	2023
Materials and supplies	1,356	1,416
Finished products and goods	1,541	1,949
Other inventories	0	1
<b>BS Inventories</b>	<b>2,898</b>	<b>3,366</b>

Write-downs included the inventories at the end of the period were EUR 112 million (2023: EUR 122 million).

## 19 Derivative financial instruments

### Accounting policy

The derivative instruments are mainly held for economic hedging purposes although most of the derivatives do not qualify for hedge accounting. Changes in the fair value of derivatives, for which hedge accounting is not applied, are recognized in the consolidated statement of income either in operating profit or financial income and expenses, depending on the underlying hedged item. Impact to the consolidated statement of income from the derivatives is presented in Note 10 Financial income and expenses.

When hedge accounting is applied to the derivative contracts, the method of recognizing any resulting gain or loss depends on the nature of the item being hedged. Neste designates certain derivative financial instruments as either hedges of highly probable forecast transactions (cash flow hedges); or hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges); or hedges of net investments in foreign operations.

The effective portion of the changes in the fair value of derivative financial instruments that are designated and qualified as cash flow hedges are recognized in equity. Amounts accumulated in equity hedging future sales are recorded within revenue, or in case of capital expenditure as part of acquisition cost, when future cash flows of the hedged item occur. Forward points in currency forwards and time value of options are transaction related and thus recognized in equity and reclassified either to the consolidated statement of income or adjusting the hedged item according to hedging relationship. In cash flow hedges the critical terms in hedged item and hedging instruments are the same and hedge ratio is 1:1. Any potential gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of income. Accrued interest of interest rate swaps hedging floating rate interest-bearing liabilities is recognized in the consolidated statement of income within financial expenses. If a forecast transaction is no longer expected to occur, the cumulative gain or loss reported in equity is immediately transferred to the consolidated statement of income.

Certain interest rate swaps are designated as fair value hedges. Changes in the fair value of interest rate swaps that are designated and qualified as fair value hedges are recorded in the consolidated statement of income in financial income and expenses, together with any changes in the fair value of the hedged asset or liability attributable to the hedged risk compensating the effect. Any gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of income.

Neste documents at the inception of the transaction the relationship between hedging instrument and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Neste also documents its assessment, both at hedge inception and on an ongoing basis quarterly, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in fair values or cash flows of hedged items.

	31 Dec 2024					31 Dec 2023				
	Nominal value by maturity		Fair Value			Nominal value by maturity		Fair Value		
	< 1 year	> 1 year	Positive	Negative	Net	< 1 year	> 1 year	Positive	Negative	Net
<b>Foreign exchange rate derivatives</b>										
Interest rate swaps	0	300	0	6	-6	0	0	0	0	0
Foreign exchange derivatives, forwards	3,135	0	27	114	-86	2,861	0	52	4	48
Foreign exchange options										
Purchased	7	0	0	0	0	0	0	0	0	0
Written	7	0	0	0	0	0	0	0	0	0
Derivatives designated as cash flow hedges	3,148	300	27	120	-93	2,861	0	52	4	48
Interest rate swaps	0	550	29	0	29	0	550	26	0	26
Derivatives designated as fair value hedges	0	550	29	0	29	0	550	26	0	26
Foreign exchange derivatives, forwards	2,018	0	11	33	-22	1,849	0	19	6	14
Non-hedge accounting derivatives	2,018	0	11	33	-22	1,849	0	19	6	14
<b>Commodity derivatives</b>										
Oil and vegetable oil derivatives										
Sold forwards, million bbl	16	0	21	26	-5	24	0	105	26	79
Purchased forwards, million bbl	17	0	37	51	-14	25	0	14	122	-109
Electricity and gas derivatives										
Sold forwards, GWh	7	126	0	1	-1	0	0	0	0	0
Purchased forwards, GWh	2,348	873	20	6	13	2,236	794	1	61	-60
Non-hedge accounting derivatives			78	84	-7			119	209	-90
<b>Derivatives Total</b>			145	238	-92			217	219	-2
of which										
<b>BS</b> Non-current derivative financial instruments			33	8	25			26	6	20
<b>BS</b> Current derivative financial instruments			113	230	-117			190	212	-22

Neste uses foreign exchange, interest rate and commodity derivatives to manage market risks (More information in Note 3 Financial risk management). Hedge accounting is not applied to commodity derivatives, although these are mainly held for economic hedging purposes. Commodity derivatives include oil, vegetable oil, freight, electricity and gas contracts. Neste uses forwards as hedging instruments for commodities.

Neste has designated certain foreign currency and interest rate derivatives as hedges of future transactions i.e., as cash flow hedges. Such contracts are, e.g., foreign exchange derivatives hedging USD- and SEK-sales for the next twelve months according to the Corporate risk management policy or hedging investment costs in Singapore refinery (More information in Note 3 Financial risk management). Interest rate swaps are designated as fair value hedges. The result of these hedging instruments recognized in the consolidated statement of income was EUR 29 million (2023: EUR 26 million) and of hedged item EUR -30 million (2023: EUR -27 million).

## 20 Equity

### Share capital

The Parent Company's share capital registered with the Trade Register as of 31 December 2024 totalled EUR 40,000,000, divided into 769,211,058 shares of equal value. Neste Oyj has one class of shares and each share entitles a shareholder to one vote at the Annual General Meeting. The nominal value of one share is not determined. The share capital is fully paid. There have been no changes in share capital in 2024 or 2023.

	Number of shares, 1,000	Treasury shares, 1,000	Outstanding shares, 1,000
1 January 2024	769,211	-1,011	768,200
Transfer of treasury shares	0	16	16
31 December 2024	769,211	-995	768,216
1 January 2023	769,211	-1,128	768,083
Transfer of treasury shares	0	117	117
31 December 2023	769,211	-1,011	768,200

### Treasury shares

On 26 April 2024 Neste Corporation has transferred a total of 2,201 treasury shares without consideration as a share reward to a participant of the Performance Share Plan 2021–2023 and in the Restricted Share Plans 2021–2023 and 2022–2024 of the share-based incentive program 2019 in accordance with the terms and conditions of the program. The transfer of own shares is implemented as a directed share issue without consideration based on the authorization granted by the Annual General Meeting of Shareholders on 28 March 2023. The number of treasury shares after the transfer is 995,324 shares.

On 14 March 2024 Neste Corporation has transferred a total of 13,786 treasury shares without consideration as a share reward to the participants of the Performance Share Plan 2021–2023 and in the Restricted Share Plan 2021–2023 of the share-based incentive program 2019 in accordance with the terms and conditions of the program. The transfer of own shares is implemented as a directed share issue without consideration based on the authorization granted by the Annual General Meeting of Shareholders on 28 March 2023. The number of treasury shares after the transfer is 997,525 shares.

On 22 May 2023 Neste Corporation has transferred 4,267 treasury shares without consideration as a share reward to a key person participating in the Performance Share Plan 2020–2022 and in the Restricted Share Plan 2020–2022 of the share-based incentive program 2019 in accordance with the terms and conditions of the program. The transfer of own shares is implemented as a directed share issue without consideration based on the authorization granted by the Annual General Meeting of Shareholders on 18 May 2020. The number of treasury shares after the transfer is 1,011,311 shares.

On 15 March 2023 Neste Corporation has transferred a total of 211,310 treasury shares without consideration as a share reward to the participants of the Performance Share Plan 2020–2022 and in the Restricted Share Plan 2020–2022 of the share-based incentive program 2019 in accordance with the terms and conditions of the program. The transfer of own shares is implemented as a directed share issue without consideration based on the authorization granted by the Annual General Meeting of Shareholders on 18 May 2020. The number of treasury shares after the transfer is 1,015,578 shares.

### Other reserves

Reserve fund comprises of restricted reserves other than share capital.

The reserve of invested unrestricted equity includes other equity-related investments and that part of the share subscription price that has not specifically been allocated to share capital.

Fair value and other reserves mainly consist of fair value reserves. Fair value reserves include the effective portion of the change in fair value of derivative financial instruments that are designated as and qualify for cash flow hedges and net change of other investments at fair value, which are recognised in other comprehensive income. Other reserves include share of other comprehensive income of investments accounted for using the equity method.

Actuarial gains and losses includes the remeasurements of defined benefit plans.

Translation differences include exchange differences arising from the translation of the net investment in foreign entities on consolidation, change in the fair value of currency instruments designated as hedges of the net investment, and exchange differences resulting from the translation of income statement of foreign entities at the average exchange rates and balance sheet at the closing rates.

## 21 Financial liabilities

### Accounting policy

Financial liabilities are classified at amortized cost (except derivative financial liabilities whose accounting policy is presented at Note 19 Derivative financial instruments). Financial liabilities measured at amortized cost are recognized initially at fair value, net of transaction costs and subsequently measured at amortized cost using the effective interest method. Liabilities are recognised on the date when the entity becomes a party to the contractual provisions of the instrument. Any difference between net proceeds and nominal amount is recognized as interest cost over the period of the borrowing using the effective interest method. Financial liabilities are included in non-current liabilities, except for items with maturities less than 12 months after the balance sheet date, which are included in current liabilities. A financial liability is derecognized when the related obligation is discharged, cancelled or expires.

Bank overdrafts are recorded in current liabilities on the consolidated statement of financial position. Fees of revolving credit facility are capitalized and amortized over the period of the facility.

The fair values of the listed bonds are driven from market quotations. The fair values of other interest-bearing liabilities at amortized cost are determined by using the discounted cash flow method employing market interest rates at the balance sheet date.

Non-current financial liabilities	2024	2023
Bonds <sup>1)</sup>	2,115	2,110
Loans from financial institutions <sup>2)</sup>	1,327	609
Lease liabilities <sup>3)</sup>	890	768
Other loans	30	0
Other non-current liabilities	32	40
<b>Total</b>	<b>4,394</b>	<b>3,527</b>
<b>BS</b> of which interest-bearing	<b>4,362</b>	<b>3,487</b>
Other non-financial items included to other non-current liabilities	0	2

Current financial liabilities	2024	2023
Bonds	0	201
Loans from financial institutions	253	149
Commercial paper liabilities	307	0
Lease liabilities <sup>3)</sup>	224	199
Other loans	1	32
Advances received	25	21
Trade payables	1,475	1,728
Other current liabilities	592	684
<b>Total</b>	<b>2,878</b>	<b>3,014</b>
<b>BS</b> of which interest-bearing	<b>786</b>	<b>581</b>
Other non-financial items included to trade and other payables	92	148

<sup>1)</sup> On 6 March 2023, Neste announced that it invites the holders of its EUR 400 million 1.50 per cent notes due June 2024 to tender their notes for cash on the terms and conditions set out in the tender offer memorandum. On 14 March 2023, Neste accepted purchase of EUR 199 million in aggregate nominal amount of the notes pursuant to the tender offer.

In March 2023, Neste issued EUR 500 million green bond with 6-year maturity and a EUR 500 million green bond with 10-year maturity under its EMTN (Euro Medium Term Note) programme established on 6 March 2023, and will pay a fixed coupon of 3.875% and 4.250%, respectively. The proceeds from the issues will be applied for eligible projects and assets as set out in Neste Corporation's Green Finance Framework.

In November 2023, Neste issued a EUR 600 million green bond with 7.5-year maturity under its EMTN (Euro Medium Term Note) programme established on 6 March 2023 as supplemented by the supplement dated 9 November 2023, and will pay a fixed coupon of 3.875 per cent. The proceeds from the issue will be applied for Eligible Projects and Assets as set out in Neste Corporation's Green Finance Framework.

<sup>2)</sup> Neste has signed three green term loan agreements totaling EUR 550 million in 2024. The proceeds of the loans will be used to finance Eligible Assets and Projects in accordance with Neste's Green Finance Framework. The loans have a tenor of 2-6 years. Maturities of the loans are disclosed in Note 3 Financial risk management.

<sup>3)</sup> Refer to Note 29 Leases.

The fair values of financial liabilities can be found in Note 16 Financial assets and liabilities by measurement category. Re-pricing periods of interest-bearing liabilities are disclosed in Note 3, Financial risk management, section 'Market risk'.

### Listed bond issues

Issued/Maturity	Interest basis	Interest rate, %	Currency	Nominal amount	Carrying amount
2021/2028	Fixed	0.7500	EUR	500	497
2023/2029	Fixed	3.8750	EUR	500	497
2023/2031	Fixed	3.8750	EUR	600	607
2023/2033	Fixed	4.2500	EUR	500	514
<b>Total</b>				<b>2,100</b>	<b>2,115</b>

## Supplier finance arrangements

Neste has entered a supplier finance arrangement under which the supplier may elect to receive early payment from the financial institution by selling its receivables from Neste. The principal purpose of this arrangement is to facilitate efficient payment processing and provide access to the supplier finance. The payment terms with the suppliers have generally been extended up to 90 days. The obligations to suppliers, including amounts due, are not impacted.

Neste has not derecognised the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement.

From the Neste's perspective, the arrangement does extend to some extent payment terms beyond the normal terms agreed with other suppliers that are not participating; however the arrangement does provide willing suppliers with the benefit of early payment. Additionally, Neste does not incur any additional interest towards the financial institution on the amounts due to the suppliers. Neste therefore includes the amounts subject to the arrangement within trade payables because the nature and function of these payables remains the same as those of other trade payables.

All payables under the arrangement are classified as current liabilities as at 31 December 2024 and 2023.

<b>Carrying amount of financial liabilities</b>	<b>31.12.2024 <sup>1)</sup></b>
Presented in trade and other payables:	145
– of which suppliers have received payment from finance provider	125

<b>Range of payment due dates</b>	<b>31.12.2024 <sup>1)</sup></b>
Liabilities that are part of the arrangements	90 days after invoice date
Comparable trade payables that are not part of the arrangements	5–30 days after invoice date

<sup>1)</sup> Neste has applied transitional relief and has not provided comparative information in the first year of adoption.

There were no significant non-cash changes in the carrying amount of financial liabilities subject to supplier finance arrangements.

The payments to the financial institution are included within operating cash flows because they continue to be part of the normal operating cycle of Neste and their principal nature remains operating like payments for the purchase of goods and services. For additional information about how these arrangements affect Neste's exposure to liquidity risk, see Note 3 Financial risk management.

## 22 Provisions

### Accounting policy

The nature of certain Neste's businesses exposes Neste to risks of environmental costs and potential contingent liabilities. The risks arise from the manufacture, use, storage, disposal and maritime and inland transport as well as sale of materials that may be considered to be contaminants when released into the environment. Liability may also arise through the acquisition, ownership or operation of properties or businesses.

A provision is recognized in the consolidated statement of financial position when Neste has a present legal or constructive obligation as a result of a past event, and it is probable that the obligation will result in payment, and the amount of payment can be estimated reliably. Provisions can arise from environmental risks, litigation, restructuring plans or onerous contracts. Environmental provisions are recorded based on current interpretations of environmental laws and regulations when the conditions referred to above are met. Neste has asset retirement obligations recorded in the consolidated statement of financial position.

Where there are a number of similar obligations, the likelihood that an outflow of resources will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense.

### Estimates and judgements requiring management estimation

The existence of criteria for recognizing provisions and the amounts of provisions are determined based on estimates. The amount to be recorded is the best estimate of the cost required to settle the obligation at the reporting date or transfer to a third party. The estimate of outcome and the financial impact of the past event requires management judgement, which is based on similar events occurred in the past, and where applicable, the opinion of external experts. Estimates may differ from the actual future amount of the obligation and with respect to the existence of the obligation. In addition to the provisions recognized, there are some off-balance-sheet contingent liabilities for which the future potential outcome (timing, costs) cannot be estimated reliably.

The most significant provisions in the consolidated statement of financial position relate to environmental liabilities. Environmental provisions are based on management's best estimate of remediation costs. The restructuring provision is recognized when Neste has prepared a detailed restructuring plan and published it.

	Environmental provisions	Restructuring provisions	Provision to return emission allowances	Other provisions	Total
<b>BS On 1 January 2024</b>	177	0	0	10	187
Additions	2	14	89	16	121
Amounts used during the period	-6	-12	-89	-3	-110
Reversed unused provisions	-46	0	0	-2	-48
Changes in the discount rate and inflation assumption	-5	0	0	0	-5
<b>BS On 31 December 2024</b>	121	2	0	21	144

	Environmental provisions	Restructuring provisions	Provision to return emission allowances	Other provisions	Total
<b>BS On 1 January 2023</b>	187	0	0	13	200
Additions	23	0	68	5	95
Amounts used during the period	-10	0	-68	-7	-85
Reversed unused provisions	-1	0	0	0	-1
Changes in the discount rate and inflation assumption	-22	0	0	0	-22
<b>BS On 31 December 2023</b>	177	0	0	10	187

Environmental provisions consist mostly of the Naantali refinery's shutdown provision and asset retirement obligations (ARO) that are related to retail stations and refineries. The provision related to Naantali refinery's shutdown is expected to be realised before the year 2032. ARO obligations are mainly expected to be realized within the next 30 to 50 years. Neste recognizes a provision for the decommissioning costs of an oil installation to the extent that Neste is obliged to rectify damage already caused. The provisions are to be discounted, where the effect of the time value of money is material.

The environmental provision related to Naantali refinery's shutdown in 2021 was reduced by 46 million euros during the third quarter of 2024 based on an action plan updated in line with the assessment of the situation and research findings.

Restructuring provisions are related to the organizational change process completed during the first quarter of 2024.

The exchange rate difference relating to Neste's provisions is immaterial.



## Emission allowances

Neste's refinery in Porvoo, Finland, comes under the European Union's greenhouse gas emission trading system, and is granted a total of 2.0 million tons emission allowances for 2024. As a new function, Neste Shipping operations joined the emission trading system during 2024. In addition to refinery operations Neste purchases allowances to cover certain emissions of the local partners who provide utility services to Neste. A provision is recognized to cover the obligation to buy emission allowances if emission allowances received free of charge and purchased emission allowances intended to cover the deficit do not cover actual emissions. Emission allowances, which are purchased to cover future periods deficit are accounted for as intangible assets and measured at cost, and emission allowances received free of charge are accounted for at nominal value, i.e. at zero.

As at 31 December 2024 there was no estimated obligation to purchase emission allowances in the balance sheet of Neste (31.12.2023 EUR 0 million). The actual amount of CO<sub>2</sub> emissions in 2024 were 2.6 million tons (2023: 2.9 million tons). The Group has traded emission allowances for net amount of 0.6 million tons during the financial period ended 31 December 2024 (2023: 0.8 million tons).

## 23 Employee benefit obligations

### Accounting policy

Neste has pension arrangements in different countries, which are generally funded through insurance companies. Pension cover is based on the legislation and agreement in force in each country. Pension schemes consist of both defined benefit and defined contribution plans. Finnish statutory pensions are accounted for as a defined contribution plan in the consolidated financial statements.

Contributions to the defined contribution plans are charged directly to the consolidated statement of income in the year to which these contributions relate. In defined contribution plans, Neste has no legal or contractive obligations to pay further contributions in case the payment recipient is unable to pay the retirement benefits. All arrangements that do not fulfill these conditions are considered defined benefit plans.

In defined benefit plans, after Neste has paid the amount for the period, an excess or deficit may result. The defined benefit obligation represents the present value of future cash flows from payable benefits, which are calculated for by using the projected unit credit method. The discount rate assumed in calculating the present value of the pension obligation is based on the market yield of high-quality corporate bonds (AA-rated) with appropriate maturities. Pension costs are recognized in the consolidated statement of income so as to spread the current service cost over the service lives of employees based on external calculations. The net interest is included as part of the finance cost in the consolidated statement of income.

The liability (or asset) recognized in the consolidated statement of financial position is the pension obligation at the closing date less the fair value of plan assets. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Actuarial valuations for Neste's defined benefit pension plans are performed annually.

### Estimates and judgements requiring management estimation

Accounting for defined benefit obligations and other long-term employee benefits requires the selection of actuarial assumptions and the use of significant estimates. Based on these, actuaries calculate Neste's expenses and liabilities. The assumptions that are the most significant to the amounts reported are the discount rate, the rate of salary increase and future benefit increase. Changes in these assumptions could result in significant changes to the carrying amount of Neste's pension liability and future pension expenses. Possible effects of the changes are presented in the sensitivity analysis of significant actuarial assumptions.

Neste has defined benefit pension plans in Finland, Switzerland and the Netherlands. The largest plans are in Finland, which account for 94% (2023: 93%) of Neste's total defined benefit pension obligation and 94% (2023: 92%) of Neste's total plan assets. The voluntary pension plan in Finland accounting for most of this has been closed since 1 January 1994. The insured supplementary pension scheme consists of defined benefit group pension insurances, which are very similar in structure, with the exception of retirement age and pension accrual rules.

Other long-term employee benefits are long-service remunerations, which are accounted for as an unfunded defined benefit plan in accordance to IAS 19.

### Characteristics of the post-employment defined benefit plans in Finland

In Finland, Neste has a voluntary pension plan for a certain group of employees to fulfill an aggregated benefit after retirement. The voluntary pension plan is managed in an insurance company.

The voluntary plan's benefit is based on the aggregated benefits determined by the insurance contract. The voluntary benefit is the difference between aggregated benefits and compulsory benefits calculated at the age 63 in the old age plan. The aggregated benefits are at most 60% or 66% of the supplementary pension salary depending on the plan. The supplementary pension salary is calculated based on the last 10 years' salaries prior to the pension event adjusted by the index level. The benefits in the plans are old age and disability pensions, survivors' pensions for widows and children, and funeral grants. Old-age pension ages are 60, 62 and 65 years. In some pension schemes the pension cover also includes the right to early old-age pension retirement ages.

The insurance company collects premiums on a yearly basis from the employer. The future premiums are adjusted so that the old-age pension will be fully funded until retirement. The disability and survivor's pension are also financed by risk premiums collected during the employment period. The premiums with fixed discount rate 1.5% are based on the last known salary without any assumptions on future salary increases. The insurance company guarantees the same interest yield to the assets in the plan, as the one they have used in calculating the premiums.

The employer finances the index-linkage by paying an additional premium covering the index increase during the year. Discretionary bonuses from the insurance company will lower the index premium. The insurance company decides the amount of the bonus annually.

Neste has insured the benefits index increases each year as the benefits have been increased. If the insurance company's granted bonus index does not cover the annual index increase, the insurance company collects a premium from the employer to cover the increase. The insurance company's bonus index varies on yearly basis.

### Risks associated with defined benefit plans

Through its defined benefit pension plans Neste is exposed to a number of risks. The employer's defined benefit obligations pension liability depends on the discount rate which is determined to a yield of corporate bonds as at the reporting date. A decrease in used discount rates increase the defined benefits obligations. However, a decrease in the used discount rate yield also increases the fair value of the assets partially offsetting the total impact of change in yield on the net defined benefit pension liability.

The benefit of the plans is tied to the future benefit increase, which depends on inflation and common salary index. Higher inflation increases the benefit increase, which leads to an increase in liabilities and annual payments to the insurance company.

If the active employee's salary increases more than the common salary index, the amount of promised benefit and the benefit obligation increases together with annual payments to life insurance company.

The longevity risk is borne by the insurance company in case the actual mortality differs from the assumed. Possible adjustments in mortality assumption have an effect on the employer's liability according to IFRS. The insurance company completely bears the mortality risk on accrued benefits. The employers have a mortality risk only if the insurance company will raise its future benefit accruals premiums because of mortality adjustment.

### Defined benefit plans

<b>Cost of defined benefit plans</b>	<b>2024</b>	<b>2023</b>
Service cost	2	4
Net interest (+expense/-income)	3	4
Defined benefit cost recognized in the consolidated statement of income	5	7

<b>Remeasurements of defined benefit plans</b>	<b>2024</b>	<b>2023</b>
Actuarial gains/losses		
Changes in demographic assumptions	0	2
Changes in financial assumptions	-9	30
Return on plan assets, excluding amounts included in net interest expense	13	-15
Experience adjustments	2	-4
Total remeasurements recognized in other comprehensive income	6	12

<b>Amounts recognized in the consolidated statement of financial position</b>	<b>2024</b>	<b>2023</b>
Present value of funded defined benefit obligations	346	354
Present value of unfunded defined benefit obligations	7	7
Fair value of plan assets	-280	-268
<b>BS</b> Net defined benefit liability	73	93

<b>Changes in fair value of plan assets</b>	<b>2024</b>	<b>2023</b>
January 1	268	273
Interest income	9	8
Return on plan assets (excluding amounts included in net interest expense)	13	-15
Employer contributions	19	21
Settlements	-1	0
Benefits paid	-29	-20
December 31	280	268

The assets are the responsibility of the insurance company and a part of the insurance company's investment assets. The distribution within categories is not possible to provide.

Changes in the present value of the defined benefit obligation	2024		2023	
	Funded	Unfunded	Funded	Unfunded
January 1	354	7	385	7
Current service cost	2	0	3	1
Interest cost	12	0	12	0
Actuarial gains (-)/ losses (+)	8	0	-27	-1
Settlements	-1	0	0	0
Benefits paid	-28	-1	-19	-1
December 31	346	7	354	7

The expected contributions to be paid to the defined benefit plans in 2025 are EUR 9 million.

Significant actuarial assumptions (presented as weighted average)	2024	2023
Discount rate, %		
Finland	3.10%	3.70%
Other countries	0.91%	1.57%
Future salary increase, %		
Finland	3.05%	3.45%
Other countries	1.11%	1.09%
Future benefit increase, %		
Finland	2.10%	2.49%
Other countries	0.00%	0.00%

### Sensitivity analysis of significant actuarial assumptions

Reasonably possible changes at the reporting date to one of the weighted principal assumptions, while holding all other assumptions constant, would have affected the defined benefit obligation as shown below:

Assumptions	Change in assumption	Impact on the defined benefit pension obligation		
		2024	2023	
Discount rate	0.50% increase	EUR million	-19	-16
	0.50% decrease	EUR million	21	18
Future salary increase	0.50% increase	EUR million	1	1
	0.50% decrease	EUR million	-1	-1
Future benefit increase	0.50% increase	EUR million	17	17
	0.50% decrease	EUR million	-16	-16

- 0.50% increase /decrease in the discount rate would lead to a decrease /increase of 5.3% /5.9% in the defined benefit obligation.
- 0.50% increase /decrease in the rate of salary increase would lead to a increase /decrease of 0.3% /0.3% in the defined benefit obligation.
- 0.50% increase /decrease in the rate of pension index would lead to a increase /decrease of 4.8% /4.4% in the defined benefit obligation.

The above sensitivity analysis may not be representative of the actual impact of change. If more than one assumption is changed simultaneously, the combined impact of changes would not necessarily be the same as the sum of the individual change. If the assumptions change to a different level compared to that presented above, the effect on the defined benefit obligation may not be linear.

Maturity profile of the undiscounted defined benefit obligation	2024
Within the next 12 months	24
Between 1 and 5 years	91
Between 5 and 10 years	99
Beyond 10 years	309
Total	523

The average duration of the defined benefit pension obligation at the end of the reporting period is 12 years.

## 24 Share-based payments

### Accounting policy

Neste's share-based incentive plans include a net settlement feature, i.e., share-based payments are settled net in shares after withholding taxes, and thus they are accounted for as fully equity settled plans. The compensation expense for the shares is recognized as an employee benefit expense evenly during the required service period whereas the compensation expense resulting from the cash portion is recognized as an employee benefit expense on accrual basis between grant and payment date. The entire transaction is measured at fair value prevailing on the grant date of the share-based incentive plan and the amounts recognized in the consolidated statement of income are accumulated in equity. The difference realized upon the settlement date is also accounted for against equity.

The purpose of Neste's share-based long-term incentive plans is to drive long-term sustainable growth and align the interests of executives with shareholders. The Board annually selects the members of Neste's senior management and other key employees to participate in the long-term incentive plans.

Neste applies a share ownership policy to the members of the Neste Executive Committee (ExCo). According to the policy, each member of the ExCo is expected to retain in his/her ownership at least half of the shares received under the share-based incentive programs of Neste until the value of his/her share ownership in Neste corresponds to at least his/her annual gross base salary.

The amount of rewards payable to participants based on Neste's long-term incentive scheme is limited by a share price development-based pay cap, the level of which the Board of Directors sets. The level of the pay cap in the ongoing plans is two times the share price which prevailed at the beginning of the plan period. If Neste share price more than doubles during the plan, the exceeding value of the payable rewards will not be paid to the plan participants.

### Share-based incentive plan as of 1 January 2022

The Board of Directors of Neste Corporation decided on 9 February 2022 to establish a new share-based long-term incentive scheme for selected members of Neste's management and key employees. The decision includes a Performance Share Plan (PSP) as the main structure and a Restricted Share Plan (RSP) as a complementary structure for specific situations.

The Performance Share Plan consists of three annually commenced individual performance share plans, each with a three-year performance period, followed by the payment of the potential share reward. The three plans commenced as of the beginning of the years 2022, 2023 and 2024. The commencement of each individual plan is subject to a separate Board approval in each case.

The potential reward will be paid in shares of Neste (deducted with the applicable payroll tax), provided that the performance target set by the Board of Directors is achieved. For award plan cycles commenced in 2022 (PSP 2022–2024), 2023 (PSP 2023–2025) and 2024 (PSP 2024–2026), the performance measures are relative total shareholder return and Neste's combined greenhouse gas (GHG) impact. The combined GHG impact includes GHG emission reductions achieved with Neste renewable products by customers and GHG emissions from Neste production.

The Restricted Share Plan consists of annually commencing individual restricted share plans and Neste may during the plan period grant fixed share rewards to individually selected key employees. The rewards are paid at the latest after the end of the restriction period during H1 of the fourth year of the individual plan. The rewards are paid in listed shares of Neste Corporation (deducted with the applicable payroll tax). A precondition for the payment of the share reward based on the Restricted Share Plan is that the employment or service of the individual with Neste continues until the payment date of the reward.

### Share-based incentive plan as of 1 January 2019

The Board of Directors of Neste Corporation decided on 12 December 2018 to establish a new share-based long-term incentive scheme for selected members of Neste's management and key employees. The decision included a Performance Share Plan as the main structure and a Restricted Share Plan as a complementary structure for specific situations.

The Performance Share Plan consists of three annually commencing individual performance share plans, each with a three-year performance period, followed by the payment of the potential share reward. The three plans commenced in the years 2019, 2020 and 2021.

The reward was paid in shares of Neste (deducted with the applicable payroll tax), provided that the performance target set by the Board of Directors was achieved. In the PSP 2021–2023 plan, in addition to the relative total shareholder return of Neste's share, Neste's combined greenhouse gas (GHG) impact was also set as a performance measure. The combined GHG impact includes GHG emission reductions achieved with Neste renewable products by customers and GHG emissions from Neste production.

The Restricted Share Plan consists of annually commencing individual restricted share plans, each with a three-year retention period after which the share rewards granted within the plan will be paid to the participants in shares of Neste (deducted with the applicable payroll tax). The commencement of each individual plan is subject to a separate Board approval. A precondition for the payment of the share reward based on the Restricted Share Plan is that the employment relationship of the individual participant with Neste continues until the payment date of the reward.

For the 2020–2022 LTI plan cycle a gross reward of 259,529 shares equaling EUR 10.9 million were awarded to the participants of the plan. The net amount of shares delivered totalled 116,577 shares and the rest of the reward was paid in cash to cover taxes and other regulatory charges. The fair value of the share as at delivery date was EUR 42.24 (15.3.2023) and EUR 37.48 (22.5.2023). The members of Neste's Executive Committee received a gross reward equaling to 86,020 shares.

For the 2021–2023 LTI plan cycle a gross reward of 40,768 shares equaling EUR 1.0 million were awarded to the participants of the plan. The net amount of shares delivered totalled 15,987 shares and the rest of the reward was paid in cash to cover taxes and other regulatory charges. The fair value of the share as at delivery date was EUR 24.81 (14.3.2024) and EUR 22.75 (26.4.2024). The members of Neste's Executive Committee received a gross reward equaling to 17,033 shares.

More specific information on the share-based incentive plans is presented in the following tables.

Plan Type	Long-Term Incentive Plan 2022						Long-Term Incentive Plan 2019	
	Share allocation						Share allocation	
Instrument	PSP 2024-2026	RSP 2024-2026	PSP 2023-2025	RSP 2023-2025	PSP 2022-2024	RSP 2022-2024	PSP 2021-2023	RSP 2021-2023
Grant dates	7 Feb 2024	7 Feb 2024	11 Jan 2023	1 Sep 2023	11 Feb 2022	11 May 2022	13 Jan 2021	21 Jan 2021
Grant prices, euros	23.99	-	40.36	30.06	35.14	36.58	57.81	59.82
Share price as at grant date, euros	31.49	-	44.98	34.07	37.97	39.40	60.94	62.64
Beginning of earnings period	1 Jan 2024	1 Jan 2024	1 Jan 2023	1 Jan 2023	1 Jan 2022	1 Jan 2022	1 Jan 2021	1 Jan 2021
End of earnings period	31 Dec 2026	31 Dec 2026	31 Dec 2025	31 Mar 2026	31 Dec 2024	31 Mar 2025	31 Dec 2023	31 Dec 2023
Vesting date	31 Mar 2027	31 Mar 2027	31 Mar 2026	31 Mar 2026	31 Mar 2025	31 Mar 2025	31 Mar 2024	31 Mar 2024
<b>Changes during the period, share allocation</b>	<b>Shares</b>	<b>Shares</b>	<b>Shares</b>	<b>Shares</b>	<b>Shares</b>	<b>Shares</b>	<b>Shares</b>	<b>Shares</b>
Outstanding at the beginning of the reporting period, pcs	0	0	326,602	1,500	324,071	91,800	180,445	23,000
Granted during the period <sup>1)</sup>	489,517	0	29,097	3,000	0	0	0	0
Forfeited during the period	51,700	0	68,968	0	51,570	9,877	164,677	0
Exercised during the period	0	0	42	0	1,887	6,123	15,768	23,000
Outstanding at the end of the period, pcs	437,817	0	286,689	4,500	270,614	75,800	0	0
Number of persons at the end of the reporting year	114	0	113	2	105	44	0	0
Share price at the end of the reporting period, euros	12.13	12.13	12.13	12.13	12.13	12.13	24.70	24.70
Estimated rate of realization of the earnings criteria, %	10%	-	56%	100%	27%	100%	40%	100%
Estimated termination rate before the end of the restriction period, %	0%	-	0%	0%	0%	0%	0%	0%

<sup>1)</sup> Additionally, restricted shares worth in a gross amount of EUR 1.3 million have been allocated during 2024 in accordance with the respective RSP plans and will vest in October 2025. The number of shares will be based on Neste's 60-day average share price prior to delivery.

### Fair value determination

The fair value of share-based incentives have been determined at grant date and the fair value is expensed until vesting. The grant price, i.e., fair value as of the grant date, has been determined as follows: grant price equals the share price as at grant date deducted by expected dividends payable during the earning period. For plans under the Long-Term Incentive Plan 2019 and 2022, which include market based criteria, the fair value estimation is calculated using the Monte Carlo simulation with Geometric Brownian Motion. The simulation requires some parameters, such as volatility and the risk-free rate to be estimated.

The expense included in the consolidated statement of income is specified in the following table:

	2024	2023
Expense arising from equity-settled share-based payment transactions	5	7
Total expense arising from share-based payment transactions	5	7

At the end of the period the estimated future cash payments to be paid to the tax authorities from share-based payments are EUR 4 million (2023: EUR 8 million).

## 25 Related party transactions

Neste is controlled by the State of Finland, which owns 44.2% of the company's shares. The remaining 55.8% of shares are widely held.

Neste has a related party relationship with its subsidiaries, associates, joint arrangements and the entities controlled by Neste's controlling shareholder, the State of Finland. Related parties also include the members of the Board of Directors, the President and CEO and other members of the Neste Leadership Team (key management persons), close members of the families of the mentioned key management persons and entities controlled or jointly controlled by the mentioned key management persons or close members of those persons' families.

Subsidiaries, associates and joint arrangements are presented in Note 26 Group companies.

Parent company of Neste is Neste Corporation. The transactions between Neste, its subsidiaries and joint operations, which are related parties of the company, have been eliminated during consolidation and are not disclosed in this Note. All transactions between Neste and other companies controlled by the State of Finland are on an arm's length basis. Details of transactions between Neste and other related parties are disclosed below.

### Transactions carried out with related parties

2024	Sales of goods and services	Purchases of goods and services	Financial income and expense	Receivables	Liabilities
Joint ventures	106	107	6	142	11
Other related parties	210	234	0	2	0
	316	341	6	144	11

2023	Sales of goods and services	Purchases of goods and services	Financial income and expense	Receivables	Liabilities
Joint ventures	161	153	5	144	9
Other related parties	99	103	0	1	0
	260	256	5	145	9

There were no material transactions with key management persons or entities controlled by them.

The major part of business between Neste and its joint ventures was with Kilpilahti Power Plant Ltd. Neste's transactions with Kilpilahti Power Plant Ltd consisted mainly of steam purchases and sales of heavy fuel oil, water and asphaltene. The steam supply agreement includes a fixed annual fee of EUR 45 million until 2037.

## Board of Directors and key management compensation

EUR thousand	2024	2023
Salaries and other short-term employee benefits	5,370	6,482
Termination benefits	2,657	0
Statutory pensions	685	919
Supplementary pensions	582	555
Share-based payments	414	3,585
Total	9,709	11,541

Key management consists of President and CEO and other members of the Neste Leadership Team. There were no outstanding loan receivables from key management on 31 December 2024 or 31 December 2023.

Neste appointed a new Leadership Team during the fourth quarter of 2024.

## Compensation to President and CEO and members of the Neste Leadership Team

EUR thousand	President and CEO			2023	Members of the Neste Leadership Team <sup>1)</sup>	
	Heikki Malinen	Matti Lehmus	Total 2024		2024	2023
Annual remuneration						
Base salary	245	743	987	981	1,974	2,842
Taxable benefits	3	12	15	16	77	140
Annual incentive (STI plan)	0	501	501	424	897	1,384
Total annual remuneration	248	1,256	1,504	1,420	2,948	4,367
Termination benefits	0	1,365	1,365	0	1,292	0
Vested long term remuneration						
Supplementary pension (insurance contributions)	51	119	170	146	412	409
Share-based incentive plan	0	15	15	448	399	3,138
Total remuneration	299	2,755	3,054	2,014	5,052	7,913

<sup>1)</sup> Neste Executive Committee until 28 October 2024.

## Compensation to the Board of Directors

EUR thousand	2024	2023
Board of Directors at 31 December 2024		
Matti Kähkönen	158	119
Eeva Sipilä	102	79
John Abbott	93	76
Nick Elmslie	95	75
Just Jansz	89	73
Conrad Keijzer, since 27 March 2024	85	0
Pasi Laine, since 27 March 2024	79	0
Sari Mannonen, since 27 March 2024	83	0
Johanna Söderström	101	74
Former Board members		
Martina Flöel, until 28 March 2023	0	2
Heikki Malinen, until 13 June 2024	29	64
Jari Rosendal, until 31 July 2023	0	61
Kimmo Viertola, until 27 March 2024	4	67
Marco Wirén, until 28 March 2023	0	4
Board of Directors, all members total	918	695

Compensation to the Board of Directors include annual remuneration and meeting fee paid to each member of the Board for each meeting attended as well as for any meetings of the Board committees attended. Board members are not covered by the company's remuneration systems and do not receive any performance or share related payments.

The CEO's notice of termination period is 6 months on both sides. Should the company decide to give notice of termination, the President & CEO shall be entitled to his salary during the 6 months period of notice, together with a severance payment equivalent to 6 months' salary. The supplementary pension of the President and CEO is a defined contribution (DC) plan with an annual contribution of 20% of the fixed annual salary and a retirement age of 66 years.

Net liability of defined benefit plans of former Presidents and CEOs on 31 December 2024 were EUR 978 thousand (2023: EUR 1,348 thousand).

## 26 Group companies

Subsidiaries	Group holding %	Country of incorporation
B J B, LLC	100.00%	USA
Kiinteistö Oy Espoon Keilaranta 21	100.00%	Finland
Mahoney Environmental Solutions, LLC	100.00%	USA
Mahoney Transportation Services LLC	100.00%	USA
Navidom Oy	50.00%	Finland
NERM Solutions India Private Limited	100.00%	India
Neste (Shanghai) Trading Company Limited	100.00%	China
Neste (Suisse) S.A.	100.00%	Switzerland
Neste AB	100.00%	Sweden
Neste Asia Pacific Pte. Ltd	100.00%	Singapore
Neste Australia Pty Ltd	100.00%	Australia
Neste Belgium NV	100.00%	Belgium
Neste Brazil LTDA	100.00%	Brazil
Neste Canada Inc.	100.00%	Canada
Neste Components B.V.	100.00%	The Netherlands
Neste Demeter B.V. <sup>1)</sup>	80.00%	The Netherlands
Neste Eesti AS	100.00%	Estonia
Neste Germany GmbH	100.00%	Germany
Neste Insurance Limited	100.00%	Guernsey
Neste Italy S.R.L.	100.00%	Italy
Neste Markkinointi Oy	100.00%	Finland
Neste Netherlands B.V.	100.00%	The Netherlands
Neste Pretreatment Rotterdam B.V.	100.00%	The Netherlands
Neste Renewable Products Inc.	100.00%	USA
Neste Renewable Solutions US, Inc.	100.00%	USA
Neste RPC Solutions US, Inc.	100.00%	USA
Neste Shipping Oy	100.00%	Finland
Neste Singapore Pte. Ltd.	100.00%	Singapore
Neste Spain S.L.	100.00%	Spain
Neste Terminal Rotterdam B.V.	100.00%	The Netherlands
Neste US, Inc.	100.00%	USA
Neste USA, L.L.C.	100.00%	USA
Neste Walco Limited	100.00%	Ireland

Subsidiaries	Group holding %	Country of incorporation
SIA Neste Latvija	100.00%	Latvia
Sterling Logistics, LLC	100.00%	USA
UAB Neste Lietuva	100.00%	Lithuania

Associates	Group holding %	Country of incorporation
Alterra Energy LLC	29.99%	USA
Neste Arabia Co. Ltd. (inactive)	48.00%	Saudi Arabia

Joint arrangements	Group holding %	Classification	Country of incorporation
A/B Svartså Vattenverk - Mustijoen Vesilaitos O/Y	40.00%	Joint Operation	Finland
Kilpilahti Power Plant Ltd	40.00%	Joint Venture	Finland
Martinez Renewables LLC	50.00%	Joint Operation	USA

<sup>1)</sup> Neste increased its ownership in its subsidiary Neste Demeter B.V. on November 1, 2023 and the entity has been treated as a 100% owned subsidiary in the Group. In addition, Neste has an obligation to redeem the remaining non-controlling interest of Neste Demeter within an agreed period, thus the share of the non-controlling interest has not been recognised in the consolidated statement of financial position. The obligation has been measured at fair value and recorded as a liability in the consolidated statement of financial position. Furthermore, the non-controlling shareholders' share of the financial year's profit includes the cumulative profit attributable to Neste Demeter's non-controlling shareholders until the acquisition date of November 1, 2023.



## Specification of financial information on subsidiaries with material non-controlling interests

	Navidom Oy	
	2024	2023
Proportion of shares held by non-controlling interests	50.00%	50.00%
Current assets	0	0
Non-current assets	0	0
Current liabilities	0	0
Non-current liabilities	0	0
Revenue	1	1
Profit for the period	0	0
Dividends paid to non-controlling interests	0	0
Cash flows from operating activities	0	0
Cash flows from financing activities	0	0

## Unconsolidated structured entities

In 2015, Neste sold its shares of Aurora Kilpilahti Oy (former Kilpilahden Sähkönsiirto Oy). After the sale Neste does not have direct or indirect investment in the company. Aurora Kilpilahti Oy is responsible for high- and medium-voltage electricity distribution in the Kilpilahti industrial area where Neste's refinery in Porvoo, Finland, is situated. In addition to Neste, Aurora Kilpilahti Oy's customers include other companies operating in the area.

Under the contractual arrangements with Aurora Kilpilahti Oy Neste has been supplying small and decreasing part of the operating services needed in electricity distribution. It can be considered that Neste has the possibility to influence only limited development investments made by Aurora Kilpilahti Oy. Aurora Kilpilahti Oy distributes electricity to Neste and Neste remains to be the main user of the capacity of the electricity distribution network. Aurora Kilpilahti Oy operates on land leased from Neste for 30 years with an option to extend the lease. Neste has not provided any financial support or other significant support to Aurora Kilpilahti Oy without contractual obligation.

Based on the factors described above Neste has determined that it has limited influence though no control over Aurora Kilpilahti Oy and treats the company as unconsolidated structured entity in its consolidated financial statements. Management has assessed the company's exposure to losses by considering the nature of Neste's involvement in Aurora Kilpilahti Oy, and the company's significance to Neste from an operative perspective. Neste's exposure is mainly dependent upon the efficient operation of the distribution network.

## Consolidated structured entities

Since 2014, Neste has treated the vessels' long-term agreements made with Ilmarinen Mutual Pension Insurance Company and Finland's National Emergency Supply Agency as structured entities. As a part of these arrangements, Neste guarantees the vessels' residual value and certain return on the investors' investments.

## 27 Acquisitions and disposals

### Acquisitions

#### 2024

No major acquisitions took place in financial period 2024.

#### 2023

On 13 January 2023, Neste acquired SeSequential Environmental Services, LLC, and Pure SQ, LLC from Crimson Renewable Energy Holdings, LLC. Through the transaction, Neste acquired used cooking oil collection and aggregation business in US West Coast.

The fair value of acquired net assets are presented in the table below. Based on purchase price allocation, a portion of the purchase price was allocated to supplier and customer relations that have been recognized as intangible assets. The recognized goodwill represents the value of acquired business knowledge and synergies, and is deductible for income tax purposes. The purchase price was paid fully in cash and included approximately EUR 18 million of contingent consideration. The transaction costs of the acquisition were included in other expenses in the consolidated statement of income. The acquisition did not have a material impact on the Group's revenue nor profit.

<b>Assets and liabilities</b>	<b>Fair value</b>
Intangible assets	43
Property, plant and equipment	29
Inventories	3
Trade and other receivables	2
<b>Total assets</b>	<b>77</b>
Interest-bearing liabilities	6
Trade and other payables	10
<b>Total liabilities</b>	<b>16</b>
<b>Fair value of acquired net assets</b>	<b>61</b>
Consideration transferred	165
Fair value of acquired net assets	-61
<b>Goodwill</b>	<b>104</b>
<b>Cash flows of the acquisition</b>	<b>2023</b>
Consideration, paid in cash	-165
Acquiree's liabilities paid off at closing	-1
Transaction costs of the acquisition	-1
<b>Net cash flow on acquisition</b>	<b>-167</b>

SeSequential Environmental Services, LLC, and Pure SQ, LLC merged into their sistercompany Mahoney Environmental Solutions, LLC, in 31 December 2023.

### Disposals

No major disposals took place in financial periods 2024 and 2023.

## 28 Contingencies and commitments

	Value of collateral 2024	Value of collateral 2023
<b>Contingent liabilities</b>		
On own behalf for commitments		
Real estate mortgages	26	26
Other contingent liabilities	24	24
Total	50	50
On behalf of joint arrangements		
Pledged assets	119	114
Total	119	114
On behalf of others		
Guarantees	1	1
Total	1	1
Total	170	164

The pledged assets on behalf of joint arrangements are granted to the secured creditors as continuing security for due and punctual payment, discharge and performance of all or any part of the secured obligations of Kilpilahti Power Plant Ltd. The pledged assets mean all shareholder loan receivables, all contribution loan receivables and the shares of Kilpilahti Power Plant Ltd. The security period ends on the date on which all the secured obligations have been unconditionally and irrevocably paid and discharged in full.

	2024	2023
<b>Commitments</b>		
Commitments for purchase of property, plant and equipment and intangible assets	585	710
Other commitments	5	8
Total	590	718

Capital commitments are mainly related to an expansion project in the refinery in Rotterdam which will extend Neste's renewable products overall capacity.

### Take-or-pay contracts

Neste has long-term supply agreements related to hydrogen, nitrogen, steam, natural gas and electricity. These agreements are generally take-or-pay by nature. In addition to minimum purchase obligations, agreements normally include termination fees if the contract is being terminated early. The probability of such circumstances is considered to be low.

## 29 Leases

### Accounting policy

Neste assesses at contract inception whether a contract is, or contains, a lease, i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Neste as a lessee

Neste has lease contracts for various land areas, vessels, tanks, containers, facilities and other equipment used in its operations. Lease contracts are made for fixed periods of 1 to 60 years. Some leases include an option to extend the lease for an additional period after the end of the contract term or terminate the contract during the lease term.

Neste recognises a leased asset and a lease liability at the lease commencement date, except for short-term leases and leases of low-value assets.

### i) Right-of-use assets

Neste recognises right-of-use assets on the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, any restoration obligations and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. If ownership of the leased asset transfers to Neste at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Neste's right-of-use assets are included in Property, plant and equipment (see Note 14 Property plant and equipment).

### ii) Lease liabilities

At the commencement date of the lease, Neste recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option that is reasonably certain to be exercised by Neste and payments of penalties for terminating the lease, if the lease term reflects Neste exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, Neste uses interest rate implicit in the lease if readily determinable and if not, Neste uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Neste's lease liabilities are included in Interest-bearing liabilities (see Note 21 Financial liabilities).

### iii) Short-term leases and leases of low-value assets

Neste applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### Neste as a lessor

At inception of a lease contract, Neste makes an assessment whether the lease is a finance lease or an operating lease. If the lease substantially transfers all the risks and rewards incidental to ownership of the asset, it is considered to be a finance lease; if not, the lease is considered to be an operating lease. Neste has a minor amount of operating lease contracts, whereby the lease payments are recognised on a straight-line basis over the lease term and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

### Estimates and judgements requiring management estimation

Neste determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Neste has several lease contracts that include extension and termination options. Neste's management applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, Neste's management reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Neste's management applies judgement also for estimating the term of lease agreements in effect until further notice. The management's estimates are based on the company's strategic situation and market conditions, as well the costs that would incur if the leased asset would be replaced by another asset.

### Amounts recognized in the balance sheet

The balance sheet shows the following amounts relating to leases:

<b>Right-of-use assets</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
Land		257	230
Buildings and constructions		54	49
Machinery and equipment		164	237
Other tangible assets		629	467
<b>Total assets included in property, plant and equipment</b>	<b>14</b>	<b>1,104</b>	<b>983</b>
<b>Lease liabilities</b>			
Non-current interest-bearing liabilities		890	768
Current interest-bearing liabilities		224	199
<b>Total liabilities included in interest-bearing liabilities</b>	<b>21</b>	<b>1,114</b>	<b>967</b>

Additions to the right-of-use assets during the 2024 financial year were EUR 423 million (2023: EUR 780 million). The maturity analysis of lease liabilities is disclosed in Note 3 Financial risk management.

### Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

<b>Depreciation charge of right-of-use assets</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
Land		17	15
Buildings and constructions		18	14
Machinery and equipment		84	82
Other tangible assets		181	143
	<b>14</b>	<b>299</b>	<b>255</b>
Interest expense (included in finance cost)	<b>10</b>	<b>60</b>	<b>50</b>
Expense relating to short-term leases (included in materials and services)	<b>7</b>	<b>17</b>	<b>14</b>
Expense relating to short-term leases (included in other expenses)	<b>9</b>	<b>10</b>	<b>8</b>
Expense relating to leases of low-value assets (included in other expenses)	<b>9</b>	<b>1</b>	<b>1</b>
Variable lease payments not included in lease liabilities (included in materials and services)	<b>7</b>	<b>0</b>	<b>0</b>
Variable lease payments not included in lease liabilities (included in other expenses)	<b>9</b>	<b>3</b>	<b>4</b>

## 30 Disputes and potential litigations

Neste is involved in legal proceedings and disputes incidental to its business. In management's opinion, the outcome of these cases is difficult to predict but not likely to have material effect on the Neste's financial position.

## 31 Events after the balance sheet date

On 13 February, Neste announced a new performance improvement program, and updated financial targets and capital allocation for 2025-2026 as well as Board's dividend proposal for the year 2024. In 2025-2026, Neste plans to refocus from growth and development to efficiency and profitability, including capital discipline. To improve profitability and cost-competitiveness, Neste plans to further simplify its operating model and increase internal efficiency. As a result, the company starts change negotiations that cover Oil Products and Renewable Products business areas and all global functions, targeting total annual cost savings of approximately EUR 65 million. The planned organizational changes are expected to lead to a permanent reduction of approximately 600 positions, of which approximately 450 in Finland.

## Parent company income statement

EUR million	Note	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Revenue</b>	2	12,266	15,768
Change in product inventories		-205	-235
Other operating income	3	33	31
Materials and services	4	-10,851	-13,173
Personnel expenses	5	-303	-355
Depreciation, amortization and write-downs	6	-230	-211
Other operating expenses	7	-666	-509
<b>Operating profit/loss</b>		43	1,317
Financial income and expenses	8	156	27
Financial income and expenses total		156	27
<b>Profit/loss before appropriations and taxes</b>		199	1,343
Appropriations	9	41	97
Income tax expenses	10	9	-262
<b>Profit for the year</b>		250	1,178

## Parent company balance sheet

EUR million	Note	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Fixed assets and other long-term investments</b>	11, 12		
Intangible assets		111	116
Tangible assets		1,907	1,878
Other long-term investments		5,948	4,071
Fixed assets and other long-term investments total		7,966	6,064
<b>Current assets</b>			
Inventories	13	1,375	1,518
Long-term receivables	14	104	64
Short-term receivables	15	2,020	2,702
Cash and cash equivalents		706	1,328
Current assets total		4,204	5,611
<b>Total assets</b>		12,170	11,676
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	16		
Share capital		40	40
Other funds and reserves			
Invested non-restricted equity fund		19	19
Fair value reserve		-53	24
Other funds and reverses total		-33	43
Retained earnings		2,906	2,649
Profit for the year		250	1,178
Shareholders' equity total		3,162	3,911
<b>Accumulated appropriations</b>	17	1,205	1,163
<b>Provisions for liabilities and charges</b>	18	45	103
<b>Liabilities</b>	19		
Long-term liabilities		3,471	2,823
Short-term liabilities		4,287	3,676
Liabilities total		7,758	6,499
<b>Total equity and liabilities</b>		12,170	11,676

## Parent company cash flow statement

EUR million	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Cash flows from operating activities</b>		
Profit/loss before appropriations and taxes	199	1,343
Adjustments:		
Depreciation, amortization and write-downs	230	211
Other non-cash income and expenses <sup>1)</sup>	-107	119
Financial income and expenses	-156	-27
Divesting activities, net	-1	0
<b>Operating cash flow before change in working capital</b>	166	1,647
Change in working capital		
Decrease (+)/increase in group bank account receivables	86	16
Decrease (+)/increase (-) in other interest-free receivables	297	483
Decrease (+)/increase (-) in inventories	143	396
Decrease (+)/increase in group bank account liabilities	1,044	-621
Decrease (-)/increase (+) in other interest-free liabilities	-200	-349
Change in working capital	1,369	-74
<b>Cash generated from operations</b>	1,535	1,573
Interest and other financial expenses paid, net	-96	-35
Dividends received	284	122
Income taxes paid	20	-257
Realized foreign exchange gains and losses, net	23	-20
<b>Net cash from operating activities</b>	1,766	1,384

EUR million	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Cash flows from investing activities</b>		
Capital expenditure	-282	-148
Proceeds from sale of fixed assets	3	0
Investments in shares in subsidiaries	-1,281	-810
Investments in shares in other shares	-2	-1
Proceeds from shares in subsidiaries	15	0
Change in other investments, increase (-)	-530	-81
Change in other investments, decrease (+)	96	264
<b>Net cash used in investing activities</b>	-1,982	-777
<b>Cash flow before financing activities</b>	-216	607
<b>Cash flows from financing activities</b>		
Proceeds from long-term liabilities	1,374	1,671
Payments of long-term liabilities	-1,285	-209
Change in short-term liabilities	308	-380
Dividends paid	-922	-1,168
Group contributions, net	120	0
<b>Cash flow from financing activities</b>	-405	-86
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	-622	521
Cash and cash equivalents at the beginning of the period	1,328	806
Cash and cash equivalents at the end of the period	706	1,328
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	-622	521

<sup>1)</sup> Other non-cash income and expenses consists of change in FX derivatives, change in commodity derivatives, change in provisions and adjustments to realized FX gains/losses.

# 1 Accounting policies

The financial statements of Neste Corporation (Parent company) are prepared in accordance with Finnish GAAP. The financial statements are presented in thousands of euros unless otherwise stated. The figures in the tables are exact figures and consequently the sum of individual figures may deviate from the sum presented.

Neste Oyj prepares separate natural gas sale and network financial statements that is published in Neste Oyj's consolidated financial statements.

Neste's growth and financial performance may be impacted by the general macroeconomic and geopolitical development. In addition, regulatory changes on the European Union or individual member state level may adversely affect particularly Neste's renewables businesses. Neste has assessed the impacts of war in Ukraine by reviewing the carrying values of the balance sheet items, which did not indicate a need for asset impairments. Neste does not have fixed assets in Russia nor in Ukraine. Neste's financial position remained good.

## Revenue

Revenue include sales revenues from actual operations less discounts, indirect taxes such as value added tax and excise tax payable by the manufacturer and statutory stockpiling fees.

## Other operating income

Other operating income includes gains on the sales of fixed assets and contributions received as well as all other operating income not related to the sales of products or services and non-recurring income.

## Foreign currency items

Transactions denominated in foreign currencies have been valued using the exchange rate at the date of the transaction. Receivables and liabilities denominated in foreign currencies outstanding on the balance sheet date have been valued using the exchange rate quoted on the balance sheet date. Exchange rate gains and losses related to operative items are recognized as adjustments to operative income and expenses in the income statement. Net exchange rate differences related to financial items are reported under financial income and expenses.

## Financial assets and liabilities

Derivative financial instruments are initially recognised at fair value on the trade date and are subsequently re-measured at their fair value on the balance sheet date. Liabilities subject to fair value hedging are partly recognised at fair value. Other financial assets and liabilities are measured at amortized cost and recognized initially at fair value on the settlement date.

Loans and receivables consist of cash and cash equivalents, loans granted together with trade and other receivables. Other financial liabilities include interest-bearing liabilities together with trade and other payables. Due to the nature of short-term trade and other receivables their carrying amount is expected to be equal to their fair value.

Changes in the fair value of derivatives, for which hedge accounting is not applied, are recognized in the income statement. The effective portion of the changes in the fair value of derivative financial instruments that are designated and qualified as cash flow hedges are recognized in equity.

## Derivative financial instruments

The company uses derivative financial instruments mainly to hedge commodity price, foreign exchange and interest rate exposures. Derivatives not qualified for hedge accounting are recognized in the income statement either in operating profit or financial income and expenses, depending on the underlying hedged item.

## Current investments

Current investments includes deposits held at banks and other liquid investments with original maturities from three months to 12 months.

## Hedge accounting

The company applies hedge accounting on certain forward foreign exchange contracts, options and interest rate derivatives.

## Fair value hedges

The company applies fair value hedge accounting to reduce exposure to fair value fluctuations of interest-bearing liabilities due to changes in interest rates. Changes in fair value of derivatives designated and qualifying as fair value hedges, together with any changes in the fair value of hedged liabilities attributable to the hedged risk, are recognized in financial income and expenses.

## Cash flow hedges

The company applies cash flow hedge accounting to reduce exposure of currency and interest rates fluctuations. The result of foreign currency derivative contracts hedging future cash flows and qualifying for hedge accounting is recognized once matured and when the hedged item affects the income statement. Gains or losses for interest rate swaps used to hedge the interest rate risk exposure are accrued over the period to maturity and are recognized as an adjustment to the interest income or expense of the underlying liabilities.

## Fixed assets and other long-term investments

The balance sheet value of fixed assets consists of historical costs less depreciation according to plan and other possible write-offs, plus revaluation permitted by local regulations. Fixed assets are depreciated using straight-line depreciation based on the expected useful life of the asset. Land areas are not depreciated. The depreciation is based on the following expected useful lives:

Buildings and structures	20–40 years
Production machinery and equipment, including special spare parts	15–20 years
Other equipment and vehicles	2–15 years
Other tangible assets	20–40 years
Goodwill and Intangible assets <sup>1)</sup>	3–10 years

<sup>1)</sup>Intangible assets include capitalized development expenditures

Investments in subsidiaries and other companies are measured at acquisition cost, or fair value in case the fair value is lower than cost.



## Inventories

Inventories are stated at either cost or net realizable value, whichever is the lowest. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs, and related production overheads (based on normal operating capacity). Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventories held for trading purposes are measured at fair value less selling expenses. Standard spare parts are carried as inventory and recognized in profit or loss as consumed.

## Research and development

Research expenditure is recognized as an expense as incurred and included in other operating expenses in the income statement. Expenditure on development activities is capitalized only when it fulfills tight criteria e.g. development relates to new products that are technically and commercially feasible. The majority of the company's development expenditure does not meet the criteria for capitalization and are recognized as expenses as incurred.

## Cash pool receivables/liabilities

Cash pool items are presented as short-term receivables or liabilities.

## Pension expenses

An external pension insurance company manages the pension plan. The pension expenses are booked to income statement during the year they occur.

## Appropriations

Appropriations consist of received or given group contributions from or to Neste Group companies and depreciation above the plan.

## Deferred taxes

Deferred taxes are determined on the basis of temporary differences between the financial statement and tax bases of assets and liabilities. Deferred income tax is determined using tax rates that have been enacted at the balance sheet date and are expected to apply.

## Provisions

Foreseeable future expenses and losses that have no corresponding revenue and which Neste Corporation is committed or obliged to settle, and whose monetary value can reasonably be assessed, are entered as expenses in the income statement and included as provisions in the balance sheet. These items include expenses relating to the pension liabilities, guarantee obligations, restructuring provisions, expenses relating to the future clean-up of proven environmental damage and obligation to return emission allowances. Provisions are recorded based on management estimates of the future obligation.

## 2 Revenue

Revenue by segment, EUR million	2024	2023
Renewable Products <sup>1)</sup>	3,230	4,985
Oil Products	8,871	10,582
Marketing & Services	4	-7
Other	161	208
	12,266	15,768

Revenue by market area, EUR million	2024	2023
Finland	4,337	4,668
Other Nordic countries	1,809	2,867
Baltic Rim	1,128	1,465
Other European countries	4,024	4,770
USA	375	1,420
Other countries	591	578
	12,266	15,768

<sup>1)</sup> The tax administrations of Finland and Singapore concluded in 2024 a bilateral advance pricing agreement (BAPA) impacting the transfer pricing between Neste Oyj and Neste Singapore Pte. Ltd. This resulted in an increase in the net sales of Neste Oyj for 2024 of EUR 95 million of which EUR 58 million relate to transfer pricing adjustments for 2022 and 2023.

## 3 Other operating income

EUR million	2024	2023
Rental income	2	3
Gain on sale of intangible and tangible assets	2	0
Insurance compensations	14	7
Government grants	13	14
Other	2	7
Other operating income total	33	31

## 4 Materials and services

EUR million	2024	2023
Materials and supplies		
Purchases during the period	10,476	12,420
Change in inventories	-62	162
	10,414	12,581
External services	437	592
Materials and services total	10,851	13,173

## 5 Personnel expenses

EUR million	2024	2023
Wages, salaries and remunerations	259	286
Indirect employee costs		
Pension costs	60	69
Other indirect employee costs	9	12
Wages and salaries capitalized in fixed assets	-24	-11
Personnel expenses total	303	355

### Salaries and remuneration

Key management compensations are presented in Note 25 in the Neste Group consolidated financial statements.

Average number of employees	2024	2023
White-collar	2,514	2,919
Blue-collar	717	743
	3,231	3,661

## 6 Depreciation, amortization and write-downs

EUR million	2024	2023
Depreciation according to plan	213	207
Write-offs	18	4
Depreciations, amortization and write-downs total	230	211

## 7 Other operating expenses

EUR million	2024	2023
Operating leases and other property costs <sup>1)</sup>	-15	19
Repairs and maintenance <sup>2)</sup>	331	117
Planning and consulting services	45	40
IT services	141	149
Other	163	183
Other operating expenses total	666	509

### Fees charged by the statutory auditor

EUR thousands	2024	2023
Authorised Public Accountants	KPMG	KPMG
Auditor's fees	717	680
Auditor's statements	152	35
Tax advisory	233	204
Other advisory services	174	260
	1,276	1,179

<sup>1)</sup> The environmental provision related to the closure of the Naantali refinery was released by EUR 55 million during the third quarter of 2024.

<sup>2)</sup> The increase in maintenance costs is due to a major turnaround at the Porvoo refinery.

## 8 Financial income and expenses

EUR million	2024	2023
Dividend income		
From Group companies	284	122
Dividend income total	284	122
Interest income from long-term loans and receivables		
From Group companies	4	1
From others	6	5
Interest income from long-term loans and receivables total	10	6
Other interest and financial income		
From Group companies	40	18
Other	34	39
Other interest and financial income total	74	57
Write-downs on long-term investments		
Write-downs of other long-term investments	0	0
Write-downs on long-term investments total	0	0
Interest expenses and other financial expenses		
To Group companies	-52	-46
Other	-135	-76
Interest expenses and other financial expenses total	-186	-122
Exchange rate differences	-25	-36
<b>Financial income and expenses total</b>	<b>156</b>	<b>27</b>
<b>Total interest income and expenses, EUR million</b>	<b>2024</b>	<b>2023</b>
Interest income	84	62
Interest expenses	-179	-120
Net interest expenses	-96	-57

## 9 Appropriations

EUR million	2024	2023
<b>Change in depreciation difference</b>		
Difference between depreciation according to plan and depreciation in taxation	-42	-23
<b>Group contributions</b>		
Group contributions received	84	120
Appropriations total	41	97

## 10 Income tax expense

EUR million	2024	2023
Income taxes on regular business operations	2	261
Taxes for prior periods <sup>1)</sup>	11	-1
Change in deferred tax assets	-23	3
Income tax expense total	-9	262

<sup>1)</sup>The adjustments to prior period taxes resulted largely from the finalization of a bilateral advance pricing agreement (BAPA) between the tax administrations of Finland and Singapore, which also resulted in transfer pricing adjustments for 2022 and 2023.

## 11 Fixed assets and long-term investments

<b>Intangible assets, EUR million</b>	<b>Goodwill</b>	<b>Other intangible assets</b>	<b>Total</b>
Acquisition cost as of 1 January 2024	1	382	383
Increases	0	26	26
Decreases	0	-3	-3
Transfers between items	0	0	0
Acquisition cost as of 31 December 2024	1	406	407
Accumulated amortization and write-downs as of 1 January 2024	1	266	268
Amortization for the period	0	29	29
Accumulated amortization and write-downs as of 31 December 2024	1	295	296
Balance sheet value as of 31 December 2024	0	111	111

<b>Intangible assets, EUR million</b>	<b>Goodwill</b>	<b>Other intangible assets</b>	<b>Total</b>
Acquisition cost as of 1 January 2023	1	358	359
Increases	0	24	24
Decreases	0	0	0
Transfers between items	0	0	0
Acquisition cost as of 31 December 2023	1	382	383
Accumulated amortization and write-downs as of 1 January 2023	1	235	236
Amortization for the period	0	32	32
Accumulated amortization and write-downs as of 31 December 2023	1	266	268
Balance sheet value as of 31 December 2023	0	116	116

<b>Tangible assets, EUR million</b>	<b>Land areas</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Other tangible assets</b>	<b>Advances paid and construction in progress</b>	<b>Total</b>
Acquisition cost as of 1 January 2024	26	1,487	3,408	103	204	5,228
Increases	0	8	95	0	124	228
Decreases	0	-1	-3	0	-12	-17
Transfers between items	0	17	81	0	-98	0
Acquisition cost as of 31 December 2024	26	1,511	3,580	103	218	5,439
Accumulated depreciation and write-downs as of 1 January 2024	0	879	2,446	51	0	3,377
Accumulated depreciation and write-downs of decreases and transfers	0	-1	-1	0	0	-2
Depreciation and write-downs for the period	0	39	142	2	0	184
Accumulated depreciation and write-downs as of 31 December 2024	0	917	2,588	53	0	3,559
Revaluations	6	21	0	0	0	27
Balance sheet value as of 31 December 2024	31	615	993	50	218	1,907
<b>Balance sheet value of machinery and equipments used in production</b>						993

<b>Tangible assets, EUR million</b>	<b>Land areas</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Other tangible assets</b>	<b>Advances paid and construction in progress</b>	<b>Total</b>
Acquisition cost as of 1 January 2023	26	1,453	3,323	102	167	5,072
Increases	0	23	32	1	116	172
Decreases	0	0	-14	0	-1	-15
Transfers between items	0	10	66	1	-78	0
Acquisition cost as of 31 December 2023	26	1,487	3,408	103	204	5,228
Accumulated depreciation and write-downs as of 1 January 2023	0	840	2,323	50	0	3,213
Accumulated depreciation and write-downs of decreases and transfers	0	0	-12	0	0	-11
Depreciation and write-downs for the period	0	39	135	2	0	176
Accumulated depreciation and write-downs as of 31 December 2023	0	879	2,446	51	0	3,377
Revaluations	6	21	0	0	0	27
Balance sheet value as of 31 December 2023	31	629	961	52	204	1,878
<b>Balance sheet value of machinery and equipments used in production</b>						961

<b>Other long-term investments</b>	<b>Shares in group companies</b>	<b>Receivables from group companies</b>	<b>Shares in associated companies</b>	<b>Receivables from associated companies</b>	<b>Other shares and holdings</b>	<b>Other receivables</b>	<b>Total</b>
Acquisition cost as of 1 January 2024	3,939	0	7	107	23	3	4,079
Increases <sup>1)</sup>	1,281	603	0	6	3	0	1,892
Decreases	-15	0	0	0	0	0	-15
Acquisition cost as of 31 December 2024	5,206	603	7	113	25	3	5,956
Accumulated depreciation and write-downs as of 1 January 2024	0	0	0	0	5	3	8
Decreases	0	0	0	0	0	0	0
Accumulated depreciation and write-downs as of 31 December 2024	0	0	0	0	5	3	8
Balance sheet value as of 31 December 2024	5,206	603	7	113	20	0	5,948

<sup>1)</sup> Additions regarding shares mainly comprise capital contributions

<b>Other long-term investments</b>	<b>Shares in group companies</b>	<b>Receivables from group companies</b>	<b>Shares in associated companies</b>	<b>Receivables from associated companies</b>	<b>Other shares and holdings</b>	<b>Other receivables</b>	<b>Total</b>
Acquisition cost as of 1 January 2023	3,130	170	7	82	21	3	3,413
Increases	810	0	0	26	1	0	837
Decreases	0	-170	0	-1	0	0	-171
Acquisition cost as of 31 December 2023	3,939	0	7	107	23	3	4,079
Accumulated depreciation and write-downs as of 1 January 2023	0	0	0	0	5	3	8
Decreases	0	0	0	0	0	0	0
Accumulated depreciation and write-downs as of 31 December 2023	0	0	0	0	5	3	8
Balance sheet value as of 31 December 2023	3,939	0	7	107	17	0	4,071

#### **Interest-bearing and interest-free receivables, EUR million**

	<b>2024</b>	<b>2023</b>
Interest-bearing receivables	716	107
	716	107

## 12 Revaluations

EUR million	Revaluations as of Jan 1 2024	Increases	Decreases	Revaluations as of Dec 31 2024
Land areas	6	0	0	6
Buildings	21	0	0	21
Revaluations total	27	0	0	27

EUR million	Revaluations as of Jan 1 2023	Increases	Decreases	Revaluations as of Dec 31 2023
Land areas	6	0	0	6
Buildings	21	0	0	21
Revaluations total	27	0	0	27

### Policies and principles for revaluations and evaluation methods

The revaluations are based on fair values at the moment of revaluation.

Deferred taxes have not been booked on revaluations.

## 13 Inventories

EUR million	2024	2023
Raw materials and supplies	749	687
Products/finished goods	626	831
Advance payments on inventories	0	0
Inventories total	1,375	1,518
Replacement value of inventories	1,438	1,607
Book value of inventories	1,375	1,518
Difference	63	89

## 14 Long-term receivables

EUR million	2024	2023
<b>Long-term receivables from others</b>		
Long-term advance payments	13	16
Other receivables	33	32
Deferred tax assets	57	16
Long-term receivables total	104	64

## 15 Short-term receivables

EUR million	2024	2023
<b>Receivables from Group companies</b>		
Trade receivables	625	712
Loan receivables	6	85
Group contribution receivables	84	120
Other receivables	500	588
Accrued income and prepaid expenses	94	127
Total	1,308	1,633
<b>Receivables from associated companies</b>		
Trade receivables	18	22
Other receivables	0	0
Total	18	22
<b>Receivables from others</b>		
Trade receivables	477	666
Other receivables	75	170
Accrued income and prepaid expenses	141	211
Total	693	1,047
Short-term receivables total	2,020	2,702

Short-term accrued income and prepaid expenses, EUR million	2024	2023
Accrued interest	10	6
Derivative financial instruments	198	280
Current investments	0	5
Other	26	48
Total	235	338

## 16 Changes in shareholders' equity

EUR million	2024	2023
Share capital at 1 January	40	40
Share capital at 31 December	40	40
Fair value reserve at 1 January	24	69
Increases	1,667	3,265
Decreases	-1,744	-3,310
Fair value reserve at 31 December	-53	24
Restricted shareholders equity	-13	64
Invested non-restricted equity fund at 1 January	19	19
Invested non-restricted equity fund at 31 December	19	19
Retained earnings at 1 January	3,827	3,817
Dividends paid	-922	-1,168
Profit for the year	250	1,178
Retained earnings at 31 December	3,155	3,827
Non-restricted shareholders equity	3,174	3,847
Capitalized development expenditure	14	12
Distributable equity	3,108	3,835

The amount of own shares is presented in the group's consolidated financial statements in Note 20.

## 17 Accumulated appropriations

EUR million	2024	2023
Depreciation difference	1,205	1,163

## 18 Provisions for liabilities and charges

EUR million	2024				
	Restructuring provisions	Provision for environment	Provision for environment for Naantali refining operations closure	Other provisions	Total
Balance sheet value as of 1 January 2024	0	1	99	3	103
Increase <sup>1)</sup>	13	0	0	0	13
Decrease	11	0	58	2	71
Balance sheet value as of 31 December 2024	2	1	42	0	45
EUR million	2023				
	Restructuring provisions	Provision for environment	Provision for environment for Naantali refining operations closure	Other provisions	Total
Balance sheet value as of 1 January 2023	0	1	111	4	117
Increase	0	0	0	3	3
Decrease	0	0	12	4	16
Balance sheet value as of 31 December 2023	0	1	99	3	103

<sup>1)</sup>The environmental provision related to Naantali refinery's shutdown in 2021 was reduced by EUR 55 million during the third quarter of 2024 based on an action plan updated in line with the assessment of the situation and research findings.



## 19 Liabilities

<b>Long-term liabilities, EUR million</b>	<b>2024</b>	<b>2023</b>
Bonds	2,115	2,110
Loans from financial institutions	1,327	609
Advanced payments	17	18
Liabilities to Group companies		
Other long-term liabilities	3	80
Accruals and deferred income	8	6
<b>Long-term liabilities total</b>	<b>3,471</b>	<b>2,823</b>
<b>Interest-bearing liabilities due after five years, EUR million</b>	<b>2024</b>	<b>2023</b>
Loans from financial institutions	93	93
Bonds	1,091	1,587
	1,184	1,680
<b>Short-term liabilities, EUR million</b>	<b>2024</b>	<b>2023</b>
Bonds	0	201
Loans from financial institutions	81	6
Advances received	14	11
Trade payables	642	689
Liabilities to Group companies		
Advances received	0	0
Trade payables	643	692
Other short-term liabilities	1,737	1,119
Accruals and deferred income	67	71
<b>Total</b>	<b>2,448</b>	<b>1,881</b>
Liabilities to associated companies		
Trade payables	11	9
<b>Total</b>	<b>11</b>	<b>9</b>
Other short-term liabilities	738	530
Accruals and deferred income	355	348
<b>Short-term liabilities total</b>	<b>4,287</b>	<b>3,676</b>

<b>Short-term accruals and deferred income, EUR million</b>	<b>2024</b>	<b>2023</b>
Salaries and indirect employee costs	55	95
Accrued interests	57	43
Derivative financial instruments	296	277
Other short-term accruals and deferred income	5	4
	421	419
<b>Interest-bearing and interest-free liabilities, EUR million</b>	<b>2024</b>	<b>2023</b>
Long-term liabilities		
Interest-bearing liabilities	3,442	2,799
Interest-free liabilities	29	24
	3,471	2,823
Short-term liabilities		
Interest-bearing liabilities	2,117	1,322
Interest-free liabilities	2,170	2,354
	4,287	3,676

### Listed bond issues

<b>Issued/Maturity</b>	<b>Interest basis</b>	<b>Interest rate, %</b>	<b>Currency</b>	<b>Nominal EUR million</b>	<b>Carrying amount, EUR million</b>
2021/2028	Fixed	0.750	EUR	500	497
2023/2029	Fixed	3.875	EUR	500	497
2023/2031	Fixed	3.875	EUR	600	607
2023/2033	Fixed	4.250	EUR	500	514
<b>Total outstanding carrying amount 31 December 2024</b>				2,100	2,115

## 20 Contingent liabilities

<b>Contingent liabilities, EUR million</b>	<b>2024</b>	<b>2023</b>
<b>Contingent liabilities given on own behalf</b>		
Real estate mortgages	26	26
Pledged assets	0	0
Other contingent liabilities	21	23
Total	47	49
<b>Contingent liabilities given on behalf of Group companies</b>		
Guarantees	164	206
Total	164	206
<b>Contingent liabilities given on behalf of associated companies</b>		
Pledged assets	119	114
Total	119	114
<b>Contingent liabilities given on behalf of others</b>		
Guarantees	1	1
Total	1	1

### Other contingent liabilities

The Company is obliged to adjust VAT deductions made from real estate investments if the taxable utilization of real estate will decrease during a 10 years control period. The amount of VAT deductions on 31 December 2024 was EUR 34 million.

<b>Operating lease liabilities</b>	<b>2024</b>	<b>2023</b>
Due within a year	23	10
Due after a year	32	8
Total	55	19
<b>Capital commitments</b>		
Commitments for purchase of property, plant and equipment and intangible assets	35	100
Other commitments	5	8
Total	40	108

## 21 Derivative Financial instruments

EUR million	31 Dec 2024					31 Dec 2023				
	Nominal value by maturity		Fair Value			Nominal value by maturity		Fair Value		
	< 1 year	> 1 year	Positive	Negative	Net	< 1 year	> 1 year	Positive	Negative	Net
<b>Foreign exchange derivatives</b>										
Interest swaps	0	300	0	6	-6	0	0	0	0	0
Foreign exchange derivatives, forwards	1,882	0	15	75	-60	1,944	0	33	3	30
Foreign exchange options										
Purchased	7	0	0	0	0	0	0	0	0	0
Written	7	0	0	0	0	0	0	0	0	0
<b>Derivatives designated as cash flow hedges</b>	1,896	0	15	81	-66	1,944	0	33	3	30
Interest rate swaps	0	550	29	0	29	0	550	26	0	26
<b>Derivatives designated as fair value hedges</b>	0	550	29	0	29	0	550	26	0	26
Foreign exchange derivatives, forwards	3,270	0	24	72	-48	2,766	0	38	7	31
Intra-group forward foreign exchange contracts	1,795	0	44	22	22	1,350	0	5	22	-17
Currency options										
Purchased	0	0	0	0	0	0	0	0	0	0
Written	0	0	0	0	0	0	0	0	0	0
Intra-group currency options										
Purchased	0	0	0	0	0	0	0	0	0	0
Written	0	0	0	0	0	0	0	0	0	0
<b>Non-hedge accounting</b>	5,065	0	68	94	-26	4,117	0	43	29	15

EUR million	31 Dec 2024					31 Dec 2023				
	Nominal value by maturity		Fair Value			Nominal value by maturity		Fair Value		
	< 1 year	> 1 year	Positive	Negative	Net	< 1 year	> 1 year	Positive	Negative	Net
<b>Commodity derivatives <sup>1)</sup></b>										
Oil and vegetable oil derivatives										
Sold forwards, million bbl	16	0	21	26	-5	25	0	74	26	48
Purchased forwards, million bbl	17	0	37	51	-14	25	0	13	122	-109
Intra-group oil and vegetable oil derivatives										
Sold forwards, million bbl	9	0	24	19	5	11	0	33	17	16
Purchased forwards, million bbl	10	0	17	18	-1	11	0	35	29	6
Electricity and gas derivatives										
Sold forwards, GWh	7	126	0	0	0	0	0	0	0	0
Purchased forwards, GWh	2,348	873	20	6	13	2,172	767	1	57	-57
Intra-group electricity and gas derivatives										
Sold forwards, GWh	1,061	661	2	12	-10	1,282	531	54	0	54
<b>Non-hedge accounting</b>	3,469	1,659	119	132	-12	3,526	1,298	210	252	-42
<b>Derivatives Total</b>			232	307	-75			312	283	29
of which										
Current derivative financial instruments			198	296	-98			280	277	3
Non-current derivative financial instruments			33	11	22			32	6	26

<sup>1)</sup>Commodity derivative contracts with non-hedge accounting status include oil, vegetable oil, electricity and gas derivative contracts. They consist of trading derivative contracts and cash flow hedges without hedge accounting status.

## Fair value estimations

Derivative financial instruments are initially recognized and subsequently re-measured at their fair values i.e.the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participant and the measurement date.

The fair value of exchange traded commodity futures and option contracts is determined using the forward exchange market quotations as per last business day of financial year. The fair value of over-the-counter derivative contracts is calculated using the net present value of the forward derivative contracts quoted market prices as per last business day of financial year.

Fair value hierarchy of derivatives, EUR million	2024				2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Non-current derivative financial instruments								
Interest rate derivatives	0	29	0	29	0	26	0	26
Currency derivatives	0	0	0	0	0	0	0	0
Commodity derivatives	0	4	0	4	0	6	0	6
Other financial assets	0	0	0	0	0	0	0	0
Current derivative financial instruments								
Currency derivatives	0	83	0	83	0	76	0	76
Commodity derivatives	57	58	0	115	69	134	0	204
<b>Financial liabilities</b>								
Non-current derivative financial instruments								
Interest rate derivatives	0	6	0	6	0	0	0	0
Currency derivatives	0	0	0	0	0	0	0	0
Commodity derivatives	0	5	0	5	0	6	0	6
Current derivative financial instruments								
Currency derivatives	0	169	0	169	0	31	0	31
Commodity derivatives	71	56	0	127	71	175	0	246

Financial instruments that are measured in the balance sheet at fair value are presented according to following fair value measurement hierarchy:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** inputs other than quoted price included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e derived from prices)

**Level 3:** inputs for the assets or liability that is not based on observable market data (unobservable inputs).

## 22 Shares and holdings

	Country of incorporation	No of shares	Holding -%
<b>Subsidiary shares</b>			
Kiinteistö Oy Espoon Keilaranta 21	Finland	16,000	100.00
Navidom Oy	Finland	50	50.00
Neste (Suisse) S.A.	Switzerland	200	100.00
Neste AB	Sweden	2,000,000	100.00
Neste Belgium NV	Belgium	615	100.00
Neste Canada	Canada	30,000	100.00
Neste Components B.V.	Netherlands	40	100.00
Neste Eesti AS	Estonia	10,000	100.00
Neste Germany GmbH	Germany	25,000	100.00
Neste Insurance Limited	Guernsey	7,000,000	100.00
Neste Italy S.R.L.	Italy	1	100.00
Neste Markkinointi Oy	Finland	210,560	100.00
Neste Netherlands B.V.	Netherlands	18,000	100.00
Neste Pretreatment Rotterdam B.V.	Netherlands	18,000	100.00
Neste Renewable Products Inc	USA	5,000	100.00
Neste Renewable Solutions US, Inc.	USA	1,000	100.00
Neste RPC Solutions US, Inc.	USA	1,000	100.00
Neste Shipping Oy	Finland	101	100.00
Neste Singapore Pte. Ltd.	Singapore	1,727,535,875	100.00
Neste Spain S.L.	Spain	3,000	100.00
Neste US, Inc.	USA	1,000	100.00
SIA Neste Latvija	Latvia	348	100.00
UAB Neste Lietuva	Lithuania	1,055,134	100.00
<b>Associated companies</b>			
A/B Svartså Vattenverk - Mustijoen Vesilaitos O/Y	Finland	14	40.00
Kilpilahti Powerplant Ltd.	Finland	20,000	40.00
Neste Arabia Co. Ltd.	Saudi Arabia	480	48.00

	Country of incorporation	No of shares
<b>Other shares and holdings</b>		
Circularise B.V.	Netherlands	19,420
CLEEN Oy	Finland	100
Kiinteistö Oy Himoksen Aurinkopaikka	Finland	51
Kiinteistö Oy Katinkullan Hiekkaniemi	Finland	102
Kiinteistö Oy Katinkultaniemi	Finland	51
Kiinteistö Oy Kotkan Klubi	Finland	30
Kiinteistö Oy Kuusamon Tähti 1	Finland	51
Kiinteistö Oy Laavutieva	Finland	51
Kiinteistö Oy Lapinniemi & Osakeyhtiö Lapinniemi	Finland	24
Posintra Oy	Finland	190
St Laurence Golf Oy, B-osake	Finland	3
Sunfire GmbH	Germany	264,121
<b>Telephone shares</b>		
Elisa Oyj	Finland	1
Pietarsaaren Seudun Puhelin Oy	Finland	3
Savonlinnan Puhelinosuuskunta SPY	Finland	1

## 23 Disputes and potential litigations

Neste Corporation is involved in legal proceedings and disputes incidental to its business. In management's opinion, the outcome of these cases is difficult to predict but not likely to have material effect on the Neste's financial position.

## 24 Unbundling of natural gas network operations

Chapter 13 of the Natural Gas Market Act (587/2017) provides for accounting separation of natural gas business and non-natural gas business. In addition, computational separation is regulated by the Decree of the Ministry of Economic Affairs and Employment of the separation natural gas businesses (1306/2019).

### Accounting policies

According to the Natural Gas Market Act, business transactions and balance sheet items are booked in to the income statements and balance sheets of business in accordance with the accrual principle.

Income statement and balance sheet items that not directly attributable to business operations in accordance with the accruals principle, distributed on the basis of the size of the business.

The remaining balance sheet difference will be equalized in the balance sheet to the point 'Cash and cash equivalents'.

INCOME STATEMENT, EUR million	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Revenue</b>	10	9
Other operating income		
Utility income	13	7
Materials and services	0	0
External services		
Network service fees	-21	-16
Personnel expenses	0	0
Depreciation, amortization and write-downs		
Depreciation according to the plan		
Planned depreciation of natural gas network assets	0	0
Other operating expenses	-1	0
<b>Operating profit/loss</b>	1	0
<b>Financial income and expenses</b>	0	0
<b>Profit/loss before appropriations and taxes</b>	1	0
<b>Profit/loss for the year</b>	1	0

BALANCE SHEET, EUR million	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>		
<b>Fixed assets and other long-term investments</b>		
Tangible assets		
Tangible assets of natural gas network	0	0
	0	0
<b>Current assets</b>		
Inventories	0	0
Receivables		
Long-term receivables	0	0
Short-term receivables		
Trade receivables	1	3
Other receivables	1	0
Cash and cash equivalents	-1	0
	1	3
<b>Total assets</b>	1	3
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	0	0
Other funds and reserves	0	0
Retained earnings	-1	-1
Profit/loss for the year	1	0
	0	-1
<b>Accumulated appropriations</b>	0	0
<b>Provisions for liabilities and charges</b>	0	0
<b>Long-term liabilities</b>		
Short-term liabilities	0	0
Short-term interest-free liabilities		
Trade payables	1	0
Other short-term liabilities <sup>1)</sup>	0	4
	1	4
<b>Total equity and liabilities</b>	1	3

<sup>1)</sup> No share capital has been presented in the financial statements for 2023. The share capital has been corrected from other short-term liabilities to the share capital in the financial statements for 2023.

# Notes to the unbundling of natural gas network operations

## Natural gas network's fixed assets net investments

Tangible assets	Natural gas network
Acquisition cost as of 1 January 2024	0
Increases	0
Decreases	0
Acquisition cost as of 31 December 2024	0
Accumulated depreciation and write-downs as of 1 January 2024	0
Depreciation and write-downs for the period	0
Accumulated depreciation and write-downs as of 31 December 2024	0
Balance sheet value as of 31 December 2024	0

Tangible assets	Natural gas network
Acquisition cost as of 1 January 2023	0
Increases	0
Decreases	0
Acquisition cost as of 31 December 2023	0
Accumulated depreciation and write-downs as of 1 January 2023	0
Depreciation and write-downs for the period	0
Accumulated depreciation and write-downs as of 31 December 2023	0
Balance sheet value as of 31 December 2023	0

## Natural gas network's return on investment

	2024	2023
Return on investment, %	43.81	-5.74



## Unbundling of natural gas sales operations

INCOME STATEMENT, EUR million	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Revenue</b>	79	105
Other operating income		
Utility income	75	78
Materials and services		
Materials, supplies and goods		
Purchases during the period	-158	-184
Personnel expenses	0	0
Depreciation, amortization and write-downs	0	0
Other operating expenses	0	0
<b>Operating loss/profit</b>	-3	-1
Financial income and expenses	0	0
<b>Loss/profit before appropriations and taxes</b>	-3	-1
<b>Loss/profit for the year</b>	-3	-1

BALANCE SHEET, EUR million	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>		
<b>Fixed assets and other long-term investments</b>	0	0
<b>Current assets</b>		
Inventories	0	0
Receivables		
Long-term receivables	0	0
Short-term receivables		
Trade receivables	5	25
Other receivables	4	1
Cash and cash equivalents	30	9
	39	35
<b>Total assets</b>	39	35
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	0	0
Other funds and reserves	0	0
Retained earnings	4	5
Loss/profit for the year	-3	-1
	1	4
<b>Accumulated appropriations</b>	0	0
<b>Provisions for liabilities and charges</b>	0	0
<b>Liabilities</b>		
Long-term liabilities	0	0
Short-term liabilities		
Short-term interest-fee liabilities		
Trade payables	38	31
	38	31
<b>Total equity and liabilities</b>	39	35

# Notes to the unbundling of natural gas sales operations

## Currency derivatives

Realized and unrealized gains and losses on currency derivatives related to the sale of natural gas are booked in the materials and services group on the income statement in the sale of natural gas.

<b>The effect of financial instruments in the income statement</b>	<b>2024</b>	<b>2023</b>
Materials and services; Derivatives		
Realized gain	0	0
Realized loss	0	0
Unrealized loss	0	0

# Proposal for the distribution of earnings and signing of the Review by the Board of Directors and the Financial Statements

The Parent company's distributable equity as of 31 December 2024 stood at EUR 3,108 million. The Board of Directors proposes Neste Corporation to pay a dividend of EUR 0.20 per share for 2024, totalling EUR 154 million, and that any remaining distributable funds be allocated to retained earnings.

## Confirmation of the Board of Directors and the CEO

We confirm that

- the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the financial statements of the parent company prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face and
- that the sustainability report within management report is prepared in accordance with sustainability reporting standards referred to in Chapter 7 of the Accounting Act and with the Article 8 of Taxonomy Regulation

Espoo, 13 February 2025

**Matti Kähkönen**

**Pasi Laine**

**John Abbott**

**Nick Elmslie**

**Just Jansz**

**Conrad Keijzer**

**Eeva Sipilä**

**Johanna Söderström**

**Sari Mannonen**

**Heikki Malinen**  
President and CEO

## The Auditor's Note

A report on the audit performed has been issued today.

Helsinki, 13 February 2025

KPMG Oy Ab  
Authorised Public Accountants

**Leenakaisa Winberg**  
Authorized Public Accountant

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

# Auditor's Report

To the Annual General Meeting of Neste Corporation

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Neste Corporation (business identity code 1852302-9) for the year ended 31 December, 2024. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 9 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

**THE KEY AUDIT MATTER****HOW THE MATTER WAS ADDRESSED IN THE AUDIT****Biofuel credits****(reference to notes 4, 5 and 18 in the consolidated financial statements)**

Renewable Products revenue includes income deriving from biofuel credits which Neste earns its sales operations especially in the USA. Neste's biofuel credits relate to the import and sale of renewable fuels in the USA in the form of Renewable Identification Number (RINs) and Low Carbon Fuel Standard (LCFSs) and Blenders Tax Credits (BTC).

RINs and LCFSs are accounted for as government grants upon receipt of the product inventory in the USA and are recognized as a revenue when biofuel credits are sold to a third party. RINs and LCFSs are accounted for as inventory to the extent they have been separated from the physical goods, which happens when renewable fuel is blended with fossil fuel. The BTC credit system expired at the end of 2024.

As there is a risk relating to accuracy of biofuel credits it has been considered as a key audit matter.

Our audit procedures related to biofuel credits included:

- Evaluating the appropriateness of the accounting policies applied when recording biofuel credits in relation to underlying IFRS principles.
- Evaluation of the process for registering biofuel credits and for reconciling balances to the eligible credits.
- Comparing of the registered balances against the systems administered by the Environmental Protection Agency (EPA) in the USA.

In addition, our test of details included the following procedures to confirm accuracy of biofuel credits:

- Testing of revenue recognition on a sample basis based on the sales agreements and system generated documents.
- Comparing the valuation of RINs and LCFSs accounted for as inventory to quoted market prices.
- Comparing of the value of the BTC to that defined by the authorities in the USA.

**THE KEY AUDIT MATTER****HOW THE MATTER WAS ADDRESSED IN THE AUDIT****Valuation of inventories****(reference to note 18 in the consolidated financial statements)**

The company has significant inventory balances both in the Renewable Products and Oil Products segments. The inventory is valued at the lower of cost or net realizable value. The cost of inventory in the Renewable Products segment reflects purchase prices, which are impacted by the market prices of different feedstocks as well as the mix of feedstocks purchased.

Inventory management, stocktaking routines and costing of inventories are underlying key factors in determining the value of inventories.

Due to complexity of the inventory valuation calculations for Renewable Products the valuation of inventories in Renewable Product segment is considered as a key audit matter.

Our audit procedures related to valuation of Renewable Products' inventories included:

- Evaluating the appropriateness of the accounting policies applied in relation to IFRS standards.
- Testing of controls over inventory management and valuation.
- Performing substantive audit procedures in order to test the accuracy of inventory valuation at the lower of cost or net realization value at reporting date by testing on a sample basis accuracy of relevant components related to valuation.

In addition, we have assessed the appropriateness of the Group's disclosures in respect of inventory valuation.

## THE KEY AUDIT MATTER

## HOW THE MATTER WAS ADDRESSED IN THE AUDIT

### Valuation of property, plant and equipment and goodwill in Renewable Products (reference to notes 4, 13 and 14 in the consolidated financial statements)

As of 31 December 2024, the total assets of Renewable Products (RP) segment amounts EUR 9.9 billion including EUR 0.5 billion value of goodwill.

During the latest years Neste has made remarkable investments to increase its capacity in RP business. At the same time the uncertainty in the global economic outlook and geopolitical situation has created market volatility in RP business. During the latest quarter in 2024 the Company launched a comprehensive full potential analysis to ensure level of performance and competitiveness in different market conditions.

At each balance sheet date, the management has to assess whether there are any indications that assets may be impaired. If any such indications exists, the recoverable amount of the asset is to be estimated. Goodwill is subject to an annual impairment test.

The main assumptions used in the valuation of RP's property, plant and equipment and goodwill relate to the estimated future operating cash flows and underlying sales margins as well as the discount rates that are used in calculating the present value.

The assumptions used in the valuation of the balances in question require substantial management estimation, and thus this is a key audit matter.

Our audit procedures regarding impairment testing included, among others:

- Assessing the key assumptions used in the calculations, such as profitability levels, discount rates used and long-term growth rate.
- Assessing whether the methods and the key assumptions used are appropriate and have been consistently applied year-on-year.
- Involving KPMG valuation specialists when considering the appropriateness of the assumptions used by comparing to external market and industry information and testing the technical accuracy of the calculations.

Regarding property, plant and equipment we have also assessed the management process to evaluate the appropriateness of the depreciation periods.

In addition, we have assessed the appropriateness of the related disclosures in the Group's financial statements.

### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We have not identified key audit matters relating to the parent company's financial statements.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Reporting Requirements

### Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on March 30, 2021, and our appointment represents a total period of uninterrupted engagement of 4 years.

### Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions

in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Other Opinions Based on Statutory Law

Based on our audit, it is our responsibility to express an opinion on the matters required by the Finnish Natural Gas Market Act Chapter 13, Section 64.

The unbundled income statements, balance sheets and the supplementary information of the natural gas business operations are prepared in accordance with the Finnish Natural Gas Market Act and the rules and regulations issued thereunder.

### Other Statements

We support that the financial statements and the consolidated financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki, 13 February 2025

**KPMG OY AB**

**LEENAKAISA WINBERG**

Authorised Public Accountant, KHT

This document is an English translation of the Finnish Assurance Report on the Sustainability Statement. Only the Finnish version of the report is legally binding.

# Assurance Report on the Sustainability Statement

To the Annual General Meeting of Neste Corporation

We have performed a limited assurance engagement on the group sustainability statement of Neste Corporation (business identity code 1852302-9) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2024.

## Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

- 1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
- 2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Neste Corporation has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

## Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorized Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Matter

We draw attention to the fact that the group sustainability statement of Neste Corporation that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

## Authorized group sustainability auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorized group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorized sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Neste Corporation are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.



## **Inherent Limitations in the Preparation of a Sustainability Statement**

Preparation of the sustainability statement requires Company to make materiality assessment to identify relevant matters to report. This includes significant management judgement and choices. It is also characteristic to the sustainability reporting that reporting of this kind of information includes estimates and assumptions as well as measurement and estimation uncertainty. Furthermore, when reporting forward looking information company has to disclose assumptions related to potential future events and describe Company's possible future actions in relation to these events. Actual outcome may differ as forecasted events do not always occur as expected.

## **Responsibilities of the Authorized Group Sustainability Auditor**

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **Description of the Procedures That Have Been Performed**

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We interviewed persons responsible for the preparation and gathering of the sustainability information.
- We familiarized with interviews to the key processes related to collecting and consolidating the sustainability information.
- We got acquainted with the relevant guidances and policies related to the sustainability information disclosed in the sustainability statement.
- We acquainted ourselves to the background documentation and other records prepared by the Company, as appropriate and assessed how they support the information included in the sustainability statement.
- We conducted site visits to the selected operational sites.
- In relation to the double materiality assessment process, we interviewed persons responsible for the process and familiarized ourselves with the process description prepared of the double materiality assessment and other documentation and background materials.
- In relation to the EU taxonomy information we interviewed persons with key roles in reporting taxonomy information to understand how taxonomy eligible and taxonomy aligned activities have been identified, we obtained evidence supporting the interviews and reconciled the reported EU taxonomy information to supporting documents and to the reporting systems, as applicable.
- We assessed the application of the ESRS sustainability reporting standards reporting principles in the presentation of the sustainability information.

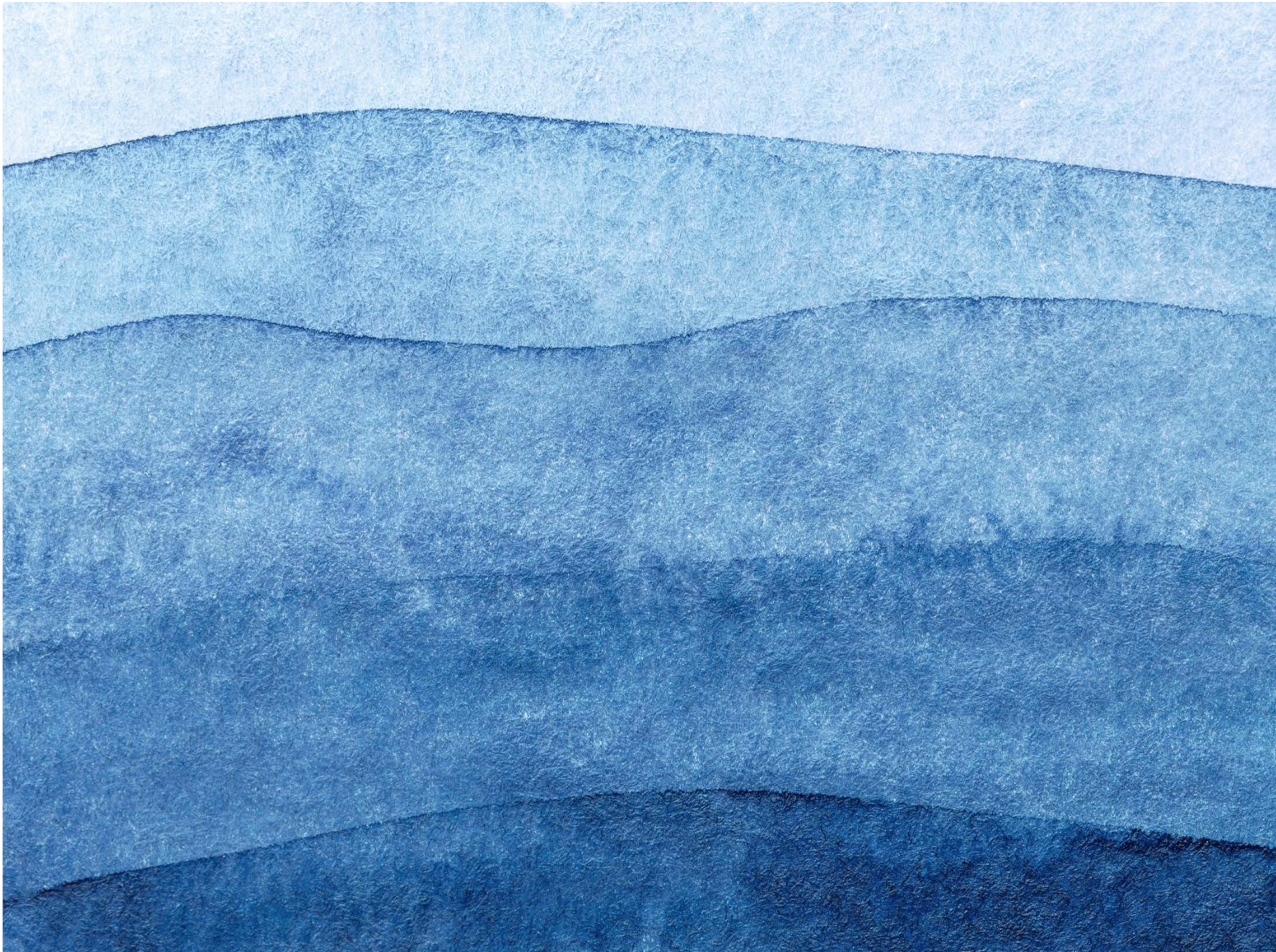
Helsinki, 13 February 2025

**KPMG OY AB**

Authorized Sustainability Audit Firm

**LEENAKAISA WINBERG**

Authorized Sustainability Auditor, KRT



# Information for investors

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# Information for investors

Neste shares are listed on Nasdaq Helsinki under the trading code NESTE.  
The company had 187,413 (148,094) shareholders at the end of 2024.

## Annual General meeting

Neste Corporation's Annual General Meeting will be held on Tuesday 25 March 2025 at 10.30 a.m. EET in the Conference Centre of Helsinki Expo and Convention Centre, at Rautatietäisenskatu 3, Helsinki. Registration and the distribution of voting papers will begin at 8.30 a.m. EET. Shareholders wishing to participate in the Annual General Meeting should inform the company by 4.00 p.m. EET on 17 March 2025 at the latest:

- Via Neste Corporation's website [www.neste.com](http://www.neste.com), by following the instructions detailed therein, or
- By phone, at +358 (0)20 770 6862 (Monday–Friday, 9.00 a.m. – 4.00 p.m. EET), or
- By letter, addressed to Neste Corporation, Annual General Meeting, POB 95, FI-00095 NESTE.

Holders of proxies are requested to forward them when stating their wish to participate, ensuring that they reach the company by 4.00 p.m. EET on 17 March 2025 at the latest.

The Board of Directors proposes to the AGM that a dividend of EUR 0.20 per share be paid on the basis of the approved balance sheet for 2024. The dividend will be paid in one installment.

## Interim reports in 2025

Neste Corporation will publish financial reports in 2025 as follows:

- Interim Report January–March 2025: 29 April 2025
- Half Year Financial Report January–June 2025: 24 July 2025
- Interim Report January–September 2025: 29 October 2025

The Interim Reports are published in Finnish and English and can be downloaded at [neste.com/investors](http://neste.com/investors).

## Dividend payment in 2025

**13 March 2025**  
AGM record date.

**27 March 2025**  
Record date of the dividend payment.

**3 April 2025**  
Dividend payment date.

## Contact information

### Investor Relations:

**Anssi Tammilehto**,  
Senior Vice President, Strategy,  
M&A and Investor Relations  
Tel. +358 50 458 8436  
[anssi.tammilehto@neste.com](mailto:anssi.tammilehto@neste.com)

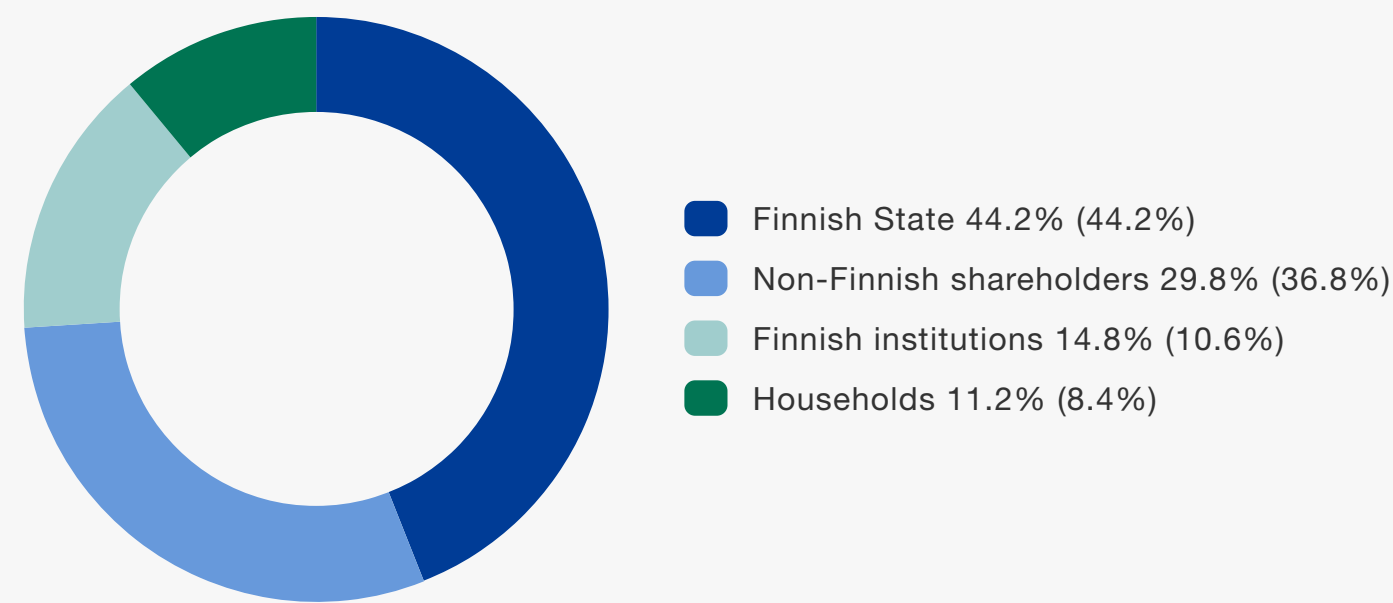
### Debt Investor and Banking Relations:

**Katariina Perkkiö**,  
Vice President, Treasury & Risk  
Management  
+358 50 458 1492  
[katariina.perkkio@neste.com](mailto:katariina.perkkio@neste.com)

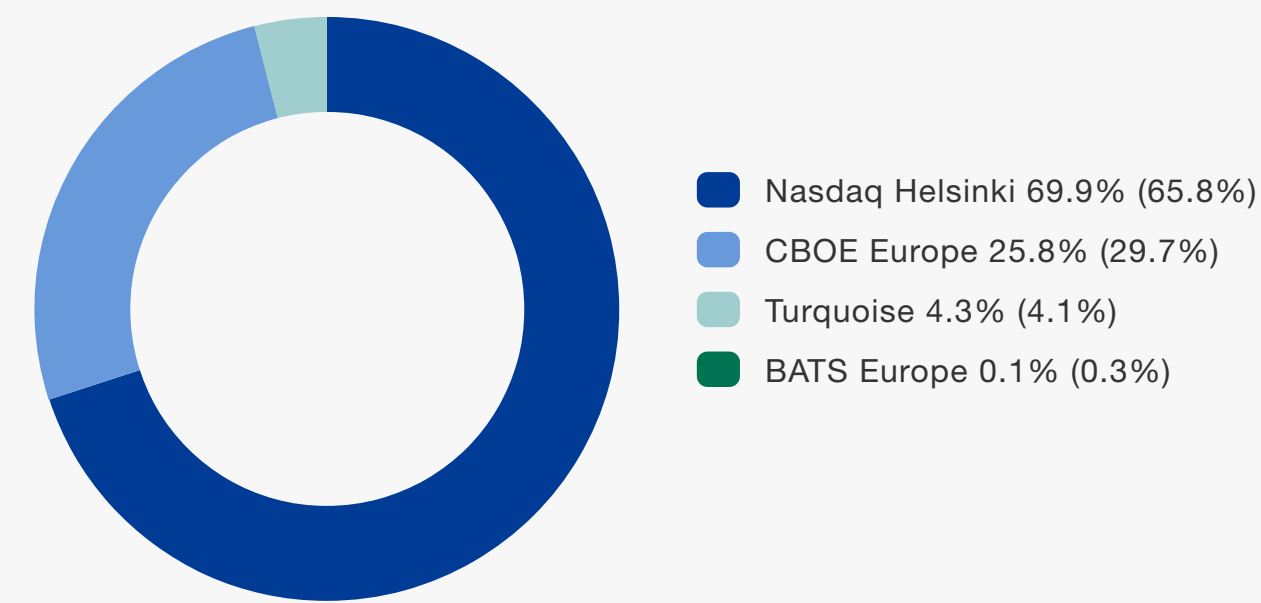
### Neste's general e-mail address for investors:

[investors@neste.com](mailto:investors@neste.com)

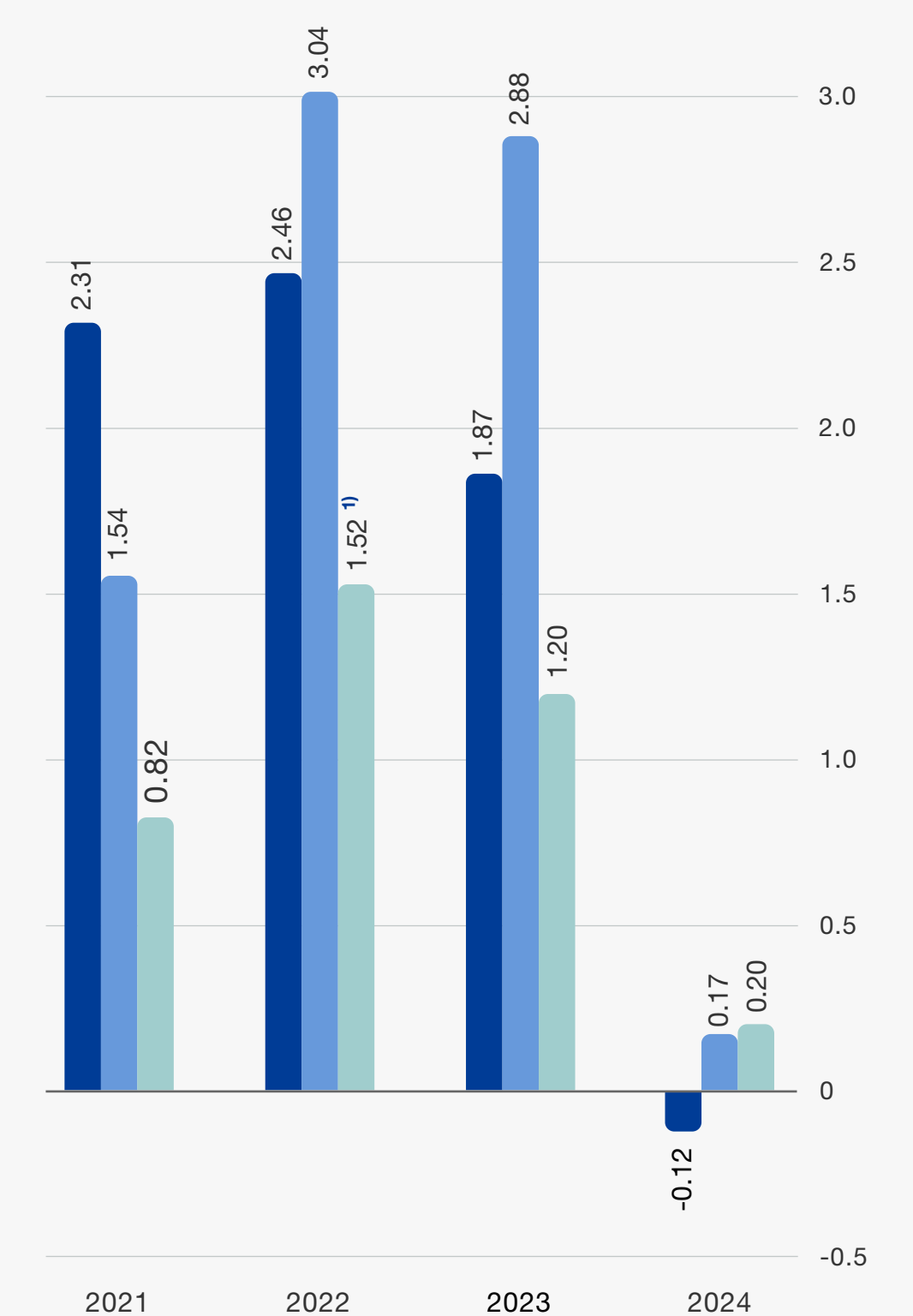
Shareholder structure on 31 December 2024, %



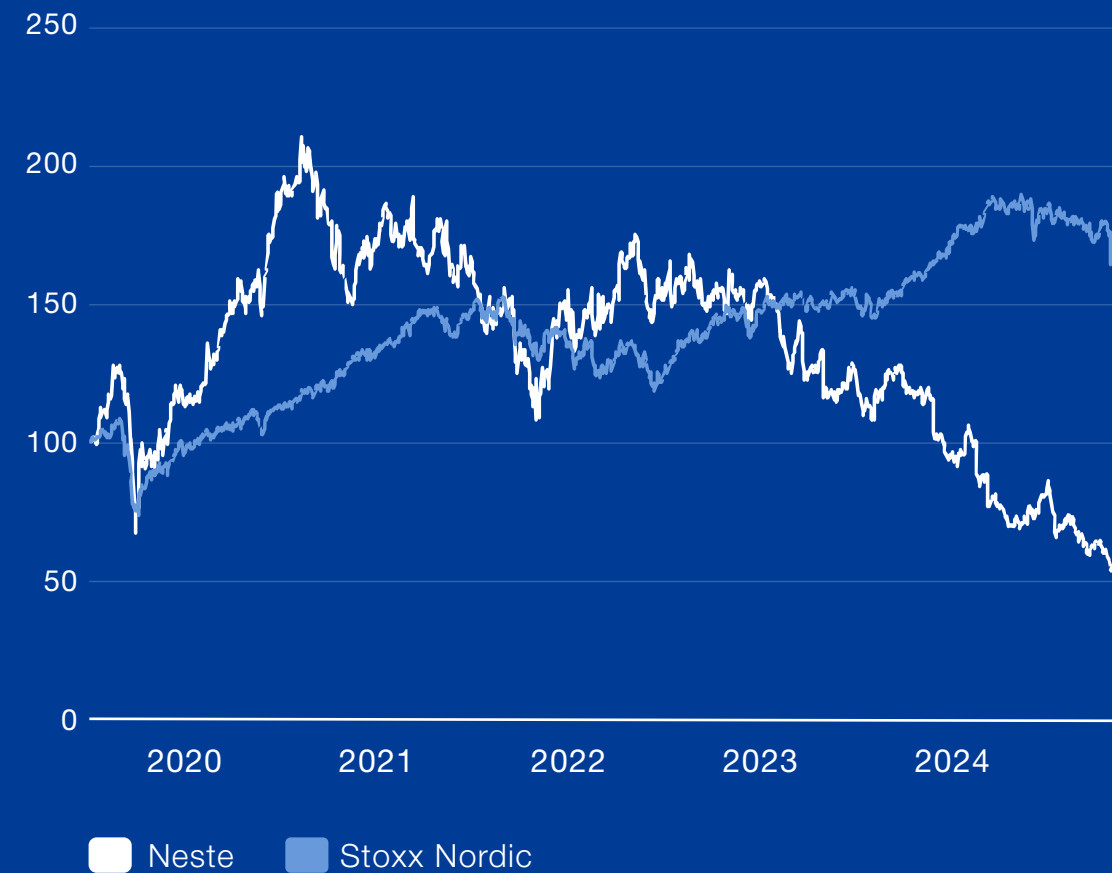
Neste share's trading volumes in 2024, %



Earnings per share and dividend per share, EUR



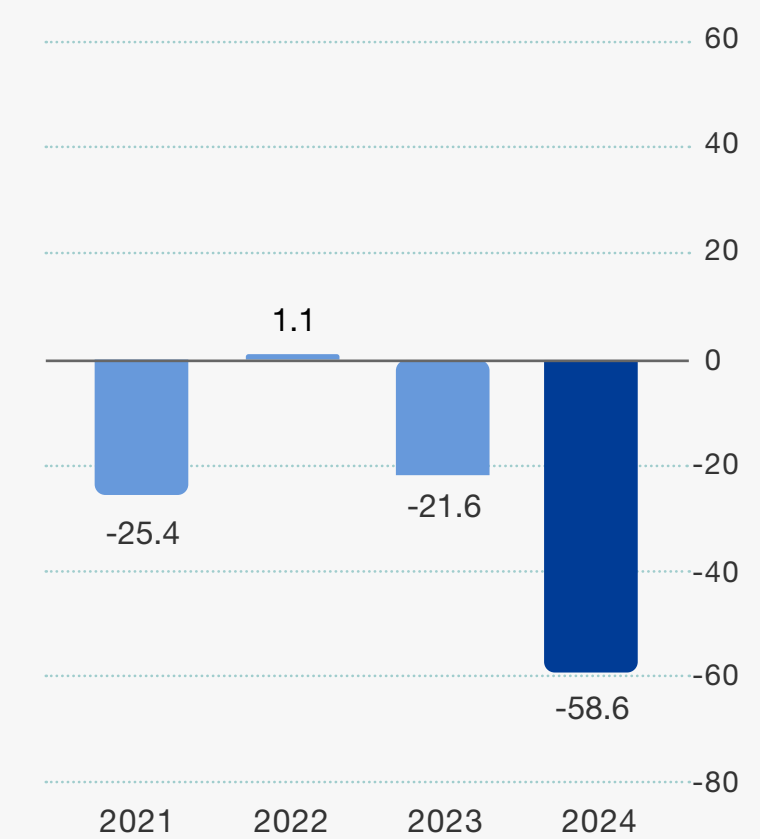
Shareholders' total return, indexed



Neste's share performance 2020–2024, EUR



Total shareholder return, %



■ Earnings per share  
■ Comparable earnings per share  
■ Dividend per share<sup>2)</sup>

<sup>1)</sup> 2022: Ordinary dividend 1.02 + Extraordinary dividend 0.50  
<sup>2)</sup> 2024: Board's proposal to the AGM.

## Key Figures 2024

	2024	2023	Change,%
<b>Income statement</b>			
Revenue, MEUR	20,635	22,926	-10%
EBITDA, MEUR	1,005	2,548	-61%
Operating profit, MEUR	25	1,682	-99%
Profit before income taxes, MEUR	-113	1,596	-107%
Profit for the period, MEUR	-95	1,436	-107%
Comparable EBITDA, MEUR	1,252	3,458	-64%
Comparable net profit, MEUR	131	2,216	-94%
<b>Profitability, %</b>			
Return on equity (ROE), %	-1.2	17.9	-107%
Comparable return on average capital employed after tax (Comparable ROACE), %	2.5	23.9	-90%
<b>Financing and financial position</b>			
Total equity, MEUR	7,417	8,463	-12%
Interest-bearing net debt, MEUR	4,192	2,488	68%
Leverage ratio, %	36.1	22.7	59%
Equity-to-assets ratio, %	47.7	53.1	-10%
Net Debt to EBITDA, %	4.2	1.0	320%
Net cash generated from operating activities, MEUR	1,183	2,279	-48%
<b>Other indicators</b>			
Capital employed, MEUR	12,564	12,532	0%
Net working capital in days outstanding	39.4	41.0	-4%
Capital expenditure and investment in shares, MEUR	2,006	2,351	-15%
Research and development expenditure, MEUR	86	94	-9%
Average number of personnel	5,796	6,018	-4%
Total Recordable Injury Frequency per million hours worked (TRIF)	2.2	2.3	-4%
Process Safety Event Rate (PSER)	1.3	1.2	8%

	2024	2023	Change,%
<b>Share-related indicators</b>			
Earnings per share (EPS), EUR	-0.12	1.87	-106%
Comparable earnings per share, EUR	0.17	2.88	-94%
Equity per share, EUR	9.65	11.02	-12%
Cash flow per share, EUR	1.54	2.97	-48%
Dividend per share, EUR	0.20 <sup>1)</sup>	1.20	-83%
Dividend payout ratio, %	-162.3 <sup>1)</sup>	64.3	-352%
Dividend yield, %	1.6 <sup>1)</sup>	3.7	-57%
Share price at the end of the period, EUR	12.13	32.21	-62%
Average share price, EUR	19.26	37.66	-49%
Lowest share price, EUR	10.98	28.55	-62%
Highest share price, EUR	33.60	48.50	-31%
Market capitalization at the end of the period, MEUR	9,331	24,776	-62%

<sup>1)</sup> Board of Directors' proposal to the Annual General Meeting.

	2024	2023	Change,%
<b>GHG indicators</b>			
Reduced GHG emissions by Neste customers with Neste's products (compared to fossil fuel) in MtCO <sub>2</sub> e <sup>1)</sup>	12.1	11.0	10%
Neste's absolute GHG emissions in scope 1 and 2 (production) (tCO <sub>2</sub> e) <sup>2)</sup>	2.7	2.8	-4%
Use phase emission intensity of sold fuel products (gCO <sub>2</sub> e/MJ) <sup>3)</sup>	54	58	-7%

<sup>1)</sup> Annual Greenhouse gas (GHG) emission reduction achieved over the lifecycle with Neste's renewable products compared to fossil fuel. The value is based on market regulations which provide the methodology and define the fossil diesel reference GHG emissions values.

<sup>2)</sup> Market-based emissions for scope 2

<sup>3)</sup> Use phase emission intensity is calculated by dividing the emissions from the use of fuel products sold by Neste (part of scope 3) with the total amount of sold energy (gCO<sub>2</sub>e/MJ).

