

Material sustainability KPIs

Material topic	Objective	Key performance indicator	Target	Performance in 2023	SDG link
Carbon handprint	Helping our customers reduce their GHG emissions	Reduced GHG emissions by Neste customers with Neste's products (compared to fossil fuel) in MtCO ₂ e ¹⁾	20 MtCO ₂ e annually by 2030	11.0 MtCO ₂ e (11.1 MtCO ₂ e)	
Carbon footprint	Leading transformation toward carbon neutral value chain and reaching carbon neutral production	Absolute GHG emissions in our own production (scopes 1 & 2)	50% reduction by 2030 in comparison to 2019 baseline 3.4 MtCO ₂	2.8 MtCO ₂ e (2.5 MtCO ₂) 19% reduction compared to baseline	
		Indirect value chain emissions (scope 3): Use phase emission intensity of sold fuel products (gCO ₂ e/MJ)	50% reduction by 2040 in comparison to 2020 baseline of 58 gCO ₂ e/MJ	58 gCO ₂ e/MJ (57 gCO ₂ e/MJ) 0% reduction compared to baseline	
		Energy consumption savings achieved during reporting year (GWh) and cumulative energy consumption savings during 2017–2025 compared to 500 GWh target (%)	2017–2025 target: 500 GWh	Energy consumption savings during reporting year 27.2 GWh ²⁾ (42.6 GWh). Cumulative savings 2017–2023 compared to target: 55% (50%) achieved.	
		Share of renewable electricity of total purchased electricity (%) - scope 2 (market-based) measures (%) - additional measures ³⁾ (%)	Aiming for 100% renewable electricity by 2023	89.3% ⁴⁾ (93.8%) scope 2 (market-based) measures 10.3% additional measures ³⁾	
Protecting biodiversity, air, water and soil	Driving a positive impact on biodiversity and achieving a nature positive value chain by 2040	Management of biodiversity impacts	Implementing a program to create net positive impacts (NPI) for biodiversity from Neste's own direct new activities from 2025 onward, and no net loss (NNL) of biodiversity from all Neste's own direct ongoing activities by 2035	Materiality analysis according to SBTN guidance for upstream and direct operations completed, with freshwater and land use aspects concluded as significant for biodiversity and nature in Neste's value chain. Biodiversity included in our major investment decision making process.	
		Direct driver of biodiversity change: Freshwater use and effluents	Introducing Neste's own direct water impacts to the nature positive roadmap	Freshwater-related impacts in each Neste site, as well as upstream supply chain, was assessed as part of our SBTN Initial Target Validation Pilot work.	
		Availability of pollution prevention technology ⁵⁾	100% availability of pollution prevention technology at refineries, terminals and retail sites	Availability of pollution prevention technology on average 91% (98%) at refineries, terminals and retail sites	
		Number of permit violations	Zero permit violations for Oil Products (OP), Renewable Products (RP) and Marketing & Services (M&S)	Permit violations: 13 (3), of which 6 (2) in OP, 6 (1) in RP and 1 in M&S	

¹⁾ Annual greenhouse gas (GHG) reduction achieved with Neste's renewable products compared to 100% crude oil based fuel. Calculation method complies with the EU Renewable Energy Directive II (EU) 2018/2001 and the California LCFS methodology, which has been applied in the GHG reporting for volumes sold in the US since the beginning of 2022

²⁾ The savings consist of energy efficiency measures started during 2023, which have been scaled to cover the full year.

³⁾ Additional measures include available market-based renewable electricity instruments, e.g. I-RECs in APAC/Singapore, which are not currently eligible for scope 2 market-based accounting. JV operations excluded from the figure.

⁴⁾ Martinez Renewables excluded from reported renewable electricity share as Neste does not control electricity supply agreements for the joint operations.

⁵⁾ Retail sites included for the first time in 2023.

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Safety, health and wellbeing	Ensuring the health and safety of employees and contractors in all Neste locations and supply chain	Total Recordable Incident Frequency (TRIF) ⁶⁾	2.0 for 2023, long-term target: Zero accidents	TRIF 2.3 (2.0)	
		Process Safety Event Rate (PSER) ⁷⁾	1.4 for 2023, long-term target: Zero accidents	PSER 1.2 (1.4)	
		Safe days (including environmental permit violations)	305 for 2023, long-term target: Continuously increasing the number of Safe Days	278 (314) Safe Days	
	Strengthening Neste culture that supports the physical and mental wellbeing of our employees	Wellbeing index from employee engagement survey (Forward Survey), consisting of elements and scores in engagement, wellbeing and change adaptation	Target is to maintain results on a good level	Engagement 70 (66), wellbeing 66 (61), change adaptation 66 (62) ⁸⁾	
Modern slavery	Managing modern slavery risks in Neste operations and supply chains	Number of Neste employees who have received training on modern slavery	To increase the number of employees who have received training on modern slavery, prioritizing those involved in supply chains and procurement	Training on forced labor and vulnerable groups carried out for 1,667 (2,689) employees as part of Neste's Code of Conduct e-learning	
		Human Rights Due Diligence (HRDD) ⁹⁾ carried out for key business areas/functions	To strengthen Neste's capacity to identify, assess, and address human rights risks in our operations and supply chains	Four major assessments/initiatives undertaken in 2023: 1) Corporate-wide assessment to review Neste's salient issues and mitigation actions. 2) Surveyed Neste's time charter vessel partners on their human rights and labor practices. 3) Living wage gap assessments completed for Neste's own employees globally. 4) Sedex assessments completed for our Porvoo refinery, and ongoing for Rotterdam and Singapore refineries.	
		Improve HRDD maturity level for Neste's own operations using the Consumer Goods Forum HRC assessment framework and KPIs. ¹⁰⁾	Achieve CGF Leadership Level for 100% of our own operations by 2025	100% of the "Established" maturity level achieved in 2023	

⁶⁾ Number of cases per million hours worked. Includes both Neste's and contractors' personnel, except for Demeter, Walco and SeSequential, and green-field expansion project, which were reported internally and followed-up separately in 2023.

⁷⁾ Number of cases per million hours worked.

⁸⁾ Demeter, Mahoney, SeSequential and Agri Trading not included.

⁹⁾ 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

¹⁰⁾ The Consumer Goods Forum HRDD maturity assessments for Neste's own operations have three achievement levels: Launched, Established, and Leadership.

SDG7: Clean energy

SDG8: Decent work and economic growth

SDG9: Industry, innovation and infrastructure

SDG10: Reducing inequalities

SDG11: Sustainable cities and communities

SDG12: Responsible consumption and production

SDG13: Climate action

SDG15: Life on land

SDG17: Partnerships for the goals

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Diversity, equity and inclusion	Fostering a diverse and inclusive workplace that ensures fair treatment and development of the skills base and innovation power needed for company growth	Multi-country teams (%)	Increasing trend	18% (15%) are multi-country teams	
		Women in personnel (%), female representation in line manager positions (%) and senior management (%)	To increase women's representation in line manager positions and senior management close to the representation of females in personnel (%)	Women in personnel 32.6% (32.2%) 32.9% (30.7%) women in line manager positions 29.1% (27.4%) women in senior management	
		Response rate to employee engagement survey (%)	Maintain a high response rate of 80% or above	84% (80%) ⁸⁾	
Engaged and talented workforce	<p>Ensuring engaged, well-led and competent employees</p> <p>Strengthening Neste culture that supports strong sense of belonging and versatile growth opportunities</p>	Employee engagement score from employee engagement survey (Forward Survey)	Maintain a good level of employee engagement	Employee engagement score 70 (66). Majority of employees thought favorably of working at Neste and would recommend Neste as a workplace. 73% (66%) felt happy working at Neste, 84% (80%) understood how their own work contributed to company's success, 79% (75%) thought Neste acts in a responsible way, 82% (76%) said their team has everything they need be safe at work and 83% felt comfortable being themselves at work. ⁸⁾	
		Leadership score from employee engagement survey (Forward Survey), indicating the support received from the line manager	To maintain or exceed previous year's level	Manager support score 77 (74) ⁸⁾	
		Training hours per employee	To maintain or exceed previous year's level	27.2 hours (20.8)	
		The external turnover for the year	To maintain the rate on a good level	Leaving rate of permanent employees 9.6% (10.2%) Hiring rate of permanent employees 15.3% (18.3%)	

⁸⁾ Demeter, Mahoney, SeSequential and Agri Trading not included.

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Stakeholder engagement, communication and transparency	Ensuring the appropriate scope and quality of information disclosure related to own operations and business practices in the supply chain and ensuring an ongoing, meaningful process of interaction and dialog with our stakeholders	Monthly supply chain grievance log updates	To roll out 12x annually updated supply chain grievance logs	12 (12) monthly logs	
		Regular supply chain transparency via Traceability Dashboard (Palm oil & PFAD)	To publish information twice yearly	2 (2) publications	
Innovation	Fostering innovative solutions for sustainable development	Research and development expenditure	Fostering innovative solutions for sustainable development	EUR 94 million (EUR 85 million)	
		Number of granted patents Number of pending patent applications	A moderately increasing trend for granted patents and a constant inflow of patent applications	2,027 (2,073) granted patents 697 (683) pending patent applications	
Partnerships	Initiating and fostering partnerships between Neste and its partners to address the challenges of and innovate solutions for sustainable development	Collaborations with research institutions and universities	Initiating and fostering partnerships between Neste and its partners	37 (35) collaboration partnerships	
Sustainable products and services	Ensuring that sustainability is integrated into Neste's product and service portfolio	Volume of liquefied waste plastic processed (t/a)	To process more than 1 Mt of liquefied waste plastics to increase circularity of plastics and reduce crude oil dependence in refining and petrochemical processes	3,900 (1,400) tons of liquefied waste plastic	
		Production of Neste Renewable Diesel and SAF, 1,000 tons	Increasing trend	3,518 (2,988)	
		Share of Clean Revenue from Group revenue, %; and Share of investments consisting of Clean CAPEX, Clean R&D and Clean M&A (Clean Investments), %	To maintain the annual share compared to previous year	Clean Revenue 37.7% (38.9%) Clean Investments 85.5% (88.3%)	

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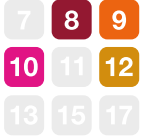
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Supply chain and raw material sustainability	Ensuring sustainability of Neste suppliers and business partners and raw materials' sustainability	Percentage of business partners who have committed to Neste's minimum sustainability requirements in the Supplier Code of Conduct (%)	100% of business partners committed	100% (99%) of the renewable raw material volumes, 86% (84%) of the crude oil and fossil raw materials volumes, and 91% (73%) of overall indirect contracted spend were covered by Neste Supplier Code of Conduct or equivalent	
		The number of renewable raw material supplier's sustainability due diligence and their outcome	To assess all new renewable raw material suppliers against sustainability criteria	Total: 388 (325), New approved suppliers: 249 (223), All approved: 279 (236), Pending: 102 (74), Rejected: 7 (15) ¹¹⁾	
		The percentage of new fossil raw material suppliers that have undergone sustainability due diligence	To assess all new fossil raw material suppliers against sustainability criteria	100% (100%) of the new fossil raw material suppliers assessed	
		Total of sustainability audits conducted	To increase the number of sustainability audits conducted, prioritized through a risk-based approach	154 (118) sustainability audits	
		Share of waste and residues of global renewable raw material inputs (%)	Growing the sourcing of waste and residue raw materials globally ¹²⁾	92% (95%)	
Ethics, compliance and corporate governance	Ensuring good corporate governance practices in accordance with the laws and regulations applicable as well as to operate in an ethical way in the society	A total of suspected misconducts reported in person or via the whistleblowing line to the Investigations Group	To further encourage employees and external stakeholders to report observed or suspected misconduct	A total of 30 (14) suspected misconducts of which 4 concerning the same issue, were reported in person or via the whistleblowing line to the Investigations Group in the following categories: HR 10 (2), discrimination and harassment 6 (2), conflict of interest 3 (0), bribery, corruption and facilitation payment 0 (1), fraud 3 (4), theft, asset misuse & embezzlement 0 (3), supplier/business partner misconduct/unethical behavior 4 (1), inappropriate behavior 2 (0), sustainability 1 (0), unethical conduct towards clients/suppliers/business contacts 1 (0), and 0 (1) in the category Other.	
		Code of Conduct training rate	All Neste employees completed the training	99%, including new joiners, have completed the Neste Code of Conduct e-learning course. ¹³⁾	
		Corporate governance reporting in the Corporate Governance Statement			
Economic responsibility		Reporting in the Financial Statements			

¹¹⁾ Figures include existing suppliers, which undergo a sustainability assessment process every 3–5 years. Supplier data includes only main contractual parties, excluding sub-suppliers.


¹²⁾ The share of waste and residue raw materials of Neste's renewable raw material inputs globally is expected to stay above 90% in the coming years, while in the longer term, the growth in novel vegetable oils' availability may increase the share of sustainably produced vegetable oils

¹³⁾ 2021, 2022 and 2023 completions included. Mahoney and Sequential excluded due to change of learning platform.

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