MEMBER ANNUAL PUBLIC REPORT

2016

Neste Oyj

Constituency: Industry, Trade & Finance

Date: 2.11.2017

Primary contact responsible for the institutional commitment to RTRS
(name, e-mail, phone number, office address)

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Neste Corporation
Keilaranta 21
FI-00095 NESTE
Finland

Person reporting
(If different)

Please state what the main activities of your organization are, both overall and those specifically linked to soy production:

Neste (NESTE, Nasdaq Helsinki) builds sustainable options for the needs of transport, businesses and consumers. Our global range of products and services allows customers to lower their carbon footprint by combining high-quality and low-emission renewable products and oil products to tailor-made service solutions. We are the world’s largest producer of renewable diesel refined from waste and residues, and we are also bringing renewable solutions to the aviation and plastics industries. We want to be a reliable partner whose expertise, research and sustainable practices are widely appreciated. In 2016, Neste’s net sales stood at EUR 11.7 billion, and we were on the Global 100 list of the 100 most sustainable companies in the world.

Please state in which regions the organization operates

Neste’s Renewable Diesel refineries are located in Porvoo (Finland), Rotterdam (Netherlands) and Singapore.

Is the person reporting for the entire organization or a specific region? (please, state which one)

Entire organization

What is the organization’s policy on soy

please provide link if available

Neste has set a Procurement criterion for fossil and renewable feedstock including soya or any other renewable feedstock (see more here). Neste decides which fossil and renewable feedstock suppliers to use based on its Supply Compliance principles and the procurement criteria contained in its risk management principles. These define the procedures to be followed in areas such as the following: Register of approved counterparties, Supplier criteria, Counterparty approval procedures, Credit review, Security review, Sustainability review and Authority to approve a counterparty and documentation. Only those suppliers are used that operate in line with Neste’s HSEQ requirements – in areas such as safety, health care, and labor use – and are able to supply products and services that comply with the appropriate statutory requirements in terms of health, safety, and the environment, and possess other relevant and appropriate statutory permits.
Neste is committed to sourcing only raw materials that can be verified as having been produced sustainably and that can be fully traced back to where they were grown or produced – in accordance with the sustainability criteria contained in the EU’s Renewable Energy Directive, established by the Environmental Protection Agency in the US, or other statutory regulations.

Neste employs very detailed criteria when selecting its renewable raw material suppliers, and requires suppliers to be committed to Neste’s sustainable development principles related to biofuels. These criteria are defined in the supplier guidelines incorporated into Neste’s management system – and require suppliers to be committed to sustainable development and to continuously improving their operational health, safety, and environment performance, to protecting biodiversity, to respecting human rights, to proactively promoting occupational safety, and to acting in accordance with good business ethics.

In line with its criteria, Neste requires that all its renewable raw material suppliers must also be committed to international certification programs. Preference is given to certified raw materials as a means of ensuring that sustainable practices are used in producing the raw materials that Neste buys.

All contracts related to renewable feedstock supplies contain a sustainability clause.

**Operations related to soy**

What is your organization’s annual soy footprint?
Please state direct use and indirect, in tonnes

Neste’s soy footprint is extremely low as only 3kt of soybean oil has been purchased. Neste’s name plate capacity of its renewable diesel production facilities is 2,6mt. The given 3kt has been ISCC EU certified soybean oil.

Do you have a system for calculating your (direct and indirect) production, purchase, trade or use of soybeans or derivatives?

Neste would only purchase European Commission recognized voluntary scheme certified soybean oil and use mass balance system for it.

What is the total volume of your (direct) soy use (beans, meal, oil, hulls, lecithin, derivatives).  
Please specify per category and specify the scope, where relevant (national/international, own brands/all brands, etc)

In total Neste has sourced 3kt of soybean oil in 2016. This has been used as a raw material for producing renewable diesel to be used as a fuel for road traffic purposes.

What is the total volume of your (indirect or embedded) soy use (beans, meal, oil, hulls, derivatives, e.g. in feed for animal products)
Please specify per category

3kt to be used as a raw material for producing renewable diesel

Other relevant information on this topic

n/a
Operations related to RTRS Soy

<table>
<thead>
<tr>
<th>RTRS Certified Soy Purchased/used in 2016</th>
<th>Segregated</th>
<th>Mass Balance</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Did you purchase this yourself directly or did your supplier do this? If your supplier did so, how did you specify and verify this?

n/a

What type of products do you use RTRS soy for?
(Specify supply chain options), direct and indirect.

n/a

Did your organization make any public claims related to the production, trade and purchase of RTRS soy?
Please provide link.

n/a

Other relevant information on this topic
n/a

Time bound plan for Responsible Soy

What date did your organization start, or does it plan to start using or supporting RTRS soy via purchases? (including all supply chain options)

There are no specific plans to start using RTRS certified soybean oil.

Does your organization expect to use 100% RTRS soy?
If so, by when?

Neste does not have any specific plans to use soybean oil including RTRS certified. It may or may not use RTRS certified soy in the future depending of the market situation.

What milestones has your organization defined for its responsible soy use?
Please state annual targets/strategies, including its 2015 target if applicable

Neste has not specified anything particular to the use of soybean oil.

Please quantify your commitment or estimated purchase/use of Certified Responsible Soy in the table below

<table>
<thead>
<tr>
<th>(tonnes)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Segregated</td>
<td>Mass Balance</td>
<td>Credits</td>
</tr>
<tr>
<td>Direct use</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Indirect use</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Other relevant information on this topic

1 Where ‘soy’ is mentioned this refers to all products (beans, oil, meal, hulls, lecithin, derivatives, etc) and both direct and indirect use.
Membership & Promotion

How did your organization provide information about its RTRS membership to internal and/or external audiences?
As soybean oil plays a minor role in Neste's feedstock sourcing portfolio the company has not actively promoted the use RTRS membership.

How did your organization support or promote RTRS?
E.g. what internal and external activities were organized?
Neste is a member of the RTRS and thus pays annual membership fees.

Did the organization proactively encourage other companies (supplier, customer, and colleague) to support or become members of the RTRS?
If so, please specify.
As soybean oil plays a minor role in Neste's feedstock sourcing portfolio the company has not actively promoted the use of RTRS soybean oil.

Other relevant information on this topic
n/a

Other support activities

Did your organization provide support towards RTRS certification for producers, such as training, in producing countries?
If so, please specify.
As soybean oil plays a minor role in Neste's feedstock sourcing portfolio the company has not actively promoted the use of RTRS certification.

Did your organization raise/contribute funds in order to support capacity building and other activities? If so, please specify which organization were supported, the nature of the activities and the amount of funds that were contributed
n/a

Did your organization participate in RTRS working groups or courses?
If so, please specify.
As soybean oil plays a minor role in Neste's feedstock sourcing portfolio the company has not actively participated in RTRS working groups or courses.

Other relevant information on this topic
n/a

Other comments

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