

# NESTE

## Leading the Charge in Sustainable Aviation Fuel, Renewable Diesel and Renewable Raw Materials for Polymers and Chemicals

Neste is the world's leading producer of sustainable aviation fuel and renewable diesel and a pioneer in developing renewable feedstock solutions for various uses in the polymers and chemicals industries. It is also advancing chemical recycling technologies and capacity to address the plastic waste challenge. Neste's ambition is to make the Porvoo refinery in Finland the most sustainable refinery in Europe and to achieve carbon-neutral production by 2035.

Neste has been heavily investing in the research and development of renewable fuel technology and expanding the renewable raw material base suitable for refining since the mid-1990s. After successfully piloting renewable diesel production at the Porvoo refinery, Neste embarked on the large-scale construction of renewable diesel refineries, first in Singapore in 2010 and then in Rotterdam the following year.

These refineries use Neste's proprietary NEXBTL™ technology to produce renewable diesel from renewable raw materials, which are 100% waste and residue raw materials, such as waste animal fats, used cooking oil, and residue streams from the vegetable oil industry.

### HIGH STANDARDS FOR SUSTAINABILITY

Neste's business is built on sustainability. The company refines waste, residues, and other innovative raw materials into renewable fuels and more sustainable feedstocks for plastics and other materials. Its renewable and circular solutions contribute to running societies more sustainably and help reduce dependency on virgin fossil raw materials.

Neste sets high standards for sustainability. The company's work is guided by the Neste sustainability vision, which includes aspirational targets for climate, biodiversity, human rights, and its supply chain and raw materials. In collaboration with its partners, Neste aims for a carbon-neutral and nature-positive value chain by 2040.

Expanding capacity for renewable and circular products is a key driver towards Neste's sustainability targets. Through strategic investments, the production capacity

of renewable and circular solutions will significantly increase in the coming years.

With its ambitious sustainability commitments and currently available solutions, Neste aims to show leadership and determination in playing its part to limit global warming to 1.5°C, in line with the objectives of the Paris Agreement.

### HUMAN RIGHTS AND TACKLING INEQUALITY: A BUSINESS IMPERATIVE

Neste is actively addressing the importance of human rights on multiple fronts. Recognising that human rights are best promoted through collaboration, Neste has signed two partnership agreements with Unilever to advance living wages and supplier equity, diversity, and inclusion.

Neste is an active member of the World Business Council for Sustainable Development (WBCSD) Business Commission to Tackle Inequality (BCTI), a cross-sector, multi-stakeholder coalition of over 60 organisations with a mission to mobilise the private sector to address inequality and generate shared prosperity for all. Additionally, Neste is a member of the Consumer Goods Forum's Human Rights Coalition, which aims to end forced labour through focussed and collective action.

### ENHANCING A CULTURE OF SUSTAINABILITY AND WELL-BEING

Neste has a global Sustainability team comprising over 50 experts focussing on critical topics such as supply chain, human rights, biodiversity, climate, LCA (Life Cycle Assessment), and GHG (Greenhouse Gas) calculations, as well as regulatory and vol-

untary reporting. The team operates across four continents: Europe, North and South America, and Asia-Pacific.

Neste provides its employees with ongoing opportunities to enhance and strengthen their sustainability knowledge through workshops and knowledge-sharing sessions. This collaborative learning approach ensures that knowledge is integrated back into their work across various businesses, departments, and teams. Neste values cross-functional projects and engagements throughout the company.

Additionally, the well-being of employees is a key focus for Neste. The company regularly holds wellness sessions with experts in psychology and well-being and organises volunteering days to give back to society.

### THE EVOLUTION OF NESTE'S SINGAPORE REFINERY

The original Singapore refinery occupies 19 hectares and began operations in 2010, primarily producing renewable diesel with a capacity of 800,000 tonnes per annum. Over the years, the organisation has continued to innovate and invest, leading to several transformations at the Singapore refinery.

At the end of 2018, Neste decided to expand its renewable product production capacity in Singapore. Construction commenced at the beginning of 2019, and with a final investment of EUR 1.6 billion, mechanical completion was achieved at the end of 2022. This expansion doubled Neste's renewable products production capacity to 2.6 million tonnes per annum,



with up to 1 million tonnes can be sustainable aviation fuel (SAF) production.

Neste's Singapore refinery is now the world's largest SAF producer in terms of capacity.

Neste invests over 25% of its workforce in research and development. To maintain its competitiveness in renewable and circular solutions, Neste continues to expand its pool of new and existing renewable raw materials through innovations and partnerships with experts worldwide.

### SUSTAINABLE PRACTICES IN NESTE'S SUPPLY CHAIN

Neste is committed to ensuring a safe and healthy workplace, fair labour practices, and an increased commitment to sustainability across its supply chain.

The company uses only sustainably-produced renewable raw materials that fully meet the sustainability requirements specified by legislation in its key markets. Renewable raw material suppliers are carefully selected, and materials are sourced only from traceable origins. All suppliers are required to adhere to the Neste Supplier Code of Conduct, which includes criteria on human and labour rights, occupational

health and safety, climate, environment, and ethical business conduct. Additionally, renewable raw material suppliers must comply with Neste's Responsible Sourcing Principle, which includes additional criteria on deforestation and GHG emissions. Before contracts are signed, all suppliers undergo rigorous sustainability due diligence, and Neste regularly monitors their performance.

Neste actively engages with its renewable raw material suppliers through workshops to collaboratively develop innovative supply chain solutions, continuously improve sustainability, and resolve any grievances.

Identifying and selecting reliable partners is crucial to the sustainability of Neste's supply chains. Knowing the origin of raw materials is a fundamental requirement, which has helped Neste gain visibility throughout the entire supply chain, including the suppliers' suppliers.

### COMMITMENT TO REDUCING EMISSIONS AND EXPANDING SUSTAINABLE AVIATION FUEL IN ASIA-PACIFIC

Neste is committed to reducing its customers' GHG emissions by at least 20 million tonnes CO<sub>2</sub> annually by 2030. Additionally, the company aims to achieve carbon-neutral production by 2035 (Scope

1 & 2) and has set a concrete target for Scope 3 emissions, aiming to reduce the use-phase emission intensity of sold products by 50% by 2040 compared to 2020 levels.

Asia-Pacific is the world's largest aviation market, and Neste's Sustainable Aviation Fuel (SAF) is already in use by airlines in Singapore, Japan, Hong Kong, Malaysia, New Zealand, and Australia. Neste's integrated SAF supply chain to Changi Airport further increases the availability of its product for Asia-Pacific and global airlines in Singapore, including Singapore Airlines and Emirates.

Neste is collaborating with partners and industry leaders in Asia-Pacific on trials using Neste renewable diesel. Singapore also serves as a regional hub for raw materials sourcing to support increased production capacity and sales.

### SUPPLIER ENGAGEMENT AND COLLABORATION

Neste is one of the eight companies driving the sustainable palm oil landscape programme in the Siak and Pelalawan districts in Indonesia, through the Siak Pelalawan Landscape Programme (SPLP). The SPLP is a collaborative initiative involving the private sector, dedicated to supporting the Siak and Pelalawan district governments in implementing the Green Siak District Roadmap in Siak and the District Action Plan for Sustainable Palm Oil in Pelalawan. The programme is executed by Proforest and Daemeter, in close collaboration with the district governments and NGOs.

Through this collaborative effort, Neste aims to ensure a positive sustainability impact in the region by addressing environmental and social issues such as tackling deforestation, maintaining and enhancing key conservation areas, preventing exploitation, and improving smallholder livelihoods. These efforts extend beyond palm oil production to multiple commodities, including rubber and pineapple.