1. Changes

Minor update completed in H2/2026.

2. Purpose and scope

This Sustainability Principle ("Principle") sets out our environmental, social, and governance (ESG) commitments and defines the standards for meeting them. The Principle covers the areas of sustainability which are managed by the Sustainability unit. However, certain commitments to the environment and ethical standards, which are closely linked to the work managed by the Sustainability unit, are also covered.

Neste's business units are responsible for implementing these goals, supported by the Sustainability, Human Resources (HR), and Safety units.

This Principle is applicable to all Neste employees, and to anyone working for the business of any Company within Neste Group or acting on behalf of such Company.

3. Responsibilities

The responsible persons for updating, reviewing and approving this Principle are shown in the table below:

Responsibility	**Responsible Person**
Document Owner	Head of Corporate Sustainability
Document Author	Manager, Corporate Sustainability
Document Reviewer	Vice President, Sustainability
Document Approver	Executive Vice President, People & Culture
Execution of Principle	All business units and common functions at Neste

4. Feedstock Supply

Neste policies and principles. We source renewable raw materials only from suppliers who meet the requirements set out in the following policies and principles ("Neste Policies and Principles"):

- Supplier Code of Conduct
- Neste Supplier Sustainability Approval Principle

In addition, all our palm oil and palm fatty acid distillate suppliers shall be members of the Roundtable of Sustainable Palm Oil (RSPO) organization.

Supplier selection and approval. We are committed to sourcing renewable raw materials only from suppliers who meet our environmental, social and ethical criteria set by Neste Policies and Principles above. To ensure this, we source renewable raw materials only from suppliers who have passed our five-step due diligence process as follows:

1. Raw material evaluation
2. Country and raw material risk assessment
3. Counterparty screening
4. Sustainability review
5. Sustainability audits

Our due diligence process is mainly managed on Neste's Supplier Sustainability Portal (SSP), which is our digital platform for supplier sustainability management.

Sustainability audits. We carry out audits on our suppliers to verify compliance with Neste Supplier Code of Conduct as well as to verify the data on the supply chains and the traceability. Furthermore, we identify any adverse ESG impacts we may observe in the operations through our site tours, interviews and document checks and set action plans for remediation and improvement.

Supplier engagement. We cooperate with our suppliers both at the policy level with upper management and in the fields of training and communication with the aim of supporting the development of environmental and social awareness and expertise among our suppliers. We arrange workshops for our suppliers to foster dialogue: to understand their concerns and provide us with an opportunity to clarify our requirements and expectations. We actively engage with our suppliers to seek collaboration for jointly developing renewable and circular solutions and to resolve any grievances where they arise.

Regulatory requirements for raw materials. We use only raw materials that meet the criteria defined in the applicable regulations for relevant end-product market, such as

For the European end-product market:

- EU Renewable Energy Directive (EU RED)
- EU Fuel Quality Directive
- EU Directive to Reduce Indirect Land Use Change (ILUC) for Biofuels and Bioliquids
- European Grasslands Regulation

For the USA end-product market (federal and/or state level):

- Renewable Fuel Standard (federal level)
- California Low-Carbon Fuel Standard (LCFS), California Cap-and-Trade Program and/or any other state level program

The raw material mixes used for end-products in specific markets shall additionally meet the local market-specific and/or industry-specific regulatory requirements.

Traceability of renewable raw materials. We accept only renewable raw materials, whether certified or not, which fulfill the regulatory requirements for traceability and where possible go beyond and strive for full traceability to the point of origin for our feedstocks.

Our requirements for the traceability are end-product market and feedstock specific. In case of doubts, these requirements are determined jointly by the relevant management level representatives of the Renewable Products and Sustainability organization who also update them from time to time.

We use a traceability system for the raw material that meets the regulatory requirements for the end product market (e.g. a mass balance for the European end-product markets and physical segregation of the EPA-compliant feedstock for the USA end-product markets). We do not purchase mere certificates from the world market which are separated from their underlying feedstock (Book and Claim traceability system).

Raw material and GHG emissions impact. We use only raw materials that enable us to reach final product GHG reduction requirements defined in the applicable regulations for relevant end-product markets. Raw materials with low GHG impact play a significant role in reaching our carbon handprint target.

Protection of biodiversity. We are committed to increase our understanding and address our nature-related dependencies, impacts, risks and opportunities, and advance targeted actions in prioritised supply chains.

Certification or verification for the European market. We use only such renewable raw materials for our renewable fuel production for the European end-product market that is either certified by a third party under EU RED or is in compliance with Neste's own Policies and Principles for sustainability verified by a third party under the Finnish legislation and/or the legislation of the country to which the end-product will be supplied. However, all crude palm oil, RBD palm oil, RBD Stearin and RBD Olein shall always be certified.

Renewable biomass for the USA market. We use only such renewable raw materials for our renewable fuel production for the USA end-product market which meet the definitions required to get the bio incentives in the market and which are accepted to that effect by the federal and/or state authorities (such as EPA and/or CARB)

under the required pathways or otherwise. For example, under the RFS, such definition of raw material is "renewable biomass" pursuant to U.S. CFR, Title 40, Part 80, Section 1401: Definitions of Renewable Fuel Standard.

5. Climate Impact

Our renewable and circular products enable greenhouse gas emission reductions in the transport and industrial sectors, while we reduce our own emissions. Our targets are to achieve an annual reduction[1] of at least 20 million tons in total life cycle GHG emissions through renewable and circular products compared to fossil alternatives by 2030, to reduce greenhouse gas emissions in our own operations (Scope 1 & 2) by 80% by 2040, and to reduce the use phase emission intensity of sold products by 50% by 2040.

We analyze all aspects of our production in order to find measures and actions to decrease Scope 1 and 2 GHG emissions as defined by the GHG Protocol. Such measures may include, among others, increasing energy efficiency and the use of renewable energy at our production sites as well as reducing GHG emissions from our production processes by carbon capture & storage or otherwise.

We continuously identify, analyze, and measure the financial implications of climate change for our business. We are committed to applying the Task Force for Climate-related Financial Disclosures (TCFD) reporting framework.

6. Environment

We are committed to managing our environmental performance to safeguard the quality of the environment in the areas where we operate and the surrounding communities. We do not own or operate any oil exploration or drilling sites or activities, which reduces our exposure to direct environmental risks.

All Neste operations must comply with applicable environmental regulations. We monitor environmental quality at relevant sites and their surrounding areas, covering aspects such as air quality and marine environments. Groundwater monitoring is also carried out at selected terminals and retail sites. We protect any preserved areas in the vicinity of our refineries and take such areas into account in our operations. We work to minimize the environmental impact of our operations and remediate adverse impacts we have caused without delay.

We aim to utilize technologies that reduce our emissions and other adverse environmental impacts at our refineries, striving to meet or exceed relevant environmental standards. We are implementing an updated Environmental Management System (EMS) across our sites to continuously improve our environmental performance, in line with the ISO 14001 standard. We use energy and other utilities as effectively as possible, and seek to improve the efficiency of our operations. In addition to compliance with environmental regulatory requirements, our environmental target is to meet the Neste climate impact commitments. In Finland, we have made a commitment to the efficiency program for Finland's energy-intensive industries.

We use feedstock and other materials as efficiently as possible and continuously seek ways to increase the material efficiency of our operations. We provide solutions for our customers by utilizing waste and residue materials, contributing to a circular economy. We leverage synergies with the neighboring plants of our refineries and circulate materials in industrial symbioses.

We actively study, screen and develop novel feedstocks to produce high-quality products that reduce climate impact and promote circularity, and that can be used in existing applications.

7. Human Rights

We respect the human rights of our employees, the workers in our value chains and those affected by our operations. We make this in compliance with the Neste Human Rights Principle.

We respect the internationally recognized human rights set out in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

[1] Life cycle GHG emissions are quantified against fossil references using either biofuel regulatory framework calculations (e.g., EU RED) or critically reviewed life cycle assessments meeting ISO 14040/14044 standards, applied according to product category.

We are a signatory member of the United Nations Global Compact and abide by its ten principles.

Our minimum standard is compliance with all applicable laws and respect of internationally recognized human rights. Where national law and international human rights standards differ, we follow the higher standard and seek solutions to respect that standard with relevant stakeholders.

We are committed to promoting diversity, inclusion, equality and non-discriminative culture at Neste in compliance with Neste Equality and Non-Discrimination Principle.

We carry out human rights due diligence workshops and gap assessments both in our own operations and in our value chains (including site visits were appropriate), and based on the gap assessments and analysis, we create action plans with focus areas for improvements.

8. Good Corporate Citizenship and Ethics

Neste Code of Conduct. Our way of conducting business is set out in the Neste Code of Conduct. We are committed to operating ethically and in compliance with law, always and everywhere. We operate with integrity with our customers, suppliers and other business partners. Bribery and corruption in any form are unacceptable in our business. We encourage our employees and other stakeholders to report, anonymously and confidentially, any observed or suspected non-compliance with the Neste Code of Conduct by using Neste Ethics Online. As a supplier to our customer, we are committed to meeting the same environmental, social, and ethical standards that we require from our own suppliers under this Principle.

Financial responsibility. We live up to our financial responsibility by paying, collecting, remitting and reporting on taxes and fees in compliance with the applicable local legislation. We are committed to following the OECD Transfer Pricing Guidelines, and we pay and collect taxes in countries where our value-added activities are born as a result of our investments and personnel. We promote cooperation with tax and customs authorities. We do not use tax havens, low tax jurisdictions or other such arrangements in order to avoid taxes. We publish our tax footprint annually.

Support for the public good. We engage with a number of communities and support work for the public good. We support projects, communities and individuals who are able to move themselves, their industry and the world forward with the work and activities they engage in. With our charity work, we support development in the areas where society's resources are not sufficient to guarantee well-being.

9. Stakeholder Engagement and Communication

We recognize the crucial role of the views and expectations of our stakeholders in the success of our company and the acceptability of our operations. Neste's Sustainability, Public and Regulatory Affairs, Communications and Brand Marketing, and Investor Relations units are responsible for stakeholder engagement. In addition, business units across Neste are responsible for continuous engagement with customers and business partners.

We participate in the development of the industry, relevant associations and NGO's with the aim to actively engage in open dialogue with all our stakeholders. We communicate our sustainability proactively and openly. We support the work of legislators and other decision makers by offering expertise and information from Neste's field to support decision making. We cooperate with international universities and research institutions.

We also participate in external ratings for evaluating our sustainability performance annually.

To identify what topics we should particularly focus on in our sustainability efforts, we carry out a double materiality assessment to identify our material impacts, risks and opportunities in our own operations and in our value chain. The double materiality assessment is reviewed annually to define material sustainability topics for Neste, and we engage our key stakeholders in the process.

For maintaining and promoting a dialogue with our stakeholders, we have established an external and independent Advisory Council on Sustainability and New Markets which consists of a group of selected experts, able to provide strategic insight, guidance and assistance to us.

10. Sustainability Risks

We identify and assess the most significant sustainability risks, including also climate-related risks, as a part of the annual risk management cycle facilitated by Neste's risk management department who monitors the level of risks and ensures that the risks are mitigated appropriately by Neste's business units, functions, and country units.

In addition, the sustainability risks, including also climate-related risks, are addressed in connection with the risk reviews made at the Audit Committee and the Board of Directors.

We report on our most significant sustainability-related risks annually in our Annual Report and its Review by the Board of Directors. For reporting our climate-related risks, we apply the TCFD reporting principles to identify, measure and report on financial implications of climate change for our business.

11. Performance measuring, evaluation / verification and reporting

The Board of Directors approves policies on sustainability and monitors how Neste performs in terms of sustainability. Neste Leadership Team is responsible for outlining the company's strategic approach to sustainability and monitoring how sustainability is reflected in the business units and functions. Neste's Sustainability, Human Resources and Safety units share the responsibility of managing Neste's sustainability efforts and support Neste's business units therein.

Climate-related matters, including Neste Climate Strategy and implementation of TCFD, are addressed twice a year at Neste Leadership Team and once a year at the Board of Directors. At the Audit Committee, the climate-related matters are addressed in connection with the risk reviews. The management of the climate-related matters on Neste Leadership Team level belongs to EVP, People & Culture.

Sustainability is measured with the performance measurements listed below.

Performance measurement	**Unit of measure**	**Frequency**
Auditing	N/A	N/A

12. Continual Improvement

Processes under this Principle shall be updated from time to time as needed by the Sustainability unit.

13. Definitions

"California Cap-and-Trade Program" refers to a market-based initiative by the California Air Resources Board (CARB) to reduce greenhouse gas emissions through a system of emission allowances and trading.

"California Low-Carbon Fuel Standard" (LCFS) is a technology neutral market tool for the Californian transportation sector to reduce greenhouse gas (GHG) emissions.

"CARB" stands for California Air Resources Board and is a part of the California Environmental Protection Agency who works with air districts, community groups and members, environmental organizations, and regulated industries to reduce exposure in communities most impacted by air pollution.

"certification" means a voluntary verification approved by the European Union to demonstrate that the sustainability criteria set by the EU Renewable Energy Directive are complied with;

"end-product" means the renewable fuel produced by Neste from renewable feedstock and "**end product markets**" mean the markets for that end-product;

"EPA" stands for “the United States Environmental Protection Agency” and **“EPA Rulings”** mean any rulings given by EPA. **“EPA Compliant”** means adjective of any material (feedstock or end-product) that complies with the EPA Rulings;

“ESG” stands for “Environmental, Social and Governance” and “ESG evaluation” means an evaluation describing ESG factors;

“EU Renewable Energy Directive” or **“EU RED”** refers to Directive 2009/28/EC (RED I), Directive (EU) 2018/2001 (RED II), or Directive (EU) 2023/1791 (RED III), as amended, whichever is currently in force;

“EU Fuel Quality Directive” refers to EU Directive 98/70/EC;

“EU Directive to Reduce Indirect Land Use Change (ILUC) for Biofuels and Bioliquids” refers to EU Directive 2015/1513;

“European Grasslands Regulation” refers to EU Commission Regulation (EU) No. 1307/2014;

“GHG” stands for “greenhouse gas” and **“GHG emissions”** means the emissions of the greenhouse gas;

”GHG Protocol” means GHG Protocol Corporate Accounting and Reporting Standard;

”NGO(s)” stands for non-governmental organization(s) who are independent of any government;

"RFS" stands for “**Renewable Fuel Standard**" and means the renewable fuel program, regulations and policies established pursuant to section 211(o) of the Clean Air Act 42 U.S.C. § 7545(o) as implemented by the EPA under Section 1401 of Part 80 of Title 40 of the Code of Federal Regulations, as may be amended from time to time;

“TCFD” stands for “Task Force on Climate-related Financial Disclosures” and is a voluntary framework released in 2017 for businesses to better identify, measure and report on the financial implications of climate change for their businesses.

14. Related Documents

There are no additional related documents beyond those referenced within the main text of this principle.