

Proposal for Neste Oil's 2013 Annual General Meeting

Using the company's profit to make the investments needed to end the use of palm oil

The profitability of Neste Oil's biodiesel business has been poor. This is understandable, as the product does not do what it promises to – biodiesel primarily produced from palm oil does not make it possible to achieve the type of emission reductions aimed at through the use of biofuels.

Neste Oil has been able to diversify its feedstock base into other types of renewable raw materials, including more sustainable waste-based alternatives. Palm oil continues to be the main raw material used for Neste Oil's biodiesel, however, and the company has not presented a credible timetable for ending its usage of this input.

There are more than enough reasons for ending the use of palm oil:

Palm oil lacks sufficient credibility and acceptability as a sustainable raw material for biodiesel. Scientific research has shown very clearly that significant indirect emissions are associated with palm oil. The European Commission proposed in October that the use of crop-based biofuels should be frozen at current levels and that publically funded financial support should be ended by 2020. Palm oil diesel is not a choice for the future. Abandoning the use of a bad raw material like this should not be delayed.

Secondly, palm oil production causes massive damage to the environment. Millions of hectares of forestland have been cleared in Indonesia and Malaysia because of palm oil production, and the emissions that this has generated are of global significance. The impact on the biodiversity of rainforest areas and local communities has been appalling.

I therefore propose that the Annual General Meeting should decide not to pay a dividend. The company's profit should instead be directed to investments that would enable Neste Oil to rapidly end its use of palm oil. An appropriate proportion of the profit in question should be used to compensate for damage that has already been caused, by making payments to Indonesian non-governmental organizations that support local communities that have suffered from palm oil production, for example.

Matti Liimatainen, shareholder

Matti Liimatainen
Toinen Linja 13 A 5
00530 Helsinki
Tel. 0400 346 329
Email: matti.liimatainen@greenpeace.org