Tax Strategy
Agenda

1. Main objectives
2. Tax principles
3. Our tax management
4. Tax contribution 2017 (Tax footprint) statement –
1. Main Objectives

Neste’s tax strategy is to support the Group’s long-term business strategy by providing feasible solutions for business decisions.

**Business**
- Tax opportunities for enhancing the company’s agility and flexibility

**Shareholders**
- Secure a stable and attractive cash return with a higher profit after tax

**Society**
- Open, accurate, and timely reports filed
- Statutory taxes paid in every country in which Neste operates

7 March 2018
2. Tax Principles

- We follow all relevant local laws and regulations, as well as the OECD Transfer Pricing Guidelines
- The material business decisions take into account the feasible tax solutions
- We do not use tax havens to avoid taxes
- We ensure a high level of tax compliance in every jurisdiction in which we operate
- We maintain open and honest relationships with the tax authorities
- We publish a Tax Contribution (Tax Footprint) statement annually
3. Our Tax Management

- **Tax compliance**
  - Open, correct, and timely

- **Legal structure**
  - Clear, simple solutions throughout, including profit repatriation

- **Tax Audit**
  - Ensure correct treatment, and efficient and reliable correspondence

- **Tax risk management**
  - No surprises

- **Tax solutions**
  - Support business planning, investments, and exits

- **Tax reporting**
  - Correct tax reporting with an audit trail

- **Cash tax solutions**
4. Tax Contribution (Tax Footprint) statement

- Increases interest in taxes both internally and externally
- Provides a deeper understanding of statutory taxes and charges, as well as their magnitude
- Provides accurate input for tax solutions
- Keeps us focused and helps prioritization
- Provides valuable benchmarking data on tax management
- Increases useful tax discussion based on detailed facts

7 March 2018
## 4. Tax Contribution 2017 (Tax Footprint)

### Taxes borne, MEUR

<table>
<thead>
<tr>
<th></th>
<th>2017 Finland</th>
<th>2017 Other countries</th>
<th>2017 Group in total</th>
<th>2016 Finland</th>
<th>2016 Other countries</th>
<th>2016 Group in total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue, MEUR</td>
<td>7 264</td>
<td>5 953</td>
<td>13 217</td>
<td>6 682</td>
<td>5 007</td>
<td>11 689</td>
</tr>
<tr>
<td>Earnings before taxes, MEUR</td>
<td>784</td>
<td>310</td>
<td>1 094</td>
<td>544</td>
<td>531</td>
<td>1 075</td>
</tr>
<tr>
<td>Personnel (on average)</td>
<td>3 604</td>
<td>1 693</td>
<td>5 297</td>
<td>3 428</td>
<td>1 585</td>
<td>5 013</td>
</tr>
</tbody>
</table>

| Taxes borne, MEUR      | 146          | 20                    | 166                 | 122          | 30                   | 152                 |
| Corporate income tax   | 2            | 6                     | 8                   | 2            | 6                    | 8                   |
| Real estate tax        | 59           | 10                    | 69                  | 51           | 8                    | 59                  |
| Employer's charges     | 8            | 0                     | 8                   | 9            | 0                    | 9                   |
| Environmental taxes    | 1            | 4                     | 6                   | 2            | -1                   | 1                   |
| Total taxes borne, MEUR| 216          | 40                    | 257                 | 186          | 43                   | 229                 |

### Taxes collected, MEUR

<table>
<thead>
<tr>
<th></th>
<th>2017 Finland</th>
<th>2017 Other countries</th>
<th>2017 Group in total</th>
<th>2016 Finland</th>
<th>2016 Other countries</th>
<th>2016 Group in total</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT/GST, remitted</td>
<td>870</td>
<td>217</td>
<td>1087</td>
<td>787</td>
<td>188</td>
<td>975</td>
</tr>
<tr>
<td>Excise taxes</td>
<td>1970</td>
<td>390</td>
<td>2360</td>
<td>1 917</td>
<td>364</td>
<td>2 281</td>
</tr>
<tr>
<td>Withholding taxes</td>
<td>88</td>
<td>12</td>
<td>100</td>
<td>82</td>
<td>12</td>
<td>94</td>
</tr>
<tr>
<td>Employee's social security</td>
<td>18</td>
<td>3</td>
<td>22</td>
<td>15</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Total taxes collected, MEUR</td>
<td>2946</td>
<td>622</td>
<td>3569</td>
<td>2801</td>
<td>567</td>
<td>3369</td>
</tr>
</tbody>
</table>

| Total taxes borne and collected, MEUR | 3 162 | 662 | 3 826 | 2 987 | 610 | 3 598 |