













# Sustainability KPIs

Material topic	Objective	Key performance indicator	Target	Performance in 2020	SDG link
Carbon handprint	Helping our customers to reduce their GHG emissions	Avoided GHG emissions by Neste customers with Neste's products (compared to fossil diesel) in MtCO <sub>2</sub> e <sup>1)</sup>	20 MtCO <sub>2</sub> e by 2030	10.0 Mt (9.6 Mt)	
		Share of waste and residue used in renewables' production (%)	Maximizing the share of W&R raw materials in our raw material mix provides the highest possible reduction in greenhouse gas emissions when compared to products derived from crude oil	83% (80%)	
Carbon footprint and environmental impacts	Reaching carbon neutral production and ensuring environmental quality	Neste's absolute CO <sub>2</sub> emissions in Scope 1 and 2 (production)	-50% reduction by 2030 in comparison to 2019 baseline	2.9 MtCO <sub>2</sub> (3.4 MtCO <sub>2</sub> )	
		Energy consumption savings achieved during reporting year (GWh) and cumulative energy consumption savings during 2017–2025 compared to 500 GWh target (%)	2017–2025 target: 500 GWh	Energy consumption savings during reporting year 33 GWh (16 GWh) Cumulative savings compared to target: 22% (15%)	
		Share of renewable electricity of total purchased electricity (%)	Aiming for 100% renewable electricity by 2023	12.5% (New KPI)	
		Use phase emission intensity of sold fuel products (gCO <sub>2</sub> e/MJ)	Decreasing trend	58 gCO <sub>2</sub> e/MJ (New KPI)	
		Availability of pollution prevention technology	100% availability of pollution prevention technology at refineries and terminals	Availability of pollution prevention technology on average 96% (88%) in Oil Products and Renewable Products	
		Number of permit violations	Long-term target for OP and Renewable Products (RP): zero permit violations	Permit violations: 2 (3), of which 1 (2) in OP and 1 (1) in RP	
Protecting biodiversity, water and soil	Protecting biodiversity, water and soil and mitigating negative impacts in Neste business operations and supply chains	Biodiversity workplan and criteria approved	Workplan and criteria presented during 2021	New KPI for 2021	
		Support for biodiversity, water and soil projects relevant for Neste	At least one raw-material-related biodiversity, water and soil project ongoing annually	We have supported sustainability impact project in the Siak and Pelalawan regions in Indonesia improving the region's performance related to environmental issues (e.g. conservation, protected area). (New KPI)	
		Biodiversity, water and soil included in expansion projects	All production expansion projects' biodiversity impacts evaluated and biodiversity, water and soil aspects included in all investment decisions	New KPI for 2021	
Safety, health and wellbeing	Ensuring the health and safety of employees and contractors in all Neste locations and supply chain	Total Recordable Incident Frequency (TRIF) <sup>2)</sup>	1.7 for 2020 and 2021 Long-term target: Zero accidents	TRIF 1.3 (1.7)	
		Process Safety Event Rate (PSER) <sup>3)</sup>	1.7 for 2020 and 2021 Long-term target: Zero accidents	PSER 1.6 (1.4)	
		Safe days (including environmental permit violations)	310 for 2020 and 315 for 2021 Long-term target: Continuously increasing the number of Safe Days	325 (314) Safe Days	
	Promoting working culture that protects the physical and mental wellbeing of employees while at work	Wellbeing index from employee engagement survey	Baseline 2019 results: Engagement 71, wellbeing 61, change adaptation 64. Target is to maintain results on a good level.	Engagement 70, wellbeing 60, change adaptation 62 <sup>4)</sup> (New KPI)	
	The voluntary exit level / voluntary turnover for the year	To attract and retain highly skilled employees	Leaving rate of permanent employees 6.9% (7.4%). Hiring rate of permanent employees 9.2% (14.0%)		

 SDG8: Decent work and economic growth
  SDG9: Industry, innovation and infrastructure
  SDG11: Sustainable cities and communities
  SDG12: Responsible consumption and production
  SDG13: Climate action
  SDG17: Partnerships for the goals

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Forced labor and vulnerable groups	Managing forced labor risks in Neste operations and supply chains	Number of Neste employees who have received training on forced labor and vulnerability	To increase the number of employees who have received training on forced labor and vulnerability, prioritizing those involved in supply chains and procurement	Supplier Code of Conduct training on Forced Labor and Vulnerable Groups carried out for 110 employees in supply and procurement (New KPI)	
		Human Rights Due Diligence (HRDD) <sup>5)</sup> carried out for key business areas/functions	To strengthen Neste's capacity to identify, assess, and address human rights risks in our operations and supply chains	Two major assessments completed in 2020: 1) Corporate-wide exercise to map and understand internal processes and gaps in addressing modern slavery risks across all three of Neste's operating segments (incl. OP, RP, M&S, HR, Production, Logistics & Operations, Indirect Procurement and Risk Management). 2) Survey of Neste Malaysian palm suppliers on recruitment and employment practices for migrant workers (New KPI)	
Diversity, equality and inclusion	Fostering a diverse and inclusive workplace that ensures fair treatment while maintaining and developing the skills base within the company	Multi-country teams (%)	Increasing trend	14% (12%) are multi-country teams <sup>4)</sup>	
		Females in staff (%)	We recruit personnel based on their experience, expertise, skills, and values through structured process and job criteria guaranteeing that all applicants have equal opportunities and treatment during the recruitment process	30.2% (30.2%)	
		Female representation in people manager positions (%) and senior management (%)	Female representation in people manager positions and senior management close to representation of females in staff (%)	29.0% (27.8%) female in people manager positions 25.9% (22.0%) female in senior management	
		Employee engagement	Maintain a good level of employee engagement	Employee engagement score <sup>4)</sup> 70 (71), which was in line with global benchmark result. Majority of employees thought favorably of working at Neste and would recommend Neste as a workplace. 70% (72%) felt happy working at Neste, 66% (68%) understood how Neste plans to achieve its strategic goals, 79% (82%) thought Neste acts in a responsible way, 83% (85%) saw safety as a priority for Neste.	
		Response rate to employee engagement survey (%)	To maintain a good level of response rate	81% (88%) <sup>4)</sup>	
Tackling plastic waste challenge	Tackling plastic waste challenge by developing solutions to utilize waste plastic as a raw material for new plastics and chemicals	Volume of liquefied waste plastic processed (t/a)	To process more than 1 Mt of liquefied waste plastics from 2030 onwards to increase circularity of plastics and to reduce crude oil dependence in refining and petrochemical processes	In 2020 we successfully completed the first industrial-scale processing run with 400 tons of liquefied waste plastic in Finland	

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Ethics, transparency and open communication	Ensure the appropriate scope and quality of information disclosure related to own operations and business practices in the supply chain and operating in an ethical and responsible way in society	Monthly grievance log updates	To roll out monthly updated grievance logs	11 monthly logs in 2020. The updates were initiated in February (New KPI)	
		A total of suspected misconducts reported in person or via the whistleblowing line to the Investigations Group	To further encourage employees and external stakeholders to report observed or suspected misconduct	A total of 16 (13) suspected misconducts were reported in person or via the whistleblowing line to the Investigations Group in the following categories: HR 6 reports, discrimination and harassment 4, fraud 1, competition law and infringement 1, health and safety 1, and 3 reports belong to category "other"	
		Regular Supply Chain Transparency via Traceability Dashboard (Palm & PFAD)	To publish information twice yearly	2 (1) publications	
Innovation and partnerships	Initiating and fostering partnerships between Neste and its partners to address the challenges of and innovate solutions for sustainable development	Share of Clean Revenue area revenue from Group revenue, %	To maintain the annual share compared to previous year	Clean Revenue 36.8% (25.8%) <sup>6)</sup>	
		Share of investments consisting of Clean CAPEX, Clean R&D and Clean M&A (Clean Investments), %	To maintain the annual share compared to previous year	Clean Investments 69.4% (50.0%)	
Supply chain sustainability	Ensuring sustainability of Neste suppliers and business partners	Percentage of business partners who have committed to Neste's minimum sustainability requirements in the Supplier Code of Conduct (%)	100% of business partners committed	100% (100%) of the new indirect procurement supplier contracts, 100% (100%) of the renewable raw material volume <sup>7)</sup> and 78% (88%) of the fossil raw material volume delivered to Neste in 2020 were covered by the Neste SCoC or equivalent	
		The number of renewable raw material supplier's sustainability assessments and their outcome	To assess all new renewable raw material suppliers against sustainability criteria	Total: 219 (91), New approved suppliers: 120 (52), All approved: 133 (55), Pending: 65 (36), Rejected: 21 (0) <sup>7) 8)</sup>	
		A total of sustainability audits conducted	To increase the number of sustainability audits conducted, prioritizing through a risk-based approach	9 sustainability audits (New KPI)	
Economic responsibility	Reporting in the financial statements				
Corporate governance	Reporting in the corporate governance statement				

- <sup>1)</sup> Cumulative greenhouse gas (GHG) reduction achieved with Neste's renewable fuels compared to crude oil based diesel. Calculation method complies with the EU Renewable Energy Directive (RES 2009/28/EC). Neste regularly updates its GHG emission factors in line with the updates in legislation and the certification schemes.
- <sup>2)</sup> Number of cases per million hours worked. The figure includes both Neste's and contractors' personnel.
- <sup>3)</sup> Number of cases per million hours worked.
- <sup>4)</sup> Demeter and Mahoney not included.
- <sup>5)</sup> HRDD refers to any activities carried out to identify, assess, address, prevent or mitigate forced labor risks, such as developing internal processes, carrying out impact assessments, risk mapping, gap assessments, etc.
- <sup>6)</sup> Calculation principle changed. Revised.
- <sup>7)</sup> Demeter suppliers excluded from the figure due to the integration in progress.
- <sup>8)</sup> All figures except "New approved suppliers" include existing suppliers, which undergo a sustainability assessment process every 3-5 years. 2020 Supplier data includes only main contractual parties, excluding sub-suppliers.