

17 July 2017

## NESTE CORPORATION MODERN SLAVERY STATEMENT FOR FINANCIAL YEAR 2016

This statement is made pursuant to section 54 of the UK Modern Slavery Act 2015 and sets out the steps that Neste Corporation has taken, and is continuing to take, to ensure that modern slavery or human trafficking is not taking place within its business or supply chains.

Modern slavery encompasses slavery, servitude, human trafficking, and forced labour. Neste Corporation (hereafter, Neste) has a zero tolerance approach to any form of modern slavery. We are committed to acting ethically, with integrity and transparency in all business dealings, and to establish effective systems and controls to safeguard against any form of modern slavery from taking place within our business and supply chains.

### Our business and supply chains

Neste Corporation (NESTE, Nasdaq Helsinki) builds sustainable choices for the needs of transport, businesses and consumers. Our global range of products and services allows customers to lower their carbon footprint by combining high-quality and low-emission renewable products and oil products to tailor-made service solutions. We are the world's largest producer of renewable diesel refined from waste and residues, and also bringing renewable solutions to the aviation and plastics industries. We want to be a reliable partner, whose expertise, research and sustainable practices are appreciated worldwide. In 2016, Neste operated in 12 countries including Finland, Belgium, Canada, Estonia, Latvia, Lithuania, the Netherlands, Russia, Singapore, Sweden, Switzerland, and the United States. Neste's net sales were EUR 11.7 billion, and we were on the Global 100 list of the world's most sustainable companies. Read more on: [neste.com/en](http://neste.com/en)

### Our human rights commitment and policies

We have a number of internal policies and systems to ensure that we are conducting business in an ethical and transparent manner. These include, but are not limited to:

1. Neste Code of Conduct. This code explains the manner in which we behave as an organization and how we expect our employees and suppliers to act.
2. Neste adopted the United Nations Guiding Principles and subsequently made a public commitment to respect human rights in 2015. This is followed by a stand-alone Human Rights Principle that defines and sets out Neste's stance on human rights, which contains strict prohibitions of modern slavery and trafficked labour.
3. Recruitment policy. We operate a robust recruitment policy, including conducting robust checks for all employees to safeguard against human trafficking or individuals being forced to work against their will.
4. Neste Supplier Code of Conduct defines the basic requirements Neste expects its suppliers to adhere to and implement throughout their business. The Neste Supplier Code of Conduct contains prohibition of forced labour. Together with Neste Human Rights Principle, these two policies set out Neste's expectations on its business partners to prevent and mitigate against modern slavery in their operations. Our anti-slavery stance, as embedded in the Human Rights Principle, forms part of our contract with all suppliers.

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## Key actions in 2016 for our human rights commitments

## a. Risk assessments to identify our human rights impacts

A corporate-wide human rights impact assessment was conducted for the first time, in which forced labour was identified as one of the salient risks that may potentially impact workers in our contracted services as well as in the supply chain. Furthermore, country-specific social and labour assessments carried out in our palm oil supply chain also identified risks of indebted labour that is linked to the prevalence of migrant workforce in the plantation sector.

## b. Managing risks and acting on assessment findings

Due diligence process – Potential suppliers have to meet Neste's strict sustainability criteria that commits suppliers to respect human rights and conduct human rights due diligence. All potential suppliers are evaluated via self-assessment questionnaire, and a counter-party check is carried out to ensure that a supplier is operating within legal and acceptable social boundaries, for example that there are no offenses relating to modern slavery. Our supplier contracts contain strict terms covering Neste's minimum sustainability requirements. Neste's responsible sourcing practices for renewable raw materials include independent third party annual audits and sustainability certification in the supply chains to ensure that the production of these material is not in conflict with Neste's policies and operating principles.

Supplier workshops – Over the past two years, Neste has been organizing an annual supplier engagement event for the purpose of communicating our expectations, sharing findings, capacity building and engaging our suppliers in a dialogue in South East Asia.

Stakeholder collaborations – We engaged with certification bodies such as the International Sustainability and Carbon Certification (ISCC) and Roundtable on Sustainable Palm Oil (RSPO) to improve their social criteria and auditing systems.

## c. Grievance Mechanism

A new version of Neste's whistle-blowing system will become available on our website to all Neste stakeholders in August 2017. Until then, Neste employees can access an older version of the system via the company's intranet. The new system will also be opened to workers in our supply chains and external stakeholders, which will enable them to raise possible concerns on Neste's practices without fear of reprisals.



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