

Particulars

About Your Organisation

1.1 Name of your organization

Neste Oyj (Neste Corporation)

1.2 What is/are the primary activity(ies) or product(s) of your organization?

- Grower
 - Processor and/or Trader
 - Consumer Goods Manufacturer
 - Retailer and/or Wholesaler
 - Bank and/or Investor
 - Social and/or Development NGO
 - Environmental and/or Conservation NGO
 - Supply Chain Associate
 - Affiliate
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1.3 Membership number

4-0010-06-000-00

1.4 Membership category

Consumer Goods Manufacturers

1.5 Membership sector

Ordinary

Consumer Goods Manufacturer

1. Operational Profile

1.1 Please state your main activity(ies) within the palm oil supply chain. Please select the option(s) that apply to you

- End-product manufacturer
- Food goods manufacturer
- Ingredient manufacturer
- Home & personal care goods manufacturer
- Own-brand manufacturer
- Manufacturing on behalf of other third-party brands
- Biofuels manufacturer
- Other

Other:

Biobased Chemicals

2. Palm Oil and Certified Sustainable Palm Oil Use

2.1 Please include details of all operations using palm oil, owned and/or managed by the member and/or all entities that belong to the group.

<https://www.neste.com/corporate-info/who-we-are/production>

2.1.1 In which markets do you manufacture goods with palm oil and oil palm products?

Finland , Netherlands , Singapore

2.1.2 In the market(s)/country(ies) where you operate, do you calculate how much palm oil and oil palm product there is in the goods you manufacture?

Yes

2.2 Volumes of palm oil and oil palm products purchased

2.2.1 Total volume of crude and refined palm oil used in the year (tonnes)

445,000.00

2.2.2 Total volume of crude and refined palm kernel oil used in the year (tonnes)

0.00

2.2.3 Total volume of palm kernel expeller used in the year (tonnes)

0.00

2.2.4 Total volume of other palm-based derivatives and fractions used in the year (tonnes)

716,500.00

2.2.5 Total volume of all palm oil and oil palm products used in the year (tonnes)

1,161,500.00

2.3 Volume of palm oil and oil palm products used in the year in your own brand products that are RSPO-certified (in tonnes):

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.3.1 Book and Claim from Mill / Crusher	-	-	-	-
2.3.2 Book and Claim from Independent Smallholder	-	-	-	-
2.3.3 Mass Balance	-	-	-	-
2.3.4 Segregated	-	-	-	-
2.3.5 Identity Preserved	-	-	-	-
2.3.6 Total volume	-	-	-	-

2.4 Volume of RSPO-certified palm oil and oil palm products sold to 3rd party RSPO certified companies (in tonnes)

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.4.1 Book and Claim from Mill / Crusher	-	-	-	-
2.4.2 Book and Claim from Independent Smallholder	-	-	-	-
2.4.3 Mass Balance	-	-	-	-
2.4.4 Segregated	-	-	-	-
2.4.5 Identity Preserved	-	-	-	-
2.4.6 Total volume	-	-	-	-

2.5 According to the information you have provided in this questionnaire, your company has not reached 100% sustainable palm yet by using the four supply chain models (Book and Claim, MB, SG, IP). Do you have plans to immediately cover the gap by using RSPO Credits?

No

2.5.1 When do you plan to cover the gap by using RSPO Credits?

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2.5.2 Please explain why

All our certified materials are 100% ISCC certified. Our claims are only related to ISCC.

2.6 What is the percentage of RSPO Certified Sustainable Palm Oil in the total palm oil used by your company in the following regions:

2.6.1 Africa

0%

2.6.2 Oceania

0%

2.6.3 Europe

0%

2.6.4 North America

0%

2.6.5 Latin America

0%

2.6.6 Middle East

0%

2.6.7 China

0%

2.6.8 India

0%

2.6.9 Indonesia

0%

2.6.10 Malaysia

0%

2.6.11 Rest of Asia

0%

3. Time-Bound Plan

3.1 Year of first supply chain certification (planned or achieved)

2011

3.2 Year expected to/or started to use any RSPO-certified sustainable palm oil and oil palm products in your own brand products2009

3.2.1 If target has not been met, please explain why.

All our certified materials are 100% ISCC certified. Our claims are only related to ISCC. Currently, we are also working towards buying RSPO RED certified oil as soon as it is approved by the EU Commission.

3.3 Year expected to be using 100% RSPO-certified sustainable palm oil and oil palm products from any supply chain option in your own brand products.2030

3.3.1 If target has not been met, please explain why.

All our certified materials are 100% ISCC certified. Our claims are only related to ISCC. Currently, we are also working towards buying RSPO RED certified oil as soon as it is approved by the EU Commission.

3.4 Year expected to be using 100% RSPO-certified sustainable palm oil and oil palm products from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) in your own brand products.2030

3.4.1 If target has not been met, please explain why.

All our certified materials are 100% ISCC certified. Our claims are only related to ISCC. Currently, we are also working towards buying RSPO RED certified oil as soon as it is approved by the EU Commission.

3.4.2 Which markets do these commitments cover?Applies globally

3.5 Does your company use RSPO-certified sustainable palm oil and oil palm products in goods you manufacture on behalf of other companies?No

3.6 Does your company have a Time-Bound Plan to only use RSPO-certified sustainable palm oil and oil palm products in the goods you manufacture on behalf of other companies?No

3.7 When do you expect all products you manufacture to only contain RSPO-certified sustainable palm oil and oil palm products?N/A

4. Trademark Use**4.1 Do you use or plan to use the RSPO Trademark on your own brand products?**No

4.2 Please select the countries where you use or intend to apply the Trademark.--

4.2.1 Please state the year that you started using the RSPO Trademark or the year you plan to start using the RSPO Trademark.

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4.3 Please explain why

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Other:

The biofuel market is a tightly regulated market, where sustainable certification is not an option, but compulsory. Thus, in procuring our material we have to strictly adhere to the certification standards endorsed by the governments of which we operate and sell our products. Thus, the commitment above covers only materials of which certification are recognized in the markets where we operate, while other markets which products we sell to (biobased chemicals) adhere to our commitment for certification and compliance to our policies and principles for responsible sourcing. This period we are already buying 100% ISCC (International sustainability and carbon certification system) certified material into our supply chain. It happens that all our suppliers are also mostly RSPO certified. This current certification covers our obligation to comply with the EU RED (renewable energy directive) and at the same time North American compliance. Our commitment above does not only include RSPO oil, but also other sustainably certified systems.

4.4 Have you uploaded information and images of products using the RSPO Trademark to the RSPO mobile app?**5. Actions for Next Reporting Period****5.1 Outline actions that you will take in the coming year to promote the use of RSPO-certified sustainable palm oil and oil palm products along the supply chain.**

We will work with brands sharing the common supply chain producing palm oil derivatives to ensure that we work together to make the landscapes/ jurisdictional approaches are sustainable. We will also promote and support the re-establishment of RSPO RED.

6. Non-Disclosure of Information

6.1 Information in the sections above are mandatory declarations in your ACOP. For confidentiality purposes, members may choose not to display volume data in Section 2 publicly; however, RSPO reserves the right to utilise the member's data on an aggregate basis for sectoral and total analysis. Please check this box if the member chooses to have the data in Section 2 displayed publicly.

Yes - Display Publicly

7. Application of Principles & Criteria for all member sectors

7.1 Related to company's procurement or operations, do you have organisational policies that are in line with the RSPO P&C? Select all relevant options.

7.1.A Water, land, energy and carbon footprints

File: --

Link: http://www.neste.com/sites/default/files/attachments/neste_oil_no-deforestation_and_responsible_sourcing_guidelines_for_renewable_feeds**7.1.B Land use rights**

File: --

Link: http://www.neste.com/sites/default/files/attachments/neste_oil_no-deforestation_and_responsible_sourcing_guidelines_for_renewable_feeds**7.1.C Ethical conduct and human rights**

File: --

Link: http://www.neste.com/sites/default/files/attachments/corporate/sustainability/managing_sustainability/nhrp_17oct2017.pdf**7.1.D Labour rights**

File: --

Link: http://www.neste.com/sites/default/files/attachments/corporate/sustainability/managing_sustainability/nhrc_17oct2017.pdf**7.1.E Stakeholder engagement**

File: --

Link: http://www.neste.com/sites/default/files/attachments/corporate/sustainability/managing_sustainability/nhrc_17oct2017.pdf**7.1.F None of the above. Please explain why.**

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7.2 What best practice guidelines or information has your organisation provided in the past year to facilitate the uptake of RSPO-certified sustainable palm oil and oil palm products? What languages are these guidelines available in?

It is compulsory for Neste,Äôs Suppliers to be RSPO members. We are also working with the Consortium of Resource Experts (CORE) who are checking out supplier commitments against our policies and engaging with our suppliers towards development of their No Deforestation and Peat Exploitation (NDPE) policies and implementation plans.

8. Greenhouse Gas (GHG) Footprint**8.1 Are you currently reporting any GHG footprint?**

Yes

8.1.1 Please upload your publicly available GHG report

File: --

8.1.1.1 OR please insert the URL to the GHG section of your corporate website.Link: <http://www.neste.com/na/en/about-neste/sustainability/cleaner-solutions/products-carbon-footprint>**8.2 Please explain and justify why you are not calculating your GHG footprint. Please include any future plans you may have to calculate your GHG footprint.**

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8.3 What methodology are you using to calculate your GHG footprint?

EU RED:

<https://ec.europa.eu/jrc/en/news/technology-key-ensuring-sustainable-bioenergy-and-biofuel-production>

9. Support for Oil Palm Smallholders**9.1 Are you currently supporting any oil palm Independent Smallholder groups?**Yes

9.2 How are you supporting them?

1. Since 2017, we have co-funded the Wild Asia Group Scheme (WAGS) project coordinated by the Malaysian non-governmental organisation Wild Asia, involving smallholders producing palm oil in Malaysia. The goal of the project is to improve sustainability of the smallholders in Sabah region in the northern part of Borneo, Malaysia.

By 2018, the project had engaged 273 smallholders and three small growers. Nearly 16, 000 tons of fresh fruit bunches (FFB, bunches of oil palm fruit from which oil is extracted) has been certified through RSPO Group Certification, which achieved 32% of the target of 50, 000 tons of certified FFB by year 2020.

In 2018, we focused on improving smallholders,Â practices in farming, chemicals usage and using waste materials as organic fertilisers. These efforts will continue in 2019 with development plans to reach out to more small growers and farmers.

2. Similar cooperation with smallholders in Indonesia continued through a project coordinated by Golden Agri Resources (GAR), Indonesian Palm Smallholders Union (Serikat Petani Kelapa Sawit, SPKS), and World Resources Institute (WRI).

By the end of 2018, the project had mapped nine out of the 17 villages initially targeted in the project, covering more than 510 Ha of land in Siak, Indonesia. Discussions are ongoing to map smallholders also in other villages, and efforts to conduct certification gap assessment, verification and audit within these will continue in 2019. Such mapping of smallholders will enable the project to organize targeted trainings to prepare the smallholders towards becoming certified (Indonesian Sustainable Palm Oil, ISPO; the International Sustainability and Carbon Certification, ISCC; and Roundtable on Sustainable Palm Oil, RSPO). In 2019, we are looking into how the more advanced smallholders can get certified.

The project was integrated into a larger, regional project taking a holistic approach to improving sustainability in the entire Siak region.

9.2.1 Do you have any future plans to support oil palm Independent Smallholders?

9.2.2 When do you plan to start your support for oil palm Independent Smallholders?

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10. Challenges

10.1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- Others

Other:

Neste produces biofuel which is highly regulated by our market regulation and need to be in compliance with EU RED. Some EU RED compliance schemes are ISCC and RSPO RED. Unfortunately, the RSPO RED has not been re-approved by the EU Commission.

10.2 In addition to the actions already reported in this ACOP, how has your organisation supported the vision of RSPO to transform the market for sustainable palm oil in other ways?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues eg trade workshops industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- Others

Other:

Following our publication of the Neste Palm Oil Traceability Dashboard (www.neste.com), we have enhanced our latest 2018 suppliers transparently online with additional details of the supply chain. In the commitment of making our supply chain more transparent and sustainable, we have identified the need to work with various stakeholders to transform this supply chain. In 2019, we aim to build on our collaboration with various brands, partners, suppliers and NGOs to develop traceable and sustainable landscapes. The many aspects of these supply chain include government cooperation, independent millers and independent smallholders. For smallholders, we also have committed ourselves to cooperation projects aiming at supporting smallholders in the development of their sustainability expertise and the adoption of sustainable practices. We are, for example: - Participating in a project coordinated by the Malaysian organization Wild Asia involving smallholders producing palm oil in Malaysia. - Engaging in a smallholder project coordinated by GAR (Golden Agri Resources), SPKS (Indonesian Palm Smallholders Union), and WRI (World Resources Institute). Through developing the sustainability and traceability of smallholders' production, we aim at enabling certification of their production, which is a prerequisite for Neste's raw material sourcing from the smallholders.

10.3 Please attach or add links to any other information from your organisation on your palm oil policies and activities (e.g.: sustainability reports, policies, other public information)

<https://www.neste.com/corporate-info/news-inspiration/material-uploads/annual-reports>