

NESTE



Corporate Governance Statement 2023

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This Corporate Governance Statement has been prepared pursuant to the 2020 Corporate Governance Code, Chapter 7, Section 7 of the Securities Markets Act, as well as Section 7 of the Ministry of Finance's Decree on the Regular Duty of Disclosure of an Issuer of a Security. The Corporate Governance Statement is issued separately from the Review by the Board of Directors and it can be found, in addition to the Annual Report, at [neste.com/investors](https://www.neste.com/investors).

Regulatory framework

Neste Corporation ("Neste" or the "Company") observes good corporate governance practices in accordance with the laws and regulations applicable to Finnish listed companies, the Company's own Articles of Association, and the Finnish 2020 Corporate Governance Code. The Corporate Governance Code can be found at [cgfinland.fi/en/](https://www.cgfinland.fi/en/). Neste also complies with the rules of Nasdaq Helsinki Ltd, where it is listed, and the rules and regulations of the Finnish Financial Supervisory Authority.

Neste's Audit Committee has reviewed the Corporate Governance Statement, and the Company's Auditor, KPMG Oy Ab, has monitored that it has been issued, and that the description of the main features of the internal control and risk management related to the financial reporting process included in the statement match the Financial Statements.

Neste issues Consolidated Financial Statements and interim reports in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, the Securities Market Act, as well as the appropriate Financial Supervisory Authority standards, and Nasdaq Helsinki Ltd's rules. The Review by the Board of Directors and the Parent Company's Financial Statements are prepared in accordance with the Finnish Accounting Act and the opinions and guidelines of the Finnish Accounting Board.

Neste's governance bodies



*Marketing & Services is led through an internal board and its EVP is not a member of the Executive Committee

Governance Bodies

The control and management of Neste is split between the Annual General Meeting of Shareholders (AGM), the Board of Directors, and the President and Chief Executive Officer (President and CEO). Ultimate decision-making authority lies with the shareholders at the AGM, which appoints the members of the Board of Directors and the Auditor. The Board of Directors is responsible for Neste's

strategy and overseeing and monitoring the Company's business. The Board of Directors appoints the President and CEO. The President and CEO, assisted by the Executive Committee (ExCo), is responsible for managing the Company's business and implementing its strategic and operational targets.

Neste's headquarters is located in Espoo, Finland.

Annual General Meeting

Under the Finnish Companies Act, shareholders exercise their decision-making power at General Meetings of Shareholders, and attend meetings in person or through an authorized representative. Each share entitles the holder to one vote. Shareholders at the AGM make decisions on matters including:

- the approval of the Financial Statements;
- the distribution of profit for the year detailed in the Balance Sheet;
- discharging the members of the Board of Directors and the President and CEO from liability;
- if necessary, the approval of the Remuneration Policy;
- the approval of the Remuneration Report; and
- the election and remuneration of the Chair, the Vice Chair, and the members of the Board of Directors and the Auditor.

The AGM is held annually before the end of June. An Extraordinary General Meeting of Shareholders addressing specific matters can be held when considered necessary by the Board of Directors, or when requested in writing by the Company's Auditor or by shareholders representing at least one tenth of all Company shares.

Under the Articles of Association, an invitation to a General Meeting of Shareholders must be delivered to shareholders by publishing it on the Company's website neste.com no earlier than two months, and no later than three weeks, prior to a meeting, but at least nine days before the record date set for the meeting under the terms of the Companies Act. In addition, the Company may, if the Board of Directors decides, publish details on the date and time and location of the meeting, with the address of the Company's website, in one or more newspapers.

Neste is unaware of any shareholders' agreements regarding the Company's shares.

2023

Neste Corporation's Annual General Meeting (AGM) was held on 28 March 2023 at Messukeskus, Helsinki Expo and Convention Centre. The AGM supported all the proposals presented to the meeting and approved the remuneration report. The AGM adopted the Company's Financial Statements and Consolidated Financial Statements for 2022 and discharged the Board of Directors and the President and CEO from liability for 2022.

The AGM approved the Board of Directors' proposal that an ordinary dividend of EUR 1.02 per share will be paid on the basis of the approved balance sheet for 2022 plus an extraordinary dividend of EUR 0.25 per share, i.e., EUR 1.27 per share in total. It was decided to pay the ordinary dividend in two installments. In addition, in accordance with the proposal by the Board of Directors, the AGM authorized the Board to decide, at its discretion, on the payment of a second extraordinary dividend of EUR 0.25 per share by 31 October 2023. The Board expected that this discretionary second extraordinary dividend would be paid unless there was a significant deterioration in the business environment during 2023.

The AGM decided that the first installment of the ordinary dividend, EUR 0.51 per share, and the extraordinary dividend of EUR 0.25 per share, i.e., a total of EUR 0.76 per share, would be paid to shareholders registered in the shareholders' register of the Company on the record date for the dividend payment, which was 30 March 2023. It was decided that the first installment of the ordinary dividend and the extraordinary dividend would be paid on 6 April 2023.

It was decided that the second installment of the ordinary dividend, EUR 0.51 per share, would be paid to shareholders registered in the shareholders' register of the Company on the record date for the second installment of the ordinary dividend, which was 29 September 2023. It was decided that the

second installment of the ordinary dividend would be paid on 6 October 2023.

Based on the above authorization, the Board of Directors decided on 27 September 2023 on the payment of a second extraordinary dividend of EUR 0.25 per share. The second extraordinary dividend was paid to a shareholder registered in the Company's shareholder register on the record date for the payment of the second extraordinary dividend on 29 September 2023. The second extraordinary dividend was paid on 6 October 2023.

In accordance with the proposal made by the Shareholders' Nomination Board, the AGM confirmed the number of members of the Board of Directors at nine. The AGM decided the composition of the Board of Directors and the remuneration to be paid to the members of the Board of Directors, and appointed the Auditor. The AGM also approved the Board's proposals to the AGM.

Shareholders' Nomination Board

Following the proposal by the Board of Directors, the 2013 AGM decided to establish a permanent Shareholders' Nomination Board to be responsible for drafting and presenting proposals covering the remuneration and number of members of the Company's Board of Directors and for presenting candidates as potential Chair, Vice Chair, and members of the Board to the AGM and to an Extraordinary General Meeting of Shareholders when required. The Shareholders' Nomination Board is also responsible for identifying successors for existing Board Members.

The Shareholders' Nomination Board must consist of four members, three of whom are appointed by the Company's three largest shareholders, who appoint one member each. The Chair of the Company's Board of Directors serves as the fourth member.

The Company's largest shareholders entitled to elect members to the Shareholders' Nomination Board is determined annually based on the registered holdings in the Company's list of shareholders held by Euroclear Finland Ltd as of the first weekday in September in the year concerned.

The Chair of the Company's Board of Directors requests each of the three largest shareholders established on this basis to nominate one member to the Shareholders' Nomination Board. In the event that a shareholder does not wish to exercise their right to appoint a representative, the right passes to the next-largest shareholder who would not otherwise be entitled to appoint a member.

The Chair of the Board of Directors convenes the first meeting of the Shareholders' Nomination Board, which is responsible for electing a Chair from among its members; the Shareholders' Nomination Board's Chair is responsible for convening subsequent meetings. When the Shareholders' Nomination Board has been selected, the Company issues a release to this effect.

The Shareholders' Nomination Board serves until further notice unless a General Meeting of Shareholders decides otherwise. Its members are appointed annually, and their term of office ends when new members are appointed to replace them.

The Shareholders' Nomination Board forwards its proposals for the AGM to the Company's Board of Directors annually by 31 January, prior to the holding of the AGM. Proposals intended for a possible Extraordinary General Meeting of Shareholders are forwarded to the Company's Board of Directors in time for them to be included in the invitation to the meeting sent out to shareholders.

Composition of the Shareholders' Nomination Board prior to the 2024 AGM

On 6 September 2023 the following members were appointed to Neste's Shareholders' Nomination Board: the Chair, Senior Ministerial Adviser, Financial Affairs Maija Strandberg of the Ownership Steering Department in the Prime Minister's Office of Finland; Timo Sallinen, Senior Vice President, Investments of Varma Mutual Pension Insurance Company; President and CEO Jouko Pölönen of Ilmarinen Mutual Pension Insurance Company; and Matti Kähkönen, Chair of Neste's Board of Directors.

Activities

The Shareholders' Nomination Board makes proposals for the next AGM concerning the following:

- the number of members of the Board of Directors;
- the Chair, the Vice Chair and the members of the Board of Directors; and
- the remuneration to be paid to the Chair, the Vice Chair and the members of the Board of Directors.

The nomination process of the Shareholders' Nomination Board, its composition, and activities are detailed in its Charter.

Shareholders' Nomination Board members

Maija Strandberg

M.Sc. (Econ.),
Chair of the Shareholders' Nomination Board.
Born in 1969

Senior Ministerial Adviser, Financial Affairs of the Ownership Steering Department in the Prime Minister's Office of Finland.¹⁾ Member of the Board and Audit Committee of SSAB Ab. Member of the Board, Audit and Risk and People and Remuneration Committee of Fortum Oyj. Member of the Nomination Committee of Kuntarahoitus Oyj.

Holdings in Neste Corporation on 31 December 2023: 00 holdings.²⁾
Prime Minister's Office:
340,107,618 shares.³⁾

Timo Sallinen

M.Sc. (Econ.),
Member of the Shareholders' Nomination Board.
Born in 1970

Senior Vice President, Investments of Varma Mutual Pension Insurance Company. Member of the Shareholders' Nomination Board of Nordea, Nokian Renkaat, Finnair, Alma Media, Atria, Raisio, Robit and Vincit.

Holdings in Neste Corporation on 31 December 2023: 00 holdings.²⁾
Varma Mutual Pension Insurance Company
13,081,622 shares.³⁾

Jouko Pölönen

eMBA, M.Sc. (Econ. & Bus. Adm.),
Member of the Shareholders' Nomination Board
Born in 1970

President and CEO, Ilmarinen Mutual Pension Insurance Company. Member of the Board of Directors of Nokian Tyres plc. Member of the Board of Directors of the Finnish Pension Alliance TELA. Chair of the Board of the Finnish Foundation for Share Promotion. Member of the Board of Directors of Excellence Finland Ltd. Member of the Board of Directors of Finance Finland FFI.

Holdings in Neste Corporation on 31 December 2023: 2,400 shares.²⁾
Ilmarinen Mutual Pension Insurance Company
9,357,202 shares.³⁾

Matti Kähkönen

M.Sc. (Engineering),
Member of the Shareholders' Nomination Board.
Born in 1956

Senior Advisor, Metso Corporation 2017–2019. Chair of the Board of Neste Oyj. Chair of the Board of Directors at Kemira. Chair of Neste's Personnel and Remuneration Committee.

Holdings in Neste Corporation on 31 December 2023: 13,945 shares.²⁾

Holdings in Neste Corporation on 31 December 2023:

¹⁾ Director General, Prime Minister's office, ownership steering department as of 1 February 2024

²⁾ Own holdings and controlled entities.

³⁾ Shareholder's holdings represented by the member of the Shareholders' Nomination Board.

The Shareholders' Nomination Board convened 9 times between 31 January 2023 and 31 January 2024, and the members of the Shareholders' Nomination Board attended each meeting as follows:

	Attendance
Maija Strandberg	9/9
Timo Sallinen	9/9
Jouko Pölönen	9/9
Matti Kähkönen	9/9

Decisions on the proposals for the 2024 AGM were made by the members of the Shareholders' Nomination Board in a manner set out in more detail in the stock exchange release published on 31 January 2024.

Composition of the Shareholders' Nomination Board prior to the 2023 AGM

On 6 September 2022, the following members were appointed to Neste's Shareholders' Nomination Board: the Chair, Director General Kimmo Viertola of the Ownership Steering Department in the Prime Minister's Office of Finland; Timo Sallinen, Senior Vice President, Investments of Varma Mutual Pension Insurance Company; President and CEO Jouko Pölönen of Ilmarinen Mutual Pension Insurance Company; and Matti Kähkönen, the Chair of Neste's Board of Directors. As of 23 December 2022, Senior Ministerial Adviser, Financial Affairs Maija Strandberg of the Ownership Steering Department in the Prime Minister's Office of Finland, was appointed as the Chair.

The Shareholders' Nomination Board convened 10 times between the 2022 AGM and 31 January 2023. The Shareholders' Nomination Board presented its proposal covering the members of the Board of Directors on 27 January 2023.

Board of Directors

Under the Company's Articles of Association, the Board of Directors consists of five to ten members elected at the Annual General Meeting for a term ending at the following AGM.

Diversity of the Board of Directors

In planning the composition of a skilled, competent, experienced, and effective Board of Directors, the Shareholders' Nomination Board also follows the following diversity principles defined by the Company. A cooperative and functional Board of Directors requires diversity for it to be able to respond to the requirements set out in Neste's business and strategic objectives and to support and challenge the company's operational management proactively and constructively.

Significant factors concerning the composition of the Board of Directors include a variety of competences that complement the other members of the Board, education and experience in different professional and industrial fields, and in business operations and management in different development phases, as well as the personal qualities of each member, all of which add diversity to the Board of Directors. The diversity of the Board of Directors is also supported by experience in industrial fields and markets that are strategically significant for Neste, experience and abilities in technologies and the international operating environment, and by a diverse age and gender distribution so that both genders are always adequately represented in the Board of Directors. In considering the composition of the Board of Directors, it is important to pay attention to Neste's current and evolving needs, and to ensure that the Board of Directors, as a whole, enables the current and future business development of Neste, which diversity also supports.

Neste's Board of Directors was composed of nine members after the 2023 AGM. Jari Rosendal served on Neste's Board of Directors until 31 July 2023, after which Neste's Board of Directors consisted of eight members. All the Board of Directors' members hold a university-level degree, and one has a doctorate. These degrees are from various fields, with technical fields and economics in the majority. A majority of members of the

Board of Directors has international work experience in different types of positions and has worked or is working in the Board of Directors or the management of listed or unlisted companies. Two members have worked in managerial positions at major international petrochemical companies. The Board of Directors is also diverse in terms of cultural background: the members come from three different countries and speak four different native languages. Women comprise 25% of all members of the Board of Directors. Regarding age, the members of the Board of Directors are divided evenly between 50 and 67 years of age. The duration of the terms of office of the Board members is divided as follows: Three members have been on the Board of Directors for three or more years, while five members have been on the Board of Directors for less than three years.

Activities of the Board of Directors

The Board must have at least eight regular meetings annually, all scheduled in advance, with extraordinary meetings when necessary. Extraordinary meetings, if requested by a Board Member or the President and CEO, are convened by the Chair, or, if the Chair is prevented from attending, by the Vice Chair, or if deemed necessary by the Chair. The Board constitutes a quorum if more than half its members are present. The Board is responsible for preparing an operating plan for itself for its period of office between Annual General Meetings, including a timetable of meetings and the most important matters to be addressed at each meeting. The Board evaluates its performance annually to determine whether it is functioning effectively after the end of each financial year.

Duties of the Board of Directors

The Board's responsibilities and duties are defined in detail in the [Charter](#) approved by the Board. A member of the Board of Directors may not take part in decision making in matters regarding (i) agreements between such member and any entity within the Neste Group, (ii) agreements between any entity within the Neste Group and third parties where such a member has a material interest in the matter which may conflict with the

interests of Neste or any other entity within the Neste Group, and (iii) agreements between any entity within the Neste Group and a legal entity at which such member may represent, either individually or with any other person; provided however, that this point (iii) does not apply where the party contracting with Neste is a company within the Neste Group. The term "agreement" as used here includes litigation or other legal proceedings arising from or related to such agreements.

2023

The 2023 AGM confirmed the membership of the Board of Directors at nine members, and the following were re-elected to serve until the end of the next AGM: Matti Kähkönen; John Abbott; Nick Elmslie; Just Jansz; Jari Rosendal; Eeva Sipilä; and Johanna Söderström. Heikki Malinen and Kimmo Viertola were elected as new members. Matti Kähkönen was re-elected as Chair, and Eeva Sipilä was elected as Vice Chair. Jari Rosendal served on Neste's Board of Directors until 31 July 2023, after which Neste's Board of Directors consisted of eight members.

The Board convened 10 times in 2023. The attendance rate at the meetings was 97.6%.

In 2023, the Board focused on the Company's long-term strategy by means of, e.g., the continued scale-up of the Company's renewables businesses and the expansion of the Company's renewables feedstock platform. The strategy topics also included the

gradual long-term transformation of the Company's Porvoo refinery as well as an investment in liquefied waste plastics capabilities in Porvoo. The Board also monitored the production ramp-up relating to the Singapore expansion project and the Martinez Renewables joint operation in the US as well as the on-going Rotterdam expansion project. The Board also dealt with the Company's announced plans to simplify its structure to improve efficiency, including changes in senior management. In addition to the above and matters set out in the Board Charter, the Board further supervised strategy execution, as well as evaluating the changes in the long-term operational environment and their impact on the Company's business operations. The Board continuously monitored the Company's safety, financial and operational performance, as well as risk management.

Board of Directors, 31 December 2023

	Position	Born	Education	Main Occupation	Independent of the company	Independent of major shareholders	Personnel and Remuneration Committee	Audit Committee	Attendance at meetings	
									Board	Committees
Matti Kähkönen	Chair	1956	M.Sc. (Eng.)	Non-Executive Director	•	•	•		10/10	5/5
John Abbott	Member	1960	B.Sc. (Chem. eng.)	Non-Executive Director	•	•		•	9/10	5/5
Nick Elmslie	Member	1957	B.Sc. (Chem.)	Non-Executive Director	•	•	•		10/10	4/4
Just Jansz	Member	1957	Ph.D. (Chemical Metallurgy)	Independent board member and advisor, Managing Director of Expertise Beyond Borders	•	•		•	10/10	6/6
Heikki Malinen	Member	1962	M.Sc. (Econ.)	President and CEO, Outokumpu Oyj	•	•	•		8/8	4/4
Eeva Sipilä	Member	1973	M.Sc. (Econ.), CEFA	Chief Financial Officer, Deputy to CEO, Metso Corporation	•	•		•	10/10	6/6
Johanna Söderström	Member	1971	M.Sc. (Econ.)	EVP, Chief Human Resources Officer at Tyson Foods Inc	•	•	•		10/10	4/4
Kimmo Viertola	Member	1961	M.Sc. (Econ.)	Senior Ministerial Adviser, Financial Affairs, Finnish Ownership Steering Department in the Prime Minister's Office	•			•	8/8	5/5

The shareholdings of the members of the Board of Directors are presented below their CVs. The remuneration paid to the members of the Board of Directors is detailed in the Remuneration Report.

Members of the Board of Directors



Matti Kähkönen

(born in 1956)

M.Sc. (Engineering)
Chair of the Board since 2018
Member of the Board since 2017
Independent member

Senior Advisor, Metso Corporation 2017–2019. President and CEO, Metso Corporation 2011–2017. Executive Vice President and Deputy to the CEO, Metso Corporation 2010–2011. President, Mining and Construction Technology, Metso Corporation 2008–2011. President, Metso Minerals 2006–2008. President, Metso Automation, 2001–2006. President, Metso Automation, Field Systems Division, 1999–2001. Prior to 1999, various managerial and development positions in Neles-Jamesbury and Rauma-Repola. Chair of the Board of Directors at Kemira, 2022–. Chair of the Board of Directors at the Finnish Fair Corporation 2020–2023. Chair of Neste's Personnel and Remuneration Committee.

Holdings in Neste Corporation on 31 Dec 2023: 13,945 shares.¹⁾



John Abbott

(born in 1960)

B.Sc. First Class Honours, Chemical Engineering
Member of the Board since 2021
Independent member

Downstream Director and a Member of the Executive Committee of Royal Dutch Shell plc, 2013–2019. Executive Vice President of Global Manufacturing at Shell, 2012–2013. Executive Vice President of Shell's Upstream Americas Heavy Oil business, based in Calgary, Canada, 2008–2012. Vice President Manufacturing (Refining and Chemicals) Excellence and Support at Shell based in Houston, USA, 2006–2008. Various positions at Shell in the UK, Singapore, Thailand, The Netherlands, Canada, and the USA, predominantly in the areas of Global Manufacturing (Refining and Chemicals) as well as Supply, Trading and Distribution, 1981–2006. In 1994, he was also seconded to the British Government for a short assignment. Non-Executive Director of Fiat Chrysler Automobiles 2018–2021. Senior Non-Executive Director of the Intercontinental Exchange (ICE) Futures Europe 2021–. Non-Executive Director of ICE Clear Europe 2023–. Advisor and participant at Mobility Impact Partners (MIP) 2020–. Member of Neste's Audit Committee.

Holdings in Neste Corporation on 31 Dec 2023: 784 shares.¹⁾



Nick Elmslie

(born in 1957)

B.Sc. (Chemistry)
Member of the Board since 2020
Independent member

Chief Executive, BP Global Petrochemicals based in Shanghai 2011–2015. Controller, Head of Finance Function, BP Downstream 2006–2011. Various directorial positions at BP plc., including Chief Executive, Acetyls Business and Business Unit Leader, Head of Chemicals Strategy and CFO, Polymers & Olefins 1992–2006. Various positions at BP plc 1978–1992. Member of the Board and Investor at 3FBio Ltd 2017–, Chair 2023–. Member of the Supervisory Board of OTI Greentech AG 2017–. Member of the Board of Fosroc Group Holdings Limited 2009–. Member of Neste's Personnel and Remuneration Committee.

Holdings in Neste Corporation on 31 Dec 2023: 2,784 shares.¹⁾



Just Jansz

(born in 1957)

Ph.D. (Chemical Metallurgy), M.Sc. (Mineral Engineering)
Member of the Board since 2022
Independent member

Independent board member and advisor 2011–. Managing Director of Expertise Beyond Borders 2011–. President Technology Business, Basell / LyondellBasell 2004–2010. Senior Vice President, Advanced Polyolefins, Basell 2001–2004. Various managerial positions at Shell affiliate companies 1989–2000. Member of the Board at Circular Plastics NL (Dutch National Growth Fund) 2022–2023. Member of Neste's Audit Committee.

Holdings in Neste Corporation on 31 Dec 2023: 784 shares.¹⁾

¹⁾ Holdings in Neste Corporation: own holdings and controlled entities.

Members of the Board of Directors



Heikki Malinen
(born in 1962)

M.Sc. (Econ.), MBA (Harvard)
Member of the Board since 2023
Independent member

President and CEO, Outokumpu Oyj 2020–. President and CEO, Posti Group Corporation 2012–2019. President and CEO, Pöyry PLC 2008–2012. Executive Vice President, Strategy, member of the Executive Team, UPM-Kymmene Corporation 2006–2008. President, UPM North America 2004–2005. President of Sales, UPM North America 2002–2003. Managing Partner, Jaakko Pöyry Consulting, New York, USA 2000–2001. Several directorial and managerial roles at ie. McKinsey & Co and UPM 1986–1999. Vice Chair, EK, Confederation of Finnish Industries 2023–. Vice Chair, Technology Finland 2023–. Member of Neste's Personnel and Remuneration Committee.

Holdings in Neste Corporation on 31 Dec 2023: 857 shares.¹⁾



Eeva Sipilä
(born in 1973)

M.Sc. (Econ.), CEFA
Vice Chair of the Board since 2023
Member of the Board since 2022
Independent member

Chief Financial Officer, Deputy to CEO, Metso Corporation 2016–, (Metso Outotec Corporation 2020–2023). Executive Vice President, Chief Financial Officer, Cargotec Corporation 2008–2016. Senior Vice President, Communications and Investor Relations, Cargotec Corporation 2005–2008. Various positions at Metso Corporation, Mandatum Stockbrokers part of Sampo Group and Arkwright AB 1997–2005. Supervisory Board Member, Varma, 2021–. Chair of Neste's Audit Committee.

Holdings in Neste Corporation on 31 Dec 2023: 1,900 shares.¹⁾



Johanna Söderström
(born in 1971)

M.Sc. (Econ.)
Member of the Board since 2020
Independent member

Executive Vice President, Chief People Officer at Tyson Foods Inc. 2020–. Senior Vice President, Chief Human Resources Officer at the Dow Chemical Company 2014–2019. Vice President, Center of Expertise Human Resources at the Dow Chemical Company 2012–2014. Various directorial HR positions at Dow Chemical Company, Dow Europe GmbH and Dow Chemical Handels- und Vertriebsgesellschaft mbH 2007–2012. Head of Global Compensation & Benefits at Huhtamäki Oyj 2006–2007. Various specialist and managerial positions at Dow Europe GmbH, Dow Chemical Handels- und Vertriebsgesellschaft mbH and Dow Suomi Oy 1999–2006. Prior to 1999, various specialist positions at Oy L M Ericsson Ab. Member of Neste's Personnel and Remuneration Committee.

Holdings in Neste Corporation on 31 Dec 2023: 3,784 shares.¹⁾



Kimmo Viertola
(born in 1961)

M.Sc. (Econ.)
Member of the Board since 2023
Non-independent member of the company's significant shareholder (the State of Finland)

Senior Ministerial Adviser, Financial Affairs, Finnish Ownership Steering Department in the Prime Minister's Office 10/2023–. Director General, Finnish Ownership Steering Department in the Prime Minister's Office 10/2018–10/2023. Senior Ministerial Adviser, Financial Affairs, Finnish Ownership Steering Department in the Prime Minister's Office 1–10/2018. Director, Finnish Industry Investment Ltd (FII) 1998–2017. Director, Price Waterhouse 1995–1998. Several managerial and analyst roles, Industrialisation Fund of Finland, FennoScandia Bank and Skopbank Group 1987–1994. Chair of the Nomination Committee, Finnair 2023–. Member of the Nomination Committee, SSAB 2021–. Board member and member of the Nomination and Remuneration Committee, Fortum 2022–2023. Deputy Chair of the Bureau, OECD Working Party on State Ownership and Privatisation Practices 2020–. Member of Neste's Audit Committee.

Holdings in Neste Corporation on 31 Dec 2023: 410 shares.¹⁾

Other Board members during 2023

Martina Flöel
(born in 1960)
M.Sc. (Chemistry), Ph.D. (Chemistry)
Member of the Board since 2017
Independent member
– Member of the Board until 28 March 2023

Marco Wirén
(born in 1966)
M.Sc. (Econ.)
Vice Chair of the Board since 2019
Member of the Board since 2015
Independent member
– Member of the Board until 28 March 2023

Jari Rosendal
(born in 1965)
M.Sc. (Eng.)
Member of the Board since 2018
Independent member
– Member of the Board until 31 July 2023

¹⁾ Holdings in Neste Corporation: own holdings and controlled entities.

Board Committees

The Board has established an Audit Committee, which has five members, and a Personnel and Remuneration Committee, which has four members. A quorum exists when more than two members, including the Chair, are present. All members are elected from among the members of the Board for a one-year term. The tasks and responsibilities of each committee are defined in their Charters, which are approved by the Board. The schedule and frequency of committee meetings are determined by the Chair and committee members. In addition, the Board of Directors can appoint committees as needed, for example, for significant investment projects or other special tasks. Committees meet at least twice a year. Each committee reports regularly on its meetings to the Board. Reports include a summary of the matters addressed and the measures undertaken. Each committee conducts an annual self-evaluation of its performance and submits a report to the Board.

Audit Committee

Under its Charter, the Audit Committee consists of a minimum of three Board members who are independent of the Company and its subsidiaries, and at least one of whom must be independent of Neste's major shareholders. Members are required to have sufficient knowledge of accounting practices and the preparation of financial statements and other qualifications that the Board deems necessary. The Audit Committee is permitted to use external consultants and experts when deemed necessary.

Duties

The responsibilities and duties of the Audit Committee are defined in detail in the [Charter](#) approved by the Board.

2023

Starting from 28 March 2023, the Audit Committee comprised Eeva Sipilä (Chair), John Abbott, Just Jansz, Jari Rosendal and Kimmo Viertola. In 2023, the Audit Committee convened six times, and the attendance rate was 100%. Jari Rosendal served on Neste's Audit Committee until 31 July 2023 after which Neste's Audit Committee consisted of four members.

As part of the tasks specified in its Charter, the Audit Committee supervised and reviewed during 2023 external and internal audit activities, and the Company's financial and other reporting. The Audit Committee also focused on risk and compliance management, including in relation to financial, market and geopolitical risks, but also certain other risk areas such as IT systems and cybersecurity. The Audit Committee also monitored, e.g., legal and tax matters, as well the Company's readiness for upcoming sustainability reporting requirements.

Personnel and Remuneration Committee

The Personnel and Remuneration Committee consists of the Chair of the Board and at least two non-executive members of the Board.

Duties

The responsibilities and duties of the Personnel and Remuneration Committee are defined in detail in the Charter approved by the Board.

2023

Starting from 28 March 2023, the Personnel and Remuneration Committee comprises Matti Kähkönen (Chair), Nick Elmslie, Heikki Malinen and Johanna Söderström. The Personnel and Remuneration Committee convened five times in 2023, and the attendance rate was 100%.

During 2023, the Personnel and Remuneration Committee continued to focus on reviewing and developing Neste's total remuneration and talent management and development to support the Company's operational and strategic targets. In line with the duties in its Charter, the Personnel and Remuneration Committee also followed up the ongoing performance period 2023 and outcomes of rewarding based on 2022 results. In addition, the Personnel and Remuneration Committee followed up the personnel engagement level based on the Company's Forward survey and Pulse survey results.

President and CEO

Neste's President and CEO, Matti Lehmus (b. 1974, eMBA, M.Sc., Chemical Technology and Polymer Technology), manages the Company's business operations in accordance with the Finnish Companies Act and instructions issued by the Board of Directors. The President and CEO oversees the executive management of the Company in accordance with instructions and orders given by the Board of Directors, and is responsible for ensuring that the Company's accounts are in compliance with the law, and that its financial affairs have been reliably arranged.

The President and CEO is appointed by the Board of Directors, which evaluates the performance of the President and CEO annually and approves his remuneration based on a proposal from the Personnel and Remuneration Committee. Information about the remuneration of the President and CEO can be found in the [2023 Remuneration Report](#).

Executive Committee

The Executive Committee assists the President and CEO in managing the Company and in the deployment of the Company's strategic and operational goals. Members are appointed by the Board of Directors. The Executive Committee meets regularly, on average once a month. Information about the remuneration of the members of the Executive Committee can be found at [neste.com](#).

2023

The Executive Committee had 12 meetings during the year. It also met regularly outside such meetings in relation to specific themes.

In addition to supporting the President and CEO in the fulfillment of his general duties, the Executive Committee continued during 2023 to work on the development and execution of the Company's strategy aiming for global leadership in renewable and circular solutions. In such a context, the strategic focus areas included the continued scale-up of the Company's renewables businesses, as well as the expansion of the Company's renewables feedstock platform. The Executive Committee also focused on the expansion of the production capabilities, including the production ramp-up relating to the Singapore expansion project and the Martinez Renewables joint operation in the US as well as the on-going Rotterdam expansion project. The gradual long-term transformation of the Company's Porvoo refinery as well as an investment in liquefied waste plastics capabilities in Porvoo were also on the agenda of the Executive Committee. In addition, several other matters were given special attention during the year, including efficiency improvement initiatives, IT and cybersecurity matters, data and digitalization matters as well as the Company's readiness for upcoming sustainability reporting requirements. The Company's safety, financial and operational performance, as well as sustainability, risk and compliance matters, were regularly monitored by the Executive Committee.

Members of the Executive Committee



Matti Lehmus

(born 1974)

President and CEO,
Chair of the Executive Committee
eMBA, M.Sc.
(Chemical Technology and Polymer Technology)
President and CEO since 2022

Joined the company in 1998. Previously responsible for the Renewables Platform 2019–2022 and for the Oil Products business area 2014–2019. Has also served as Executive Vice President of the Oil Products and Renewables business area 2011–2014, Executive Vice President of the Oil Products business area 2009–2010, Vice President of the Base Oils business in the Specialty Products Division 2007–2009, Vice President of Oil Refining Business Development in 2007 and Gasoline Exports and Trading Manager 2004–2007 in the Oil Refining Division. Member of the National Emergency Supply Council 2018–.

Holdings in Neste Corporation on 31 Dec 2023:
26,182 shares.¹⁾



Katja Wodjereck

(born 1976)

Executive Vice President,
Renewable Products business unit
eMBA, M.Sc. (Business Administration,
European Business Management)
Member of the Executive Committee since 1 April 2023

Joined the company 1 April 2023. Responsible for the Renewable Products business unit. Previously responsible for the Renewable Road Transportation business unit 4–10/2023. Served as an acting Executive Vice President for Renewable Polymers and Chemicals 8–10/2023. Previously served as the President D/A/CH, Italy and Commercial Director, Industrial Solutions EMEA in Switzerland 2022–2023, Commercial Director EMEA, Industrial Solutions in Switzerland 2018–2021, Commercial Director EMEA, Energy and Microbial Technologies, Dow Europe GmbH in Switzerland 2017–2018, Sales Director Northern Europe, Packaging & Specialty in Belgium 2015–2017, Product Manager, Packaging & Specialties Plastics EMEA in Switzerland 2012–2015, Asset Manager Polyethylene (LDPE, LLDPE) for Latin America in Brazil 2011–2012, and several managerial positions in Dow Chemical 2002–2010. Member of the Board of EPCA The European Petrochemical Association 2018–. Member of the Board of American Chamber of Germany (Amcham) 2022–. Member of the Board of Management, Member of the Executive Committee, Chair of the Sustainability Advisory Forum of Cefic (European Chemical Industry Council) 2023–.

Holdings in Neste Corporation on 31 Dec 2023:
0 shares.¹⁾



Carl Nyberg

(born 1979)

Executive Vice President,
Renewables Supply Chain and Sustainability
M.Sc. (Economics and Business Administration)
Member of the Executive Committee since 2019

Joined the company in 2005. Responsible for Renewables Supply Chain and Sustainability. Previously responsible for the Renewables Platform unit 2022–2023 and Renewable Road Transportation business unit 2019–2022. Previously also served in various other positions at Neste, most recently as Vice President of Sales Scandinavia of the Renewable Products business area 2016–2019, Vice President, Supply, Oil Products at Neste Geneva 2014–2016 and Trading Manager, Crude Oil 2013–2014. Managing Director of Neste AB 2017–2019. Member of the Board of eFuel Alliance e.V. 2021–2023. Member of the Board of Martinez Renewables 2022–.

Holdings in Neste Corporation on 31 Dec 2023:
12,153 shares.¹⁾



Markku Korvenranta

(born 1966)

Executive Vice President,
Oil Products business unit
M.Sc. (Eng)
Member of the Executive Committee since 2021

Joined the company in 2021. Responsible for the Oil Products business unit. Previously served as SVP, Group Portfolio Development at Marquard & Bahls, in Germany 2019–2021. EVP, Base Chemicals and Member of Executive Board at Borealis in Austria 2010–2018. Before that had several directorial and managerial roles at Borealis in Austria, Finland, Denmark and Belgium 1994–2010. Has also served in various roles at Neste Chemicals in Finland 1990–1994. Member of the Board of Directors of Oiltanking in Germany 2021–.

Holdings in Neste Corporation on 31 Dec 2023:
0 shares.¹⁾

¹⁾ Holdings in Neste Corporation: own holdings and controlled entities.

Members of the Executive Committee



Martti Ala-Härkönen
(born 1965)

CFO, Executive Vice President,
Finance, Strategy and IT
Dr.Sc. (Econ.), Lic.Sc. (Tech.)
Member of the Executive Committee since 2022

Joined the company in 2022. Responsible for Finance, Strategy and IT. Previously served as Executive Vice President, Chief Financial Officer (Finance, M&A and IT) at Caverion Corporation 2016–2022, Chief Financial Officer (Finance & Development) at Cramo Plc 2006–2016, Senior Vice President, Finance and Administration (CFO) at WM-data Ltd 2004–2006, Chief Financial Officer (Finance & Development) and Senior Vice President Business Development at Novo Group Plc 1998–2004 and as Finance Manager and Corporate Finance Manager at Postipankki Plc 1995–1998. Member of the Supervisory Board of Mutual Pension Insurance Company Ilmarinen 2022–. Member of the Board of Directors of Digia Plc 2016–, Vice Chair 2023–, Chair of the Audit Committee, Member of the Nomination Committee. Member of the Board of Martinez Renewables 2022–, Chair 2023–.

Holdings in Neste Corporation on 31 Dec 2023:
6,267 shares.¹⁾



Hannele Jakosuo-Jansson
(born 1966)

Executive Vice President,
Human Resources, Safety and Communications
M.Sc. (Eng.)
Member of the Executive Committee since 2006

Joined the company in 1990. Responsible for Human Resources, Safety and Communications. Previously responsible for the Group's Human Resources, Safety and Procurement corporate functions. Served as Vice President, Human Resources at Oil Refining 2004–2005 and Laboratory and Research Manager at the Technology Center 1998–2004. Chair of the Skills and Competence Committee of the Chemical Industry Federation of Finland. Vice Chair of the Skilled Workforce Committee at the Confederation of Finnish Industries EK. Member of the Board of Directors of Finnair, Chair of the People and Remuneration Committee of the Finnair Board Plc 2021–. Directors' Institute of Finland, Senior Advisor 2023–.

Holdings in Neste Corporation on 31 Dec 2023:
38,846 shares.¹⁾



Bart Leenders
(born 1969)

Executive Vice President,
Technology and Projects
M.Sc. (Mechanical Engineering)
Member of the Executive Committee since 2023

Joined the company in 2010. Responsible for Technology and Projects. Previously responsible for Investment Management and Execution functions, including Engineering Solutions and procurement 1–10/2023. Previously also served in various other positions at Neste, most recently as Vice President, Global Production, Renewable Platform 2015–2022, Interim Managing Director, Neste Singapore 2015 and Managing Director, Neste Netherlands, Renewables Business unit 2010–2015. Before that served as Manufacturing Manager Downstream Operations, Huntsman 2005–2010. Member of the Circular Task Force of the Economic Board Zuid-Holland 2021–2023. Member of the Executing Committee of national Climate Agreement Mobility and Executing Committee of national Aviation Agreement 2018–. Chair of the Dutch Association for Sustainable Biofuels (NVDB) 2013–. Board member of Deltalinqs 2010–, Enterprise Association for Mainport Rotterdam, representing Renewables and Chair of the safety domain. Member of the Board of Martinez Renewables 2023–.

Holdings in Neste Corporation on 31 Dec 2023:
7,583 shares.¹⁾



Christian Ståhlberg
(born 1974)

General Counsel, Executive Vice President,
Legal
LL.M.
Member of the Executive Committee since 2017

Joined the company in 2017. Responsible for the Group's legal affairs and compliance. Secretary to the Executive Committee, the Board of Directors, the Audit Committee, the Shareholders' Nomination Board and to the Stakeholder Advisory Panel. Previously served as General Counsel of Rettig Group Ltd 2015–2017, Director, Legal in Pohjola Bank plc 2011–2014, Senior Legal Counsel in Neste Oil Corporation 2007–2011 and Senior Associate in Roschier Attorneys Ltd 1998–2007. Member of the Board of Directors and member of the Personnel and Responsibility Committee of Olvi plc 2023–. Member of the Legal Committee of Finland Chamber of Commerce 2020–.

Holdings in Neste Corporation on 31 Dec 2023:
7,201 shares.¹⁾

Other ExCo members during 2023

Thorsten Lange
(born 1963)
M.Sc.
Executive Vice President,
Renewable Aviation
Member of the Executive Committee from 2020 until 5 April 2023
– stepped down from the Executive Committee and left the company 5 April 2023.

Mercedes Alonso
(born 1966)
M.Sc. (Chem)
Executive Vice President,
Renewable Polymers and Chemicals
Member of the Executive Committee from 2019 until 31 July 2023
– resigned from the company as of 31 July 2023 to continue her career outside Neste.

Panu Kopra
(born 1972)
BBA, MBA
Executive Vice President,
Marketing & Services
Member of the Executive Committee from 2016 until 31 October 2023
– stepped down from the Executive Committee due to the organizational changes announced 1 November 2023.

Minna Aila
(born 1966)
LL.M.
Executive Vice President,
Sustainability and Corporate Affairs
Member of the Executive Committee from 2020 until 31 October 2023
– stepped down from the Executive Committee due to the organizational changes announced 1 November 2023.

Lars Peter Lindfors
(born 1964)
Ph.D. (Tech.), MBA
Executive Vice President, Innovation
Member of the Executive Committee from 2009 until 31 October 2023
– stepped down from the Executive Committee due to the organizational changes announced 1 November 2023.

¹⁾ Holdings in Neste Corporation: own holdings and controlled entities.

Company Auditor

The AGM elects the Auditor annually. The Auditor's term of office ends at the end of the next AGM following election.

The Auditor is responsible for auditing the Company's accounts, its financial statements and Neste's administration. The Auditor's Report covers the Consolidated Financial Statements and the Parent Company's Financial Statements, and can be found in the Financial Statements section of the Annual Report

2023

The 2023 AGM elected KPMG Oy Ab as the Company's auditor, and Authorized Public Accountant Leenakaisa Winberg acted as the auditor with principal responsibility.

The statutory audit fees in 2023 were EUR 1.6 million, and other fees charged amounted to EUR 1.1 million.

Internal Audit

Neste's Internal Audit provides independent and objective assurance and advisory services designed to add value and improve the operations of Neste. As a component in the corporate governance process, it supports the organization by bringing a systematic approach to evaluating and improving the effectiveness of governance, risk management and control processes.

Internal Audit's activities encompass objective examinations for the purpose of providing assessments to Neste's Board's Audit Committee and management of the adequacy and effectiveness of governance, risk management and control processes at Neste. The scope of Internal Audit assessments includes evaluating that risk management practices are in place, significant risks are appropriately identified and managed, key policies and guidelines exist and are documented and effectively implemented, organizational structures and governance models enable efficient decision making,

the steering system, roles and responsibilities are clear, and the results of operations and programs are consistent with established goals and objectives.

Internal Audit work is carried out based on an annual Internal Audit Plan. Neste's strategic priorities, key projects and identified risks are key elements in the audit planning process. The Vice President of Internal Audit reports periodically to the senior management and the Board Audit Committee Internal Audit's activities relative to the annual plan, including audit recommendations and action plans established by organizations aiming for the continuous improvement and mitigation of risks.

Internal Audit is also responsible for conducting special assignments on behalf of management or the Board Audit Committee. As a member of Neste's Investigation Group, the Vice President of Internal Audit participates in the investigation of suspected misconduct and breaches of Neste's policies, principles, and applicable laws and regulations. To assure an effective, efficient and value-adding process, Internal Audit actively cooperates with other Neste's assurance service functions (Corporate Risk Management, Internal Control and Compliance) and top management and shares best practices from a process and governance perspective.

Internal Audit follows the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, including the Professional Practice of Internal Auditing. The Internal Audit reports directly to the Board of Directors' Audit Committee and administratively to the President and CEO. The Board of Directors is responsible for approving the Internal Audit Charter and the annual Internal Audit Plan. The Internal Audit Charter includes the determination regarding the Internal Audit position, operational model, process and reporting lines. Internal Audit holds a non-executive meeting with the Audit Committee members and the Audit Committee Chair at least annually. The Vice President of Internal Audit is responsible for the internal audit activities specified in the Internal Audit Charter.

2023

Internal Audit performed internal audits set out in the Internal Audit Plan 2023, and reported audit results to the senior management and the Board Audit Committee. The Internal Audit function continued to strengthen cooperation with other Neste assurance functions such as compliance, risk management and internal controls with an aim of integrating activities and reporting to management. Neste's strategic investments, top risks and key business processes were the focus during 2023, including cybersecurity, privacy, the Rotterdam Capacity Growth Project and operations at Neste's foreign subsidiaries.

Compliance function

Neste is committed to high ethical standards and conducts its business and operates in compliance with applicable laws, regulations and generally accepted good corporate governance practice. Neste's Code of Conduct sets the framework for Neste's global business operations and establishes the ethical practices to guide Neste employees in their day-to-day business activities and decisions. Neste also requires suppliers and other business partners to comply with applicable laws and expects them to follow equivalent ethical business standards as stated in the Code of Conduct and further described in our Supplier Code of Conduct. More information about Neste's Code of Conduct is in [Neste's Sustainability Report](#) and on [Neste's external web pages](#).

The purpose of Neste's Compliance function is to develop, establish, facilitate and oversee compliance procedures and programs aimed at ensuring that Neste's global organizations have effective systems and processes in place for identifying, preventing, detecting and correcting non-compliance with applicable laws, regulations and Neste's internal rules. The function supports Neste's management in their responsibility for overall compliance risk management, as well as Neste's organizational unit management in their responsibilities

to identify and manage compliance risks related to their operations. The compliance function works in close collaboration with Neste's business units, functions and other internal assurance organizations, in particular the Risk Management, Internal Control and Internal Audit functions. The compliance function is headed by the Chief Compliance Officer (CCO), who reports to Neste's General Counsel. The CCO reports regularly on compliance activities to the Executive Committee and the Board of Directors' Audit Committee. Neste also has an Ethics and Compliance Committee, which oversees and steers the management of the ethics and compliance program in Neste. Reports on suspected misconduct received via the Company's externally operated reporting system and other reporting channels are investigated in accordance with applicable laws and Neste's internal Misconduct Investigation Standard. More information about the Misconduct Investigation Standard and reported suspected incidents of misconduct can be found in the NFI and Sustainability Report.

In addition to other reporting channels, Neste has an externally operated misconduct reporting system, Ethics Online, available to all Neste's internal and external stakeholders, including various actors in its supply chains. Ethics Online serves as a grievance mechanism and enables Neste's stakeholders to raise concerns related to alleged misconduct in Neste's practices. Neste's Investigation Group is responsible for evaluating and investigating such reported cases. Neste has a non-retaliation policy for concerns reported in good faith. Neste's main principles and policy followed in internal misconduct investigations is described in the Company's internal Misconduct Investigation Standard. Any irregularities or misconduct are reported regularly to the Board of Directors' Audit Committee.

Insider administration procedures

Neste complies with the EU Market Abuse Regulation (596/2014), including related regulation, as well as Nasdaq Helsinki Ltd's Insider Guideline as a minimum standard on insider matters. In addition, the Board of Directors has approved the Company's own Guidelines for Insiders.

The Company's General Counsel is responsible for the coordination and supervision of insider matters, along with the insider register manager, the insider communication manager and individuals responsible as heads of project-specific registers. All the above individuals have their own deputies. In addition, the head of each organizational unit is responsible for supervising insider matters within their organization. The Company arranges training related to the insider guidelines.

The creation and maintenance of a project-specific insider register is the responsibility of the head of such a register, who is named in the relevant project-specific insider register.

The Company has defined, as persons discharging managerial responsibilities, the members of the Board of Directors and its secretary, the President and CEO, as well as the members of the Executive Committee and its secretary. These managerial persons and their closely associated persons must report their own transactions conducted with the Company's financial instruments or financial derivatives to the Company and the Financial Supervisory Authority without delay, and no more than three business days of completing the business transaction. Reports to the Company and the Financial Supervisory Authority can be made by following the instructions on [neste.com/trading](https://www.neste.com/trading).

The Company has also named certain other persons as core persons, as they have better or more information about the Company than the market. These individuals are typically those who prepare the Company's Interim Reports and Financial Statements, persons responsible for the Company's finances, financial reporting or communication, or persons who have access to said information, as well as certain individuals in executive positions.

Persons discharging managerial responsibilities and core persons may not trade with or conduct business with the Company's financial instruments for themselves or a third party, directly or indirectly during the period from the closing date of an interim or annual accounting period to the date of publication of the interim report or financial statements for that period. The minimum period concerned is always 30 days prior to the date of publication

of the interim report or the financial statements, including the date of publication ("closed window").

The Company also maintains a project- or event-specific list of insiders for all individuals that have access to insider information and who are employed by the Company or otherwise perform tasks that provide them with access to insider information. Individuals who participate in the development and preparation of projects or events that involve insider information, such as mergers and acquisitions, are considered project- or event-specific insiders. Project-specific insiders may not trade or conduct other business using the Company's financial instruments during the project.

Related party transactions

Neste has identified its related parties, and it is regularly engaged in transactions with some of these parties. These transactions relate to the Company's normal business operations and are in line with the purpose of the company and executed on market or market equivalent terms and practices generally observed and accepted within the industry in question.

The related party transactions are monitored in cooperation with Finance and Legal functions as a part of the Company's normal reporting and control procedures. The Board of Directors is responsible for overseeing the processes established for monitoring related party transactions. Information about material transactions concluded between the Company and its related parties is disclosed annually in the notes on the Company's consolidated financial statements. When required under the applicable laws and regulations, material transactions conducted with related parties are also published via a stock exchange release.

Internal controls

The objective of internal controls at Neste is to provide reasonable assurance concerning the reliability of the financial reporting and the preparation of the financial statements. Additionally, internal controls support the business in the achievement of its operational and strategic objectives by acting as performance accelerators in business processes.

The system of internal controls at Neste is based on the Committee of Sponsoring Organizations framework (the "COSO framework," 2013).

Neste's internal control requirements are defined in the Neste Internal Control Principle, Access Risk Management Principle and related standards.

The Neste Internal Control function leads Group-wide control development and monitors the internal controls throughout Neste. The Internal Controls function provides the necessary guidance for designing and performing the controls effectively.

Control environment

The Board of Directors is responsible for ensuring that there is adequate control over the Company's accounts and finances. Responsibility for arranging this control is delegated to the President and CEO, who is required to ensure that the Company's accounts are in compliance with the law, and that its financial management has been reliably arranged.

The internal control at Neste is based on the corporate structure, whereby the operations are organized into organizational units. The heads of business units and the finance function are responsible for establishing and maintaining appropriate, up-to-date, effective and adequate controls of financial reporting. Operational management owns the risks and controls and is responsible for ensuring controls and deficiency-related corrective actions are implemented.

The Internal Control Principle emphasizes the importance of internal controls and clarifies the responsibilities of the Three Lines for establishing effective controls in business processes. Neste's values and management system containing the formal Code of Conduct are the foundation of the control environment. The President and CEO and corporate management are responsible for emphasizing the importance of ethical principles and correct financial reporting.

Risk assessment

As a prerequisite for risk assessment, the organization's objectives need to be established. With respect to financial reporting, the general objective is to have reliable reporting and ensure that transactions are recorded and reported completely and correctly. The assessment of risk includes risks related to fraud.

Additional information about risk management principles is available in the Risk Management section of the Annual Report.

Control activities

Neste control activities include instructions, guidelines and procedures to ensure that the actions identified by management to address the relevant risks are carried out effectively. The most important guidelines related to financial reporting systems and practices are documented in the Neste Internal Control Principle, Access Risk Management Principles, the Controls over Financial Reporting standard (COFR), Internal Control Process Standard, Process charts, month end workflows and detailed Finance Instructions.

Key control activities are documented in a global control catalog covering each business or financial process. Group-level policies and guidelines are documented in the Neste Management System. The control catalog is maintained in SAP GRC, the platform used for internal control management.

Information and communication

Neste corporate-level communication practices support the completeness and correctness of financial reporting. Neste personnel have access to adequate information and communication regarding accounting and reporting principles and control guidelines, including clarity on control responsibility and accountability. The main means of communicating the relevant matters for appropriate financial reporting consist of internal control training, detailed Finance Instructions containing accounting principles and guidelines for forecasting and reporting, information sessions, on-the-job training, process walk-throughs, and postings on internal channels and pages.

Neste business units prepare regular financial and management reports for the management review, including analysis of and comments on financial performance. The Executive Committee and the Board of Directors receive financial reports monthly. Interim Reports and Financial Statements are reviewed at Audit Committee meetings, and thereafter by the Board of Directors.

Monitoring

The Audit Committee oversees the Company’s finances, financial reporting, risk management, as well as the Internal Control and Internal Audit functions, as part of the Company’s corporate governance. Internal control deficiencies are communicated in a timely manner to those parties responsible for taking corrective action, and to management and the Board’s Audit Committee as appropriate.

The Internal Control function acts on behalf of the stakeholders to monitor the performance and assess the adequacy of the controls. Results are reported regularly to the Executive Committee.

Corporate Internal Audit assesses the operational model and practices of internal control over Neste’s financial reporting as part of business and process-level audits.

2023

In 2023, core business process controls and all financial process controls were recorded in the new system, SAP GRC Process Control. Neste has built a significant number of Continuous Control Monitoring automated procedures, and it will continue to look for more automation opportunities in control development.

In addition to SAP, Neste has also developed PowerBI Management Dashboards that provide holistic information about control performance, issue remediation and the segregation of duties.

The focus in 2024 will be on the completion of the framework by developing controls in the key ERP programs related to the Marketing & Services and Investment programs.

Assurance of the ESG reporting according to CSRD and double materiality requirements has been set as a high internal control priority. Work related to data and process governance, as well as the performance of control gap analysis, has already started and will be completed during 2024.

Building effective Internal Control is an ongoing process driven by strategy and control objectives

Remediation

Implementation of management actions to strengthen the control environment.

Scope

Defined based on Strategy, Regulatory requirements and Risk assessment.

Monitoring, testing and reporting

Management uses various approaches such as Continuous Control Monitoring, separate Internal Control assessments, management testing, etc. The findings are reported to relevant stakeholders.

Internal Control activity

Focus on controls over financial reporting and fraud prevention.

Control development

Define and enhance the controls. Increase control automation and continuous monitoring.

Training and communication

Neste personnel have access to adequate information regarding accounting and reporting principles and control guidelines.

Performance Management Process

Neste's Performance Management Process plays an essential role in helping the Group attain its strategic goals and reinforcing its performance-driven mindset. Neste has taken a step change in developing its performance leadership into a more agile model supporting daily operations.

Performance management comprises daily leadership, through which individuals, teams, units and the Company can achieve selected strategic priorities and develop organizational capability. Performance leadership is used to ensure that everyone knows the values and objectives of the Company, and their short- and long-term objectives, and what kind of competence is needed and developed to achieve these objectives.

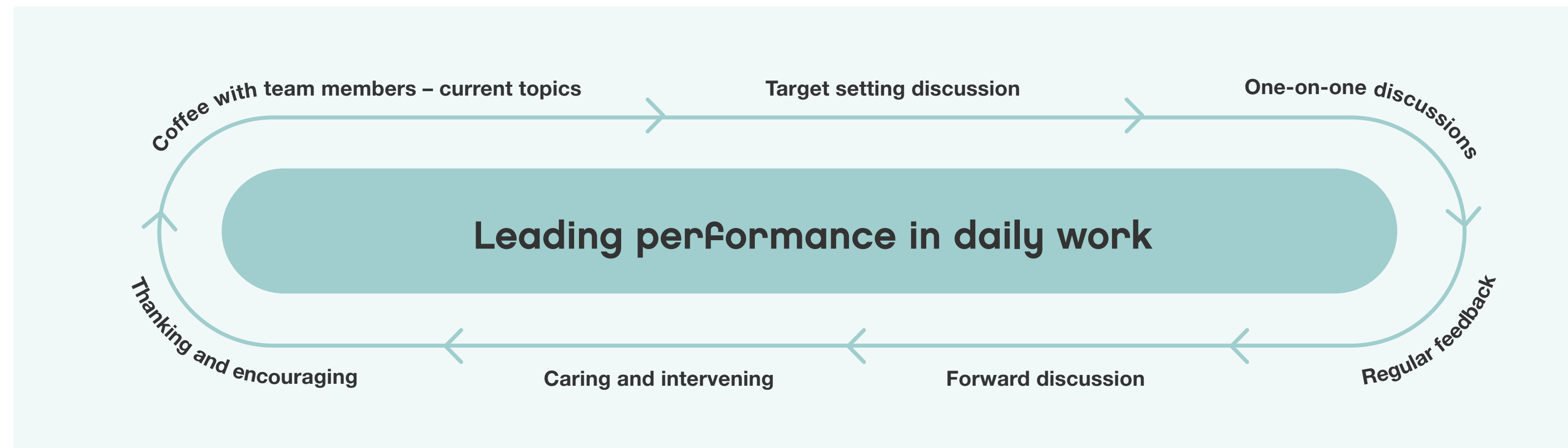
Individual and team objectives are based on Neste's strategy and way of working. There is a clear link between wellbeing at work and good leadership performance.

The key elements in the Neste daily performance leadership approach are:

- setting challenging objectives and following them through;
- supporting the achievement of objectives with regular feedback;
- evaluating one's own performance and results;
- developing ways of working and taking responsibility for one's own competence development; and
- holding regular personal development discussions and check-in discussions that support day-to-day work.

From a financial outlook and reporting perspective, the Neste Performance Management Process consists of long-term financial projections based on the strategy and Performance Planning covering the midterm (3-year) outlook. During the year, performance is evaluated in weekly Management Reporting, the monthly Business Review and the bi-annual Common Functions Review.

Financials and KPI-related information is evaluated against the strategic goals and business plans, and required actions are steered and followed throughout the year.



Performance Management Process

