



NEOT

SUSTAINABILITY 2023

Enabling energy transition

We take pride in our enabling role as a partner to our owners as they accelerate the energy transition in an industry critical to combating climate change.

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NEOT in brief

NEOT is a compact but highly knowledgeable fuel procurement and logistics company. We supply fuel products to our owners, St1 and S Group, for use in Finland, Sweden and Norway, as efficiently and sustainably as possible.

Ownership: SOK (51%) / St1 (49%)



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Core operations

Supply

We source renewable fuels globally and the majority of our fossil products come from the Nordic countries.



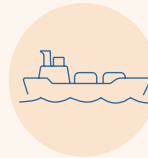
Logistics

With top-notch logistics operations, we ensure that products reach their destinations safely and on time, keeping the 'wheels of industry' turning. Safety is the top priority in all our logistics activities.



Ground transportation

Ground transportation includes road transport and railway operations. NEOT's road transport operations focus upon Finland. We collaborate with 10 reliable haulier partners who take care of our deliveries. Rail transport is used for fuel deliveries between some of our terminals in the Southern Finland region. The railway operations are managed by VR Transpoint Oy.



Shipping

NEOT is an active player in maritime transportation. Our shipping operations focus on the Baltic Sea and Norwegian coastal area, although part of the supply comes from the global market. We transport gasoline, diesel, renewable biofuels, different product components, and other refined oil products by sea to terminals in Finland, Sweden and Norway. 75 % of NEOT's shipping operations are conducted as time-chartering, while Contract of Affreightment and SPOT shipments take 25 %.



Terminals

The terminal network used by NEOT in Finland, Sweden and Norway enables the utilisation of the whole Baltic Sea region very cost-efficiently in supply operations. NEOT operates six terminals located in Hamina, Pori, Vaasa, Oulu, Varkaus, and Kuopio in Finland. Other terminals used by NEOT are cooperation terminals.

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Rays of clarity after uncertainty

For NEOT, 2023 was as a year of increased clarity even though the global geopolitical situation impacting the markets remains far from resolved or clear.

The European energy markets have steadily adapted to the new situation after the significant changes in market fundamentals resulting from the on-going war in Ukraine. In 2023, the general vibe on the market was positive even though there was still quite a lot of turbulence in the big picture due to, for example, the unstable geopolitical situation in the Middle East. At NEOT, we were able to produce a steady result and create value for our owners, St1 and S Group, to boost their efforts to push energy transition forward. During recent years, St1 has invested heavily in biogas and HVO business, and S Group in the electricity distribution network for traffic. In addition to offering an efficient and reliable fuel supply, our aim is to support our owners' efforts with our undeniable energy industry expertise.

Fostering clarity with our people

Uncertain external circumstances highlight the need for a strong understanding of the company's position, priorities, and fundamental values. In 2022, after the COVID pandemic and beginning of war in Europe, we recognised a need to clarify our purpose, strategy, values, and role in energy transition – basically, the fundamentals of our company. Therefore, in 2023, we put increased effort into fostering clarity within our people; empowering our employees with a clear sense of identity, purpose, and direction. As a result, we now have a clearer

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Clarity and stability of the regulation has a crucial role for the success of companies operating in the biofuel industry.



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shared understanding of, for example, how our operations contribute to something bigger than ourselves. You can read more about our crystallised purpose and strategy on pages 7-8.

The results of our employee satisfaction survey from 2023 underscored the positive impact of our efforts mentioned above, with a clear decrease in stress levels and a renewed sense of optimism regarding the future.

Cost of transport at the centre of political discussion

The biofuel market and demand are strongly driven by regulation. Therefore, clarity and stability of regulation has a crucial role in the success of companies operating in the industry. We have actively participated in societal discussions related to biofuel legislation for years, with the aim of ensuring a stable operating environment for industry operators and achieving emissions reductions cost-efficiently, both from the perspective of society and the environment.

The Nordic countries have been very ambitious in their emission reduction targets related to traffic; however, during recent years it has become evident that the practical tools for reducing emissions have been insufficient. 2023 was a parliamentary election year in Finland, and the cost of personal

and professional transport was heatedly discussed when preparing the governmental programme for the new parliamentary period of 2023-2027. Several items concerning the distribution obligation law determining the use of biofuels in traffic were included in the new governmental programme.

We warmly welcomed the item concerning the flexibility mechanism. The idea behind this new proposal is to create a new, efficient way to fulfill



Uncertain external circumstances highlight the need for a strong understanding of the company's position, priorities, and fundamental values.

emission reduction targets for the transportation sector. If implemented carefully, the flexibility mechanism will create an opportunity for fuel suppliers, subject to the distribution obligation, to fulfil their obligation by financing other emissions reductions. We believe that this model will bring flexibility and efficiency to reaching traffic emission reductions.

Clarified focus for sustainability work

Our approach to sustainability is founded on acknowledging that our actions have an impact on the surrounding world. We strive to take responsibility as comprehensively as possible for our impact on the people and nature within our supply chain. Based on the impact assessment begun in 2022, we defined new focus areas for our sustainability work during 2023. The focus areas form the basis for our sustainability work, and they also form a backbone

for this report. You can read more about our new sustainability focus areas on pages 14-17.

I want to thank our partners and everyone working at NEOT for a successful year. I am very happy how we succeeded to colour the year with a positive vibe despite turbulence and uncertainty still lurking around the corner.

Petri Appel
CEO

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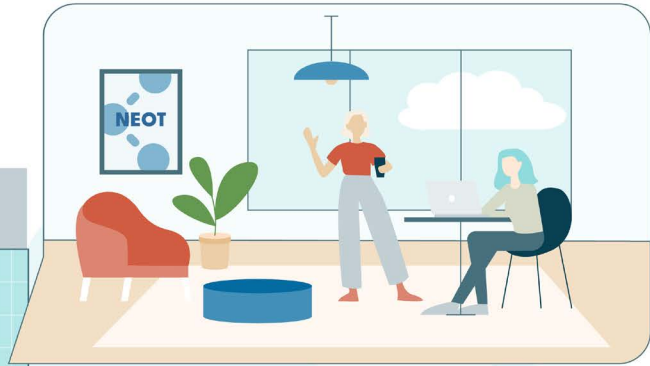
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NEOT Strategy

NEOT SPIRIT

Guides our actions

Agility • Responsibility • Expertise • Good vibes



Enabling energy transition

Enabling our owners' efforts to accelerate energy transition in an industry critical to combating climate change.



Keeping the wheels of society turning

both in normal everyday life and in more uncertain conditions.

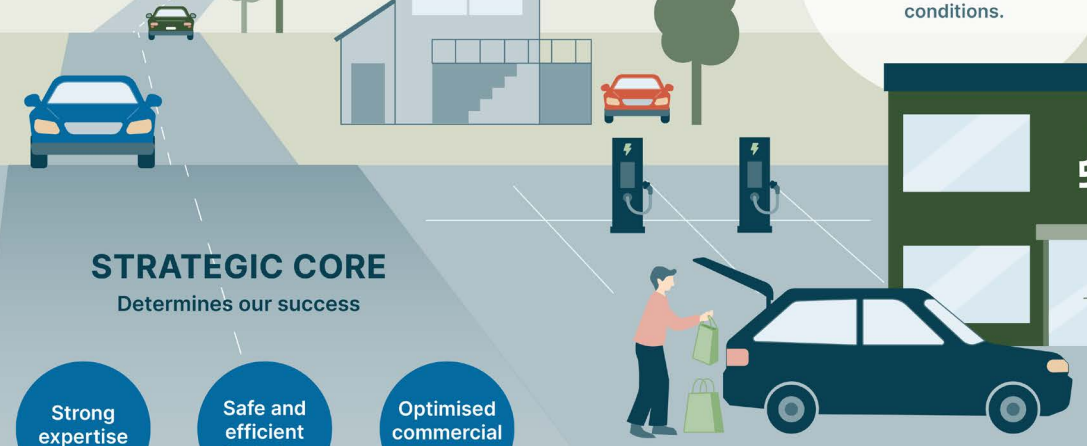
STRATEGIC CORE

Determines our success

Strong expertise

Safe and efficient logistics

Optimised commercial value



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We did not come up with anything new. We just made visible the things we were already living true at NEOT.

case

CRYSTALLISING AND REPHRASING THE ESSENCE OF NEOT

At NEOT we have a very distinctive culture which is generally well recognised and felt among the people working at NEOT. In 2022, we noticed that the culture and the perception our external stakeholders had of NEOT did not meet our internal view very well. Therefore, we decided to clarify and rephrase what NEOT is all about. In 2023, we crystallised our purpose, values, strategy as well as our role in energy transition.

Everyone at NEOT got to participate in the work through a questionnaire, which served as the basis for management workshops. Before finalising the work, the results were tested with our summer employees and our Board of Directors got a chance to give the final touches.



“Having a clearer view of what you are about always gives a deeper sense of meaning. We did not come up with anything new. We just made visible the things we were already living true at NEOT – and that is naturally the best foundation for a company identity and purpose. Externally, the most visible result of this work was our renewed homepage: www.neot.fi”, says Milla Kaikuluoma, Director, Sustainability, Comms and People Development at NEOT.

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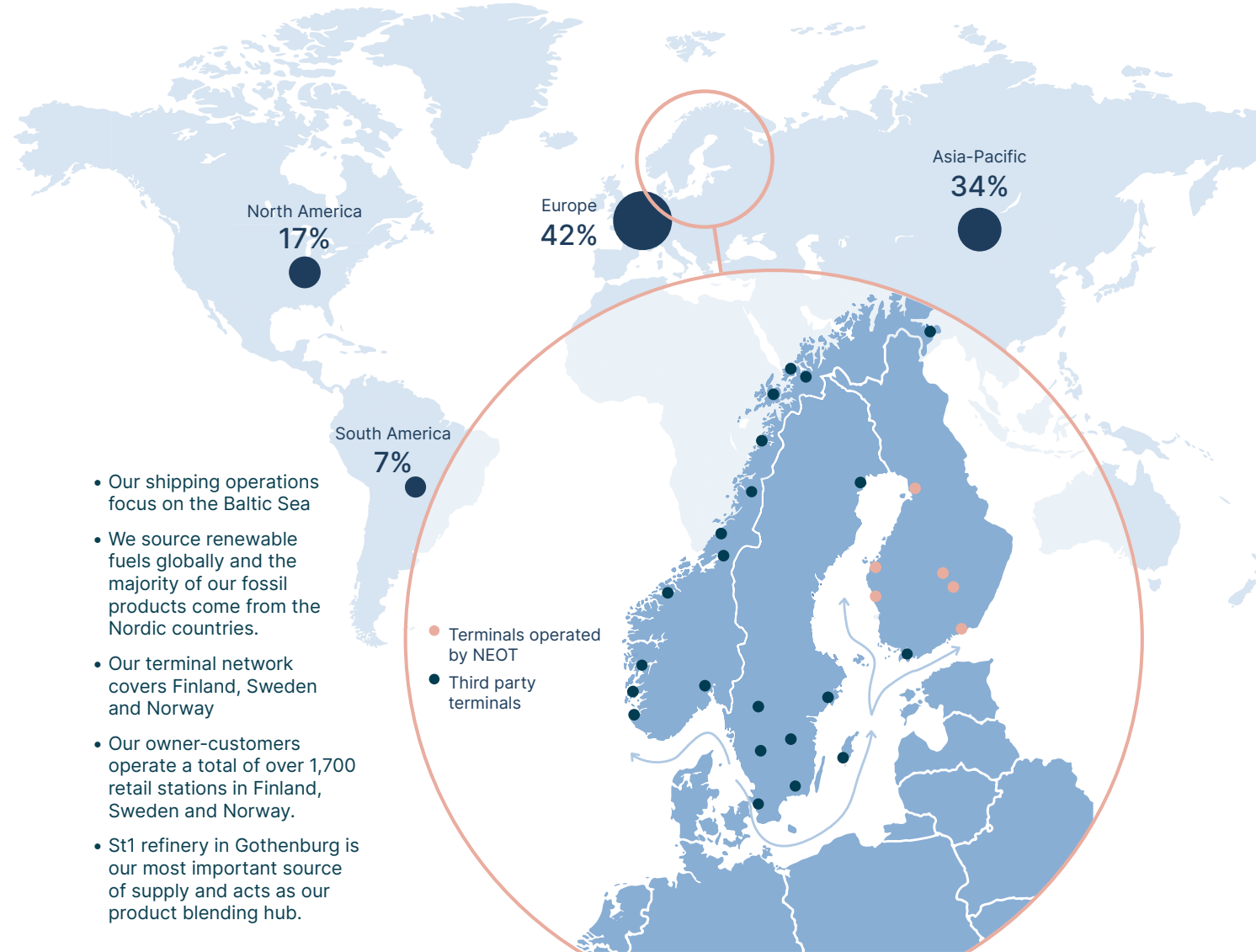
NEOT Culture

Origin of renewable feedstocks by region 2023

Supply 2023

NEOT's core mission is to source high-quality fuels and supply them to its owners S Group and St1. We source the majority of our fossil-based oil products from refineries located in the Baltic Sea region, mainly in Finland, Sweden, Denmark and Norway. Our most important source of procurement is St1's refinery in Gothenburg, Sweden, from which the fossil products we procure cover around half of NEOT's total supplied fossil products. Gothenburg also serves as a blending hub for the final products we supply.

Renewable fuels are sourced globally. We ensure that the renewable fuels we supply are traceable and fully compatible with the required regulations in the markets where we operate.



- Our shipping operations focus on the Baltic Sea
- We source renewable fuels globally and the majority of our fossil products come from the Nordic countries.
- Our terminal network covers Finland, Sweden and Norway
- Our owner-customers operate a total of over 1,700 retail stations in Finland, Sweden and Norway.
- St1 refinery in Gothenburg is our most important source of supply and acts as our product blending hub.

● Terminals operated by NEOT
● Third party terminals

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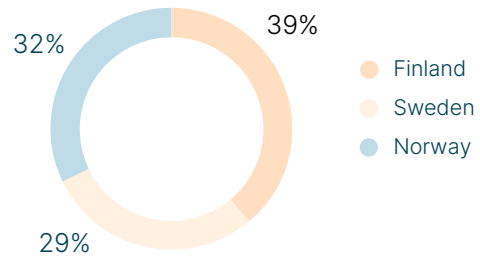
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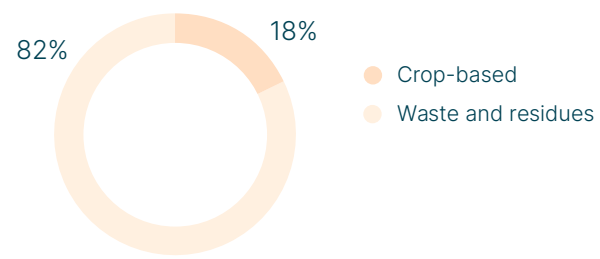
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Supply by countries, %

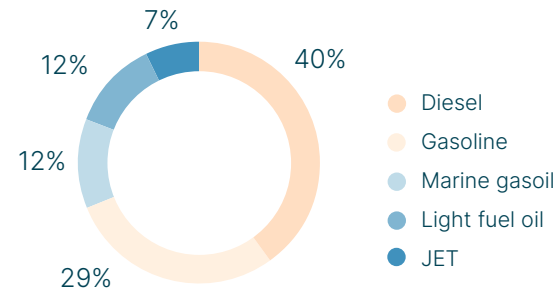


Supplied renewable fuels by feedstock category, %

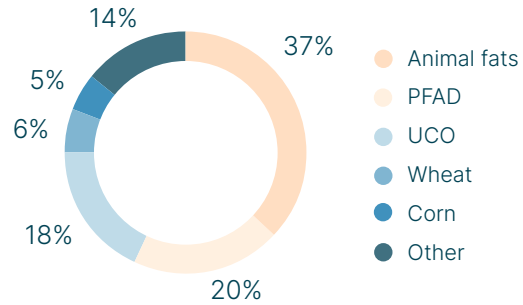


Supplied fuels by product category, %

(incl. fossil and renewable products)

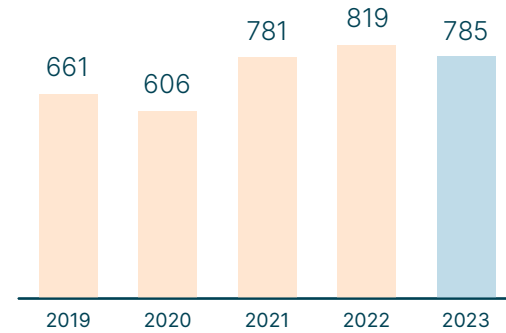


Feedstock breakdown of renewable fuels, %



Volume of sold renewable fuels,

million litres



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Neot Spirit

NEOT Spirit embodies the unique culture cultivated in our day-to-day work.

This distinctive atmosphere not only draws individuals in but also adds a compelling dimension to our tasks. It's crucial to note that NEOT Spirit didn't emerge out of nowhere; it was crafted organically from within, involving the collective efforts of our entire staff. Our values are reflected in our daily activities, going beyond mere words on strategy papers. In order to further develop the realisation of NEOT Spirit, and recognising the need for leadership development in 2023, a project was initiated to translate the principles of NEOT Spirit into leadership principles. The aim is to ensure consistent and high-quality leadership throughout the organisation, so that every individual experiences the same level of excellence. True to the NEOT culture, this project is being planned collaboratively, involving team leaders. The same principles derived from NEOT Spirit will be applied uniformly to the entire staff.

case

NEOT DAYS BRINGS ALL NEOTEES TOGETHER TO EXCHANGE THOUGHTS AND HAVE FUN

NEOT is all about expertise, people and good vibes. This is also the core of NEOT Days, an annual off-site get-together gathering all neotees around the table to discuss important topics and have fun together. Organised since the early days of the company, NEOT Days have become an eagerly anticipated tradition for the entire personnel.

Every year, NEOT Days take place in a different location, and the topics discussed are usually related to strategy, changes in the business environment, and important projects impacting the entire company or people development. In 2023, the agenda focused on NEOT's strategy and increasing professional self-knowledge.



"NEOT Days 2023 was a special treat for us as it took place in Lapland to celebrate NEOT's 20th anniversary. I am very happy that there was no need to overthink how we can engage and excite people about NEOT Days; enthusiasm and a positive atmosphere seemed to arise naturally and spontaneously. This encapsulates the essence of NEOT Spirit. Even though times and people's preferences change over time, I believe that NEOT Days will persist to be an uplifting event fostering good vibes and joy at NEOT!" says Petri Appel, CEO, NEOT.

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AGILITY

gives us a head start

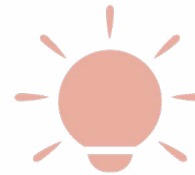
We prefer to do and decide on things today, rather than wait until tomorrow. If something isn't working, we're not afraid to change it. We face change with courage and do whatever is required in a prompt manner. Our principle in respect to decision-making is simple: the best argument wins regardless of who presents it.



RESPONSIBILITY

brings us to do our best

We acknowledge our actions have an impact on the world around us. As individuals, we take responsibility for our own actions and, as a company, for the effects we have on people and the environment throughout our supply chain. We want to act in a way that allows us to take pride in both our own actions as well as our work at NEOT.



EXPERTISE

is our bedrock

Strong expertise offers us a solid foundation, even in challenging situations, and enables us to find cost-efficient solutions. We look at things holistically, without letting team boundaries restrict us. We are ready to share our expertise for the benefit of others, both with our own people and owners as well as with society at large.



'GOOD VIBES'

makes us stronger

We get our energy from each other. At NEOT, success is not achieved through blood, sweat, and tears, but rather through well-being, meaningfulness, and cheerful cooperation. Everyone is encouraged to grow and take responsibility.

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Our approach

We are committed to delivering fuels to our owner-customers sustainably and efficiently. We want to operate in a way that allows us to take pride both in our activities and our role as a societally significant player in an industry which places particular importance on addressing climate change.

The most important identified impacts serve as the basis of our sustainability work

We acknowledge that our operations have an impact on the world around us, and strive to take responsibility as comprehensively as possible for our impact on people and nature within our supply chain. Deepening our understanding of the direct impact of our operations, as well as the indirect and aggregated impact we contribute to through our value chains, is at the core of our sustainability work. We strive to eliminate or mitigate our negative impact and support the positive. We direct our effort to the areas where we estimate we can make the biggest difference.

NEOT's sustainability work and reporting focuses on the most material sustainability topics defined through the materiality assessment process, which is reviewed regularly. Our first materiality assessment was carried out in 2018 and was updated during 2022 and 2023. Previously, the process has consisted of identifying the actual and potential impact our operations have on the environment and people, directly or indirectly, prioritising them based on their severity and likelihood and defining the focus of our sustainability work (impact materiality). Due to the requirements set out in the new EU regulation,

Corporate Sustainability Reporting Directive, we complemented our materiality assessment with a financial impact assessment in 2023.

Impact materiality process

The impact materiality assessment process, started in 2022 and finalised in 2023, included a desktop review as well as stakeholder engagement. Based on the significance of the operations, NEOT's assessment focuses on the value chains of our two main supply products, fossil and renewable fuels. For renewable fuels, the assessment focuses on the most used feedstocks and their geographical origins. The assessment work is done partly in cooperation with our other owner, St1, as the fuel value chains of both companies are strongly intertwined.

Results from the impact materiality assessment work were approved by the NEOT Management Team and the Board of Directors in 2023.

Financial materiality process

The financial impact assessment is aimed at identifying and prioritising the financial impact of sustainability-related risks and opportunities. Results from NEOT's corporate risk assessment work and impact materiality assessment

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served as the basis for the financial materiality assessment conducted in 2023. In addition to the aforementioned information, industry-related risk reports and peer review were used as data sources. The process was led by NEOT's sustainability team and the actual and potential financial impact evaluated together with internal experts responsible for the key operations at NEOT, such as finance, commercial operations and logistics. Risks and opportunities were prioritised based on their magnitude and likelihood. The most important risks identified through this assessment will be integrated into NEOT's corporate risk management process, led by the Head of Treasury & Group Risk Management. The most significant risks will have mitigation plans with an allocated responsible person and these plans will be reviewed biannually.

The results of the impact and financial materiality assessment (double materiality) will serve as a basis for the sustainability information required by the Corporate Sustainability Reporting Directive to be reported as a part of NEOT's Report by the Board of Directors for the first time in 2026.

We continuously deepen our understanding about the impact of our operations and update our material topics and strategic focus areas accordingly.

Stakeholder expectations

Customers/owners

- Supply of competitive and sustainable fuels
- Transparency and open reporting
- Seamless cooperation
- Efficiency and continuous development

Logistics partners

- Predictability
- Long-term partnerships
- Seamless cooperation
- Open communication
- Fair contracts

Authorities and decision-makers

- Facts, expertise
- Industry insights
- Compliant business behaviour
- Open and accurate reporting

Suppliers

- Straightforward and efficient cooperation
- Open communication
- Fair competition
- Solid liquidity

Personnel

- Fair and equal treatment
- Development opportunities
- Training and development
- Appealing compensation
- Continuity
- Supportive working environment
- 'Good vibes'

Banks & Investors

- Transparency and open reporting
- Equal treatment
- Regular communication

Insurers

- Transparency and open reporting
- Equal treatment
- Regular communication
- Straightforward cooperation

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Our approach




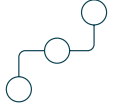
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Neot Sustainability Strategy

WHAT	 <p>NEOTEES Having competent and committed people is crucial for our success. We support our people to reach their highest potential and provide a rewarding workplace.</p>		 <p>ENERGY TRANSITION Enabling our owners' efforts to accelerate energy transition and promoting making climate-related legislation as efficient as possible both from the perspective of the society and nature.</p>		 <p>LOGISTICS PARTNERS Ensuring safe and sustainable deliveries taking into account both people and nature.</p>		 <p>SUPPLY CHAIN MANAGEMENT Understanding our supply chain and ensuring our suppliers play with the same rules and principles as we do.</p>	
	FOCUS	Personnel well-being	Competence development	Optimised supply chain and agile operating culture	Legislation development	Health, safety and security	GHG emissions	Supplier due diligence
					Fair employment	Impacts to marine environment		Transparency
HOW	Practices and projects aimed at improving and maintaining high levels of competence and well-being at NEOT		Efficient and sustainable operations that create value our owners can invest sustainably. Actively sharing industry knowledge to decision-makers.		Continuous training and cooperation with logistics partners on safety, labour rights and environmental issues.		Developing and implementing robust supplier management practices and committing suppliers to NEOT's sustainability and quality requirements.	

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Sustainability Strategy

NEOT's sustainability strategy framework was updated with new focus areas in 2023. The new focus areas, defined based on the materiality analysis described above, will be the core of our sustainability work in coming years. The new focus areas are also tightly linked to the three components

targets but will be promoted through relevant development projects instead.

Sustainability Management

NEOT's culture fosters agile decision-making as well as an unbureaucratic way of working. This principle also applies to our sustainability work. NEOT's sus-

and approved by the company's top management and the Board of Directors.

Guided by ethical principles and behaviour

NEOT complies with all applicable laws and regulations, and we expect the same from our partners. Our operations, and the behaviour of NEOT employees, are steered by the guidelines and requirements set out in our Code of Conduct (Code). The requirements we have for our partners are presented in our Supplier Expectations. All our stakeholders have an opportunity to communicate their concerns and observations of violations of our ethical principles, set out in the NEOT Code of Conduct as well as Supplier Expectations, via an anonymous compliance channel. All reported cases are handled confidentially by dedicated members of NEOT's Compliance Committee through a recorded process. In 2023, we did not receive any notifications of possible misconduct through our compliance channel. NEOT also has a Health and Safety Committee, and our employees are encouraged to communicate their concerns to the members of this group. The committee met four times during 2023.



We are a compact but highly knowledgeable fuel procurement and logistics company.

of NEOT's strategic core: strong expertise, safe and efficient logistics, and optimised commercial value.

The strategy framework and focus areas were reviewed and approved by the NEOT Management Team as well as the Board of Directors in 2023. The next step will be to define objectives, targets, and important development projects for these focus areas. Some focus areas might not have numerical

tainability team, with the lead of the Sustainability Director, has the main responsibility for driving and developing the company's sustainability agenda. With support from the sustainability team, all NEOT Management Team members are responsible for ensuring sustainable operations in their respective fields, for example, safety and environmental performance. NEOT's sustainability priorities are reviewed

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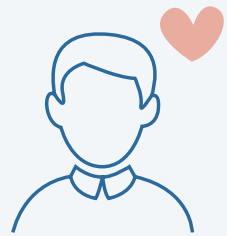
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NEOTEES



Personnel well-being
Competence development

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Having competent and committed people is crucial for our success. We support our people to reach their highest potential and provide a rewarding workplace.



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Competent and satisfied employees are a strategic success factor

Fostering expertise is one of the areas at NEOT's strategic core – the things that define our success. In practice, fostering expertise means taking care of the well-being and competence development of our employees. As an expert organisation, we are highly aware of the importance of personnel well-being and development in ensuring our competitiveness now and in the future.

Managing people development and well-being topics

The overall responsibility of managing people development topics at NEOT lies with the CEO and Director of Sustainability, Communications and People Development. Their responsibilities include, for example, the development of the company's leadership and competence development practices. Managers are responsible for implementing these practices within their teams. Managers gather and discuss important personnel and leadership topics whenever needed. People development topics are the responsibility of the operating management, but they are also presented to the Board of Directors, whenever relevant.

Well-being topics are also discussed and developed in NEOT's Occupational Health and Safety Committee, which comprises employee representatives and the CEO.

Excellent level of personnel satisfaction

The level of employee satisfaction and well-being at NEOT is monitored through annual surveys. The results are discussed with all employees and development plans are created for the most important insights and areas needing improvement. Based on survey results from 2023, overall satisfaction remained at an excellent level, with some clear improvements from the previous year. The biggest improvement was seen in the results concerning workload, stress levels and the company's efforts to improve personnel well-being. These topics were chosen as development areas based on the survey results from 2022 and several actions were taken for their improvement during 2023. As in past surveys, the efficiency of decision-making and cooperation between teams remained as NEOT's biggest organisational strengths. The response rate of the survey remained at an excellent level of 97 (98)%.

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Satisfied summer trainees

In 2023, NEOT offered summer traineeship for nine students. According to the summer trainee survey, 88% of the summer trainees would recommend NEOT as an employer. The rest of the respondents had a neutral stance on the question. All respondents felt they had received enough support and help during their traineeship and had very easy access to their manager. The summer trainees especially appreciated their colleagues and the relaxed and appreciative atmosphere at NEOT. Their development ideas were related to feedback and an even broader induction process. The response rate to the survey was 89%.

In 2023, the summer trainees were employed by an external recruitment agency. NEOT’s policy regarding summer trainees was changed at the end of 2023 and, in future, trainees will primarily be employed directly by NEOT.

Investments in leadership

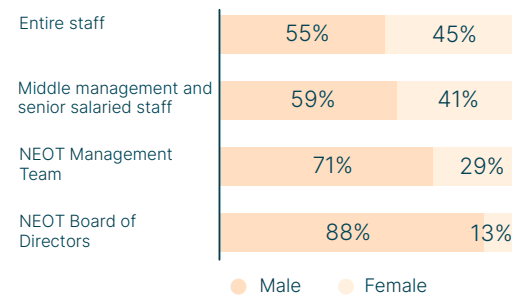
Leadership and managerial work have a significant impact on mental well-being in an organisation. Despite the increasing emphasis on self-direction as a prerequisite of a successful organisation, we believe that good managerial work and leadership skills will maintain their power in the future. Based

on the personnel satisfaction survey results, the level of managerial work in teams as well as the leadership culture at NEOT remains at a good or excellent level compared to the Finnish expert norm. To maintain this good level of leadership, we strive to facilitate continuous learning and support for our managers.

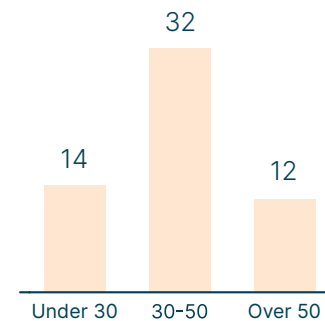
In 2023, we carried out an assessment to better understand the kind of support managers at NEOT might need. The assessment was conducted by an external occupational psychologist and the

results of the assessment were discussed with the managers at an annual training event. The areas for development identified through this assessment related to organisational structures and clarity of strategy. Strategy communications was strengthened after the event and results related to strategy communications in the personnel satisfaction survey improved from the previous year. Another focus of the training event was sharing best leadership and management practices used in teams.

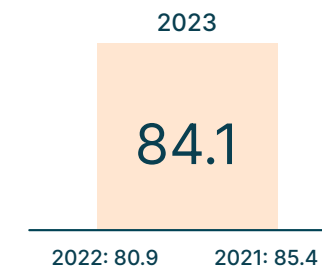
Gender distribution 2023, %



Age distribution 2023, %



Work satisfaction level 0-100



The reference value for Finnish experts in 2023 was 72.3.

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In 2023, all NEOT managers had the opportunity to participate in the prominent business leadership seminar Nordic Business Forum (NBF). The aim of participating in NBF was to offer managers inspiring insights and information on leadership to develop their personal managerial work as well as to get ideas on how to improve leadership practices at a company level. Participation sparked an idea to implement a framework aimed at improving working efficiency on a personal as well as team level, by increasing awareness of people’s natural talents and identifying work-related frustrations at NEOT. All employees took an assessment related to this topic and the results were discussed in a workshop.

Development of common leadership principles

In 2023, we recognised a need for defining common principles for leadership at NEOT. As a result, we started a project aimed at agreeing what good leadership looks like at NEOT and how it should be visible in everyday work in our teams. The leadership principles will be based on our value foundation NEOT Spirit, which was updated during 2023. The aim of the project is to integrate components of NEOT Spirit into everyday leadership at NEOT. All managers will have the opportunity to participate in defining the principles and their practical applications during 2024.

case

WELL-BEING PROJECT FOCUSED ON EXPLORING HEALTH IMPACTS OF LIFESTYLE

Taking care of its experts and their well-being is one of the components of NEOT’s strategic core and sustainability strategy. In 2023, we conducted a project aimed at further enhancing neotees’ well-being by exploring the role of lifestyle in overall well-being. The project, open to the entire personnel, was done in collaboration with Terveystalo, NEOT’s employee healthcare service provider.

The project was founded on self-assessments and Nightingale well-being measurements that offer a personal health index and map out risks for chronic diseases related to lifestyle. Participants had the opportunity to discuss their results and explore potential lifestyle changes to improve their well-being with Terveystalo’s experts, including dietitians, physiotherapists, psychologist as well as a doctor focused on the health impacts of lifestyle.

The project achieved a high participation rate and, according to the metrics used, the



physiological health index of the participants improved, as did the self-assessed health status.

“As an expert organisation, the importance of safeguarding our expertise is very clear to us. People are our most important asset and success factor. We take a holistic view of well-being – covering both physical and mental aspects – and the project with Terveystalo combined and served both of these aspects nicely,” emphasises Petri Appel, CEO.

Some parts of the Nightingale well-being measurement will be included in the health inspections offered to NEOT employees in 2024.

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Optimised supply and agile operating culture

Legislation development

Enabling our owners' efforts to accelerate energy transition and promoting making climate-related legislation as efficient as possible both from the perspective of society and nature.



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Supporting owners' efforts on energy transition through efficiency and expertise

Climate change is the greatest challenge of our time, and everyone must do their part to combat it – especially in the energy sector. Building a more sustainable energy economy requires significantly growing amounts of investment and supporting legislation. NEOT's role is to enable our owners' efforts to accelerate the energy transition by creating value that our owners can invest sustainably.

NEOT's role in energy transition is to enable our owners' efforts to accelerate the shift towards a more sustainable energy economy by creating value that our owners can invest sustainably. NEOT does not make direct energy investments, but we contribute to our owners' investments through added value and expertise. In addition to solid financial results, we support our owners with our expertise so they can implement more sustainable forms of energy and create a competitive advantage.

NEOT's value creation is based on an agile operating culture and high-level expertise in fuel markets – both of which are found at the core of our value foundation, NEOT Spirit. Creating alternatives and possibilities has been the essence of NEOT since the early days, and still guides our business decisions. By optimising our supply chain and market conditions, we offer support to our owners in the form of solid financial results.

Public affairs work aimed at effective climate-related legislation

We aim to share our knowledge and perspectives by participating in societal discussions within our core area of expertise, namely, the fuel markets. Our goal is to provide decision-makers with relevant and fact-based information, aiming to ensure that climate-related legislation is as effective as possible for both society and the environment.

NEOT's daily public affairs operations are managed and executed by the Public Affairs Manager, and ultimate responsibility of this work lies with the Director of Sustainability, Communications and People Development and the CEO. Our public affairs operations are focused mainly on the development of Finnish legislation and the traffic sector. In the legislation packages most important for us and our owners, we also aim to influence development and preparations at an EU level.

2023 was parliamentary election year in Finland and our public affairs efforts focused on influencing the new governmental programme. The new

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programme entails many reforms with great potential from the perspective of society as well as the environment, if designed and implemented carefully with a holistic view. We warmly welcomed the item related to a flexibility mechanism that would enable the fulfilment of the emission reduction obligation in the transport sector with other means, in addition to distributing biofuels in the future.

In 2023, we met with approximately 40 officials and politicians to discuss traffic legislation development in Finland.

Most significant climate impacts

NEOT's most significant climate impact results from the use of the products we supply to our owners. These emissions account for over 99% of our annual total CO₂ emissions. The second biggest share of emissions results from our shipping operations. Currently the most straightforward way to reduce emissions resulting from the use of sold products is to offer our owners renewable fuel solutions. Renewable fuels represented 18 (19) % of our total sold traffic fuels in 2023. The renewable fuels we supplied to our customers helped to reduce greenhouse gas emissions by 2 (2.1) million tonnes. The reduced amount equates to the annual emissions of close to 1 million passenger cars*

* Basis for calculation: data (2019) from Statistics Finland on average mileage of a passenger car (13,600 km). The emissions of 152 g CO₂ e/km (Lipasto)

case

FLEXIBILITY MECHANISM FOR REDUCING TRAFFIC EMISSIONS – A NEW LEGISLATION PROPOSAL WITH GREAT POTENTIAL

The focus of NEOT's public affairs work aims to ensure that climate-related legislation is as effective as possible for both society and the environment. We were therefore very pleased to welcome a proposal in Finland's new government programme concerning a flexibility mechanism. The new mechanism will create an opportunity for fuel suppliers subject to the distribution obligation, to fulfil their obligation by financing emissions reductions in other sectors. Until now, the only way has been to distribute biofuels and biogas. The model is unique and the first of its kind in the world.

The new proposal is aimed at creating a new, efficient way to fulfill the emission reduction targets for the transport sector. The basis of the flexibility mechanism is a carbon ticket market where the company

obliged could buy a carbon ticket to fulfil part of their distribution obligation instead of distributing biofuels. The carbon tickets must be generated from non-emission trade sectors, such as agriculture and land use.

The use of the flexibility mechanism should not jeopardise the national emission reduction target. All emission reductions generating carbon tickets must be additional to the emission reduction targets that are already set for transportation and other effort sharing regulation sectors.

"The new mechanism presents a lot of potential. It is of utmost importance that the model will be well designed and implemented in a controlled manner to achieve the full efficiency it offers to society, consumers, and the environment," says Vilhartin Hanhilahti, Public Affairs Manager, NEOT.

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There were no significant changes in NEOT's emission profile, total emissions or main emission sources in 2023. The total amount of CO₂ emissions resulting from our operations decreased slightly due to decreased emissions resulting from shipping operations. Less CO₂ was emitted from the shipping operations thanks to increased use of LNG as well as optimised planning. The emissions of road transportation slightly increased due to optimised blending and the supply of biofuels leading to lower biocontent in the diesel consumed by the tanker trucks.

The emission reductions achieved with renewable fuels are tightly linked to the feedstocks used to produce the fuel. The fuels we purchase from our suppliers are produced from specific feedstocks and allocated to fuel products through mass balancing principles. Each renewable fuel batch comes with a Proof of Sustainability (PoS) documentation which shows the changes in product availability.

 **READ MORE** about the emissions resulting from NEOT's logistics operations on pages 31-33.

Due to the trading nature of business, NEOT's operations do not cause material direct CO₂ emissions

SCOPE 1:
0%

SCOPE 2:
0.002%

SCOPE 3:
99.998%

Used electricity and heat at terminals operated by NEOT



Sea transportation
Road transportation
Business travel
Use of products sold



Restatement

The calculation has been revised and the magnitude corrected. The share of scope 2 emissions was 0.002 % and the share of scope 3 emissions was 99.998 % in 2022 and 2021 as opposed to 0.1 % and 99.9 % stated in the 2022 and 2021 reports.

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Health, safety and security

GHG emissions

Fair employment

Impacts to marine environment

Ensuring safe and sustainable deliveries taking into account both people and nature.



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In our logistics network, responsibility and reliability go hand in hand. NEOT does not own road transport, rail or shipping fleets or employ transport personnel, as our logistics operations have been outsourced to reliable and long-term partners. We have been collaborating with the majority of our partners for several years, establishing a strong and trusting relationship. We know our partners, and they know us well.



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Safety

Committed to developing our operations to be even safer

NEOT emphasises the commitment of logistics partners to safety principles and practices. Our standards go beyond legislation, as we strive for better safety through our own actions, such as conducting more extensive and analytical risk assessments, where even minor incidents and safety observations are reported.

Our commitment encompasses a broad understanding of the safety of the employees of our logistics partners, including well-being in its most comprehensive sense. We also make sure that the financial stability and ethical principles of our partner companies are in order, so that they have the will and ability to operate responsibly. Company culture and reputation are significant factors for us, as well as a serious commitment to safety through practices and proactive safety measures. We prioritise safety for both our own staff and in the work conducted by our logistics partners.

Enhancing safety through comprehensive training

We invest in continuous training and have developed our own training system for road transportation. Online, we continue to utilise new training materials designed to be more insightful and illustrative. These materials include, for example, 3D-modelling videos showcasing the technology within the vehicles.

In addition to online training, we orientate new drivers to work safely in our terminals with face-to-face training on site. Each haulier partner we use

has proactive safety metrics that we monitor on a monthly basis.

In the post-COVID-19 era, we identified a clear need to increase face-to-face training. We have engaged directly with drivers in the field and will continue this effort in the future. Additionally, we are investing in a Safety Management Academy and collaborating with our haulier partners. In 2023, NEOT organised 3 (2) Safety Academies, and Safety Advisors met 2 (3) times.



Through best practice, training, and collaborative effort, we cultivate a safety culture that we develop together with our partners every day.

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More detailed safety measures, fewer workplace accidents

In 2023, we placed special emphasis on proactive safety measures. Conducting more comprehensive and analytical risk assessments has resulted in detailed information and an overall improvement in safety. In particular, there has been a focused investment in the proactive safety measures of terminals, which serve as crucial junctions for both road and sea transportation. This includes both possible safety risks and good examples of measures that improve safety.

Reporting of safety threats and successes has been intentionally increased, enabling the analysis of root causes and the prevention of accidents. We are proud to say that during 2023 there was only one minor accident, that led to a short period of sick leave, within terminal operations, road transport and shipping operations.

We actively report safety observations in collaboration with our logistics partners. Through these observations, we make improvements and corrections, preventing the occurrence of incidents or accidents. In 2023, we greatly exceeded our target for safety observations. This reflects the seriousness with which NEOT employees and partners approach safety matters.

Safety performance in numbers

The safety performance in all our logistics operations continued at an excellent level in 2023. Only one (1) accident leading to sick leave occurred to our own personnel or to our contractors' personnel in logistics. 292 people work in our logistics network and we believe that this tells a story of how well our preventive safety measures work in real life. In 2024, we plan to incorporate additional and more accurate criteria into our safety performance index, such as medical treatment, to enhance the comprehensiveness of our evaluation.

All accidents and near-miss incidents are reported through a deviation reporting process, which is reviewed bi-weekly. A designated responsible person manages an investigation of each case, leading to the implementation of corrective actions. These 'lessons learned' are discussed collectively among terminals and logistics. NEOT, when necessary, also engages an external independent expert.



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We successfully implemented a paradigm shift in safety consciousness.

case

PREVENTIVE SAFETY MEASURES – THE MORE THE MERRIER

NEOT has increasingly invested in preventive safety measures year by year. Through a preventive safety culture, the aim is to avoid accidents and identify potential incidents before they happen. For instance, NEOT has established a dashboard for proactive safety measures for terminals and road transport which is monitored automatically on a monthly basis. The same applies to terminal operations, where operators are encouraged to report frequent safety observations, both risks and positive habits.

“In 2023, we began placing even greater emphasis on preventive safety. In practice, this translates into conducting more comprehensive and analytical risk assessments, covering both terminals and road transport. By doing so, we enhance



not only the safety of individuals but also of the environment,” says Jouni Piispanen, Technical Development Manager.

For 2024, there are plans to expand the recording of cases related to all aspects of safety, including for office work at NEOT Kamppi office. For instance, safety observations and workplace accidents leading to medical treatment will be documented in more detail. This broader dataset will enable even more effective preventive safety measures.

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Environmental and climate impact

Protecting the climate and environment

NEOT persistently strives to diminish its climate and environmental footprint. We focus on leveraging new technologies in our logistics partner selections and refining our practices for the purpose of minimising the emissions associated with our operations.

We closely monitor the emissions and environmental impact of the logistics services we use. Through our logistics partner selection, we invest in the latest technology that is more efficient and has lower emissions. A good and efficient transportation plan affects the emissions generated, as does driving behaviour. This is closely related to training of the drivers. We also prioritise safe transportation to prevent accidents that could lead to environmental pollution.

In an expanding number of ports used by NEOT, the utilisation of shore power is becoming feasible. This allows for the loading and unloading of ships using electricity, resulting in a significant reduction in noise pollution in the surrounding environment.

The integration of advanced technology also plays a pivotal role in substantially decreasing emissions within the port. As ship battery technology continues to advance, there is potential to leverage electricity for both arrival at and departure from ports in the future.

In 2023, we took concrete action to improve circularity and waste management at our terminals. In January 2024, NEOT's new waste agreement came into force. According to the agreement, the recycling and waste management in our company's terminals are being improved and standardised. Going forward, more attention will be paid to, for example, more meticulous waste sorting in the terminals.

Our operations do not cause notable noise pollution as they take place in ports and other industrial areas that are distinct from settlement. In these areas, we participate in various collaborative projects such as the measurement of climate emissions in Hamina port.

Climate impact from shipping operations

NEOT utilises modern equipment in its maritime transport, addressing both safety and emission concerns. Most of NEOT's shipping operations are conducted as time-chartering and out of our six time-chartered vessels, five are equipped with dual-fuel capabilities, allowing them to be powered by liquefied natural gas (LNG). Vessels, using LNG have significantly less environmental impact than traditional tankers, thanks to reduced emissions of sulphuric oxides (SOx), nitrogen oxides (NOx), and particles. Additionally, LNG-powered vessels exhibit lower CO₂ emissions compared to their conventional counterparts. In addition to the condition of the fleet, the fuel used and the manner of operating the vessels have a significant impact on environmental performance.

In 2023, time-chartering represented 75 (62) % of our total shipping operations and the total GHG emissions from time-chartered vessels totalled 53,112 (56,492) tonnes. The EEOI (Energy Efficiency

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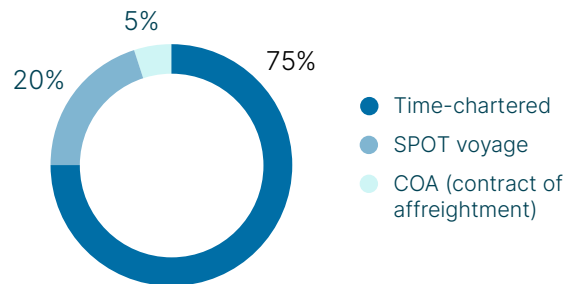
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case

Operating Indicator) that measures the energy efficiency of shipping operations was 22.77 (25.72) for NEOT's TC fleet in 2023. The NOx reduction from using LNG was 369 tonnes compared to conventional but still highly efficient vessels. In 2023, we started gathering CO₂ emission data also from Contract of Affreightment (COA) and SPOT vessels. The total CO₂ emissions from COA and SPOT vessels totalled 15,345 tonnes in 2023.

Sea transportation by contract type, %



The calculation is based on the weight of products transported to Finland, Sweden, and Norway.

EU EMISSIONS TRADING SYSTEM EXTENDS TO COVER MARITIME TRANSPORT EMISSIONS

Reducing emissions is a topical issue across all sectors - including maritime transport and, as in many other sectors, legislation is a significant driver for emission reductions. At the beginning of 2024, the maritime emission reduction requirements were enhanced by legislation from the EU Emissions Trading System (ETS) and extended to cover emissions from ships entering EU ports. The EU ETS has been in place since 2005 covering emissions from the energy sector and manufacturing industry installations, as well as aircraft operators in the EU.

The new ETS legislation now covers most shipping companies as they are responsible for reporting and surrendering ETS allowances, but there are also indirect impacts on other players in the sector, such as time-charterers who are responsible for bearing the costs of ETS



allowances. Emissions to be covered by emission allowances within the ETS can be reduced by, for example, selecting less-emitting fuels, shifting to fuel and emission saving technology, or using carbon capture and utilisation or storage (CCU/S) technologies.

“We have been striving to reduce emissions resulting from our shipping operations for years. We have invested – and will keep investing – in a modern fleet that will result in a lower impact on nature. Expansion of the ETS brings new incentives to optimise the environmental performance of our shipping operations even further,” says Marc Scheller, Director Shipping and Operations, NEOT.

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Climate impact from road transport

Similar to other logistics operations, the environmental performance of our road transport is significantly influenced by the condition and age of the fleet. Third-party inspections are conducted regularly on all tanker trucks used for NEOT's deliveries. In 2023, a total of 407 units underwent inspection. Impressively, 98 % of the tanker trucks employed for NEOT's deliveries fell within the two least-polluting categories (5 and 6) of the Euro emission standard, indicating compliance with acceptable limits for exhaust emissions. The total CO₂ emissions from NEOT's road transport in 2023 amounted 12,240 tonnes, covering nearly 246,000 deliveries and a distance of 13.4 million kilometres. NEOT's road transport deliveries show a slight increase in the CO₂ emissions per kilometre compared to previous year, registering at 0.91 kgCO₂ e/km (0.83). The emissions were increased due to optimised blending and supply of biofuel leading to lower biocontent in the diesel consumed by the tanker trucks in 2023.

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NEOT persistently strives to diminish its climate and environmental footprint.

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Social impact

Fair and just treatment of people is part of NEOT's culture

Respecting human rights is integral to both our own operations (Code of Conduct) and the ethical principles governing the operations of our suppliers (Supplier Expectations). We continuously develop our operations to improve our social impact throughout our supply chain.

When selecting our logistics partners, NEOT's internal monitoring dashboard takes into account social responsibility matters. Through our anonymous SpeakUp service, both our employees and logistics partners can report concerns regarding unethical behaviour or actions related to NEOT's operations.

Within our shipping operations, our vetting process is designed to minimise negative social impact. For example, we require that all shipping crew members belong to a union that oversees the realisation of workers' interests. The shipping companies used by NEOT have no connections to Russia or Belarus. We also actively monitor the enforcement of the sanctions list that has been implemented due to Russia's war against Ukraine.



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We continuously develop our operations to improve our social impact throughout our supply chain.

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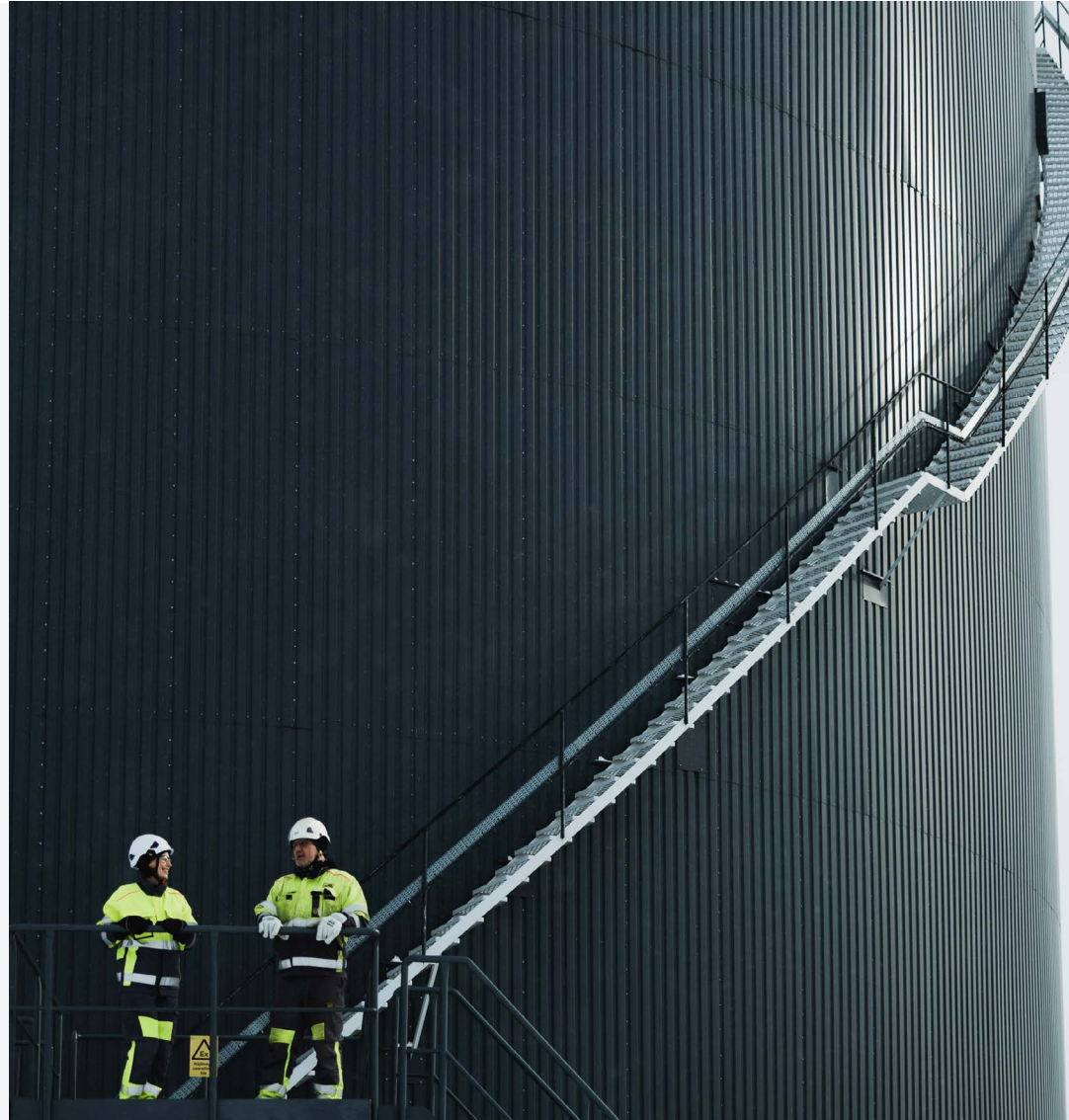
Supply chain management



- Supplier due diligence
- Transparency
- Product quality and safety

.....

Understanding our supply chain and ensuring our suppliers adhere to the same rules and principles as we do.



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Due to NEOT's business model as a procurement company, sustainability of the supply chain as well as the safety and quality of our products, are critical parts of our sustainability work. We continuously strive to develop and improve our procurement practices to make sure our suppliers adhere to the same principles as we do and are committed to responsible operations.



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Supplier due diligence

Close cooperation between commercial and sustainability teams

NEOT's Commercial team, headed by the Commercial Director, is responsible for managing daily fuel procurement operations. The Sustainability team supports commercial experts in sustainability matters, such as supplier clearance and biofuel sustainability schemes that ensure compliance with sustainability requirements for biofuels set out in EU legislation.

Ensuring the sustainability of fuel suppliers

Currently, our primary means to ensure sustainable operations of our fuel suppliers, both fossil and renewable, are focused on the contracts and the onboarding process for new suppliers. In addition to commercial factors, evaluating supplier compliance on sustainability is an integral part of our fuel supplier selection process. In the evaluation of supplier sustainability for new suppliers, all suppliers receive a risk classification, based on which necessary actions are determined. The risk

classification takes into account factors such as country risk, potential results of media screenings, and the supplier's existing practices. In 2023, NEOT's sustainability requirements or suppliers' own corresponding requirements were incorporated into fuel term contracts accounting for 92 (90) %* of the total term contract volumes. The calculation is based on the volume estimations in term contracts. All new fuel suppliers went through sustainability screening and received a risk classification. In regard to renewable fuels, NEOT only sources products from suppliers that meet official EU sustainability requirements, either through EU voluntary schemes like ISCC (International Sustainability & Carbon Certification) or national sustainability schemes.

Currently, our development efforts are focused on strengthening the continuous assessment process for our existing suppliers. In 2023, we started a review process of our existing fuel suppliers by gathering information via the same self-assessment questionnaire as used in the sustainability clearance

process for new suppliers. In 2024, we will continue reviewing our current supplier base and focus on developing a continuous assessment process of suppliers.

Human rights issues as a part of the supplier clearance process

NEOT's approach to human rights is based on the United Nations' Guiding Principles on Business and Human Rights (UNGP) and OECD Guidelines for Multinational Enterprises. In 2023, no human rights cases nor complaints were reported to NEOT.

In the realm of biofuel material supply, potential risks of child labour, human trafficking, or forced labour may arise at the initial stages of the supply chain, particularly during the farming phase of raw materials.

Human rights issues are integrated into NEOT's supplier clearance process through Supplier Expectations, a self-assessment questionnaire and background screening. NEOT has zero tolerance of forced and child labour in its entire supply chain,

*The calculation method has been refined and the 2022 value updated. We aim to expand the calculation to cover all fuel contracts in 2024.

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and this commitment is stated in our Supplier Expectations. The self-assessment questionnaire for fuel suppliers considers questions about the potential supplier's human rights policy and any preventive work they are taking to ensure human rights.

NEOT's Human Rights Policy was published in 2018 and will be reviewed during 2024 along with NEOT's Code of Conduct and Supplier Expectations.



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Transparency

Sustainability schemes guarantee traceability of biofuels

Renewable fuels supplied by NEOT are fully traceable and meet all necessary regulations in the markets we operate in. All biofuels distributed across the European Union (EU) are required to adhere to the sustainability requirements outlined in the Renewable Energy Directive (RED II).

Adherence to the EU's biofuels sustainability requirements is verified through sustainability schemes, which include an audit process by a third party. NEOT's renewable fuels are sourced exclusively from suppliers that meet either EU-approved voluntary schemes, such as ISCC EU (International Sustainability & Carbon Certification) or sustainability schemes accepted at the national level.

NEOT's own operations are certified in line with ISCC EU, the Finnish national scheme, the Swedish national scheme, and the scheme of the Norwegian authorities. All of NEOT's schemes underwent audits

in 2023, and no non-conformities were discovered. In contrast to renewable fuels, fossil-based oil products are not subject to mandatory sustainability or traceability requirements, leading to difficulties in obtaining information about the crude oil's origin.

Challenges with the availability of information regarding fossil fuels

Monitoring the sustainability of fossil fuels within complex supply chains poses challenges. Unlike renewable fuels, fossil-based oil products do not have obligatory sustainability or traceability requirements. The lack of compulsory requirements creates challenges for the availability of information about the origin of the crude oil. NEOT sources most of its fossil oil products from various refineries in the Baltic Sea region, mainly in Finland, Sweden, Denmark and Norway. Our most important source of supply is St1's oil refinery in Gothenburg. The majority of the crude oil used at the St1 refinery comes from Norway and the North Sea. NEOT does

not directly source oil products from Russia and has not been dependent on Russian imports, even before Russia's attack in Ukraine in 2022.

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Renewable fuels
supplied by NEOT are
fully traceable

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Product quality and safety

Product safety and quality run throughout the supply chain

When dealing with hazardous substances such as liquid fuels, product safety and quality are of utmost importance. Safety and quality of the product throughout the entire supply chain form a prerequisite for NEOT operations. Product quality is monitored at every step of the supply chain, from the supplier all the way to the consumer. In addition to NEOT's own monitoring activities, authorities also monitor product quality through random checks at retail sites as well as at NEOT terminals.

A remarkable improvement in product safety and quality deviations

NEOT carefully monitors all safety and quality deviations. In 2023 a significant decrease in product deviations was achieved as issues were only reported in three (2022: 9) fuel stations. Root causes of all product deviations are always investigated carefully.

Detected deviations didn't cause any health or safety impacts in 2023. By sharing information with fuel stations, NEOT enables successful safety performance and minimises future damage. Maintaining and strengthening a preventive safety culture is also the foundation of our safety work from the product perspective.

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Product quality is monitored at every step of the supply chain, from the supplier all the way to the consumer.

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Customers are increasingly interested in renewable products and of course we strive to do our best to meet these needs.

case

RENEWABLE ALTERNATIVE FOR INDUSTRIAL AND HEATING CUSTOMERS

In 2023, NEOT added a new product, NEOT Renewable heating oil, to its product selection.

NEOT Renewable heating oil was launched to support NEOT to meet the increasing demand for renewable products for heating purposes. Using renewable fuel oil helps to reduce emissions from heating and offers an alternative with a smaller impact on the environment for heating oil customers.

“Customers are increasingly interested in renewable products and of course we strive to do our best to meet these needs. I believe the demand for this product will continue to increase in the future. Many clients, such as industrial operators and municipal corporations, constantly need renewable heating oil”, says Ida-Kaisa



Kemppi, Head of Customer Service & HSEQ, NEOT.

The requirement for prioritising renewable products is also becoming more common in public tendering processes.

“Requirements for using renewable energy apply to contractors, for example, those operating in cities with emission reduction targets”, Kemppi adds.

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REPORTING

REPORTING

Data

Scope of the report

GRI index

Data

	2023	2022	2021	2020	2019
FINANCIALS					
Revenue, billion EUR	7.4	9.1	5.3	4.0	5.5
Wages and salaries, million EUR	4.3	3.9	4.3	4.2	3.9
Excise duties, billion EUR	1.4	1.4	1.3	1.3	1.3
SUPPLY AND PRODUCTS					
Supplied fuels, billion litres	6.2	6.4	6.2	6.2	7.0
Supplied fuels by product category, %					
Diesel	40	39	41	40	38
Gasoline	29	29	29	29	27
Marine gasoil	12	14	14	15	14
Light fuel oil	12	13	13	12	12
JET	7	5	3	4	8
Supplied renewable fuels, million litres	785	819	781	606	661
Share of renewable fuels, % of total supplied traffic fuels	18	19	18	14	14
Renewable fuels produced from waste or residue, %	82	85	70	55	47
Supply by countries, % of total supplied fuels					
Finland	39	40	39	38	36

REPORTING

Data

Scope of the report

GRI index

	2023	2022	2021	2020	2019
Sweden	29	28	28	27	27
Norway	32	33	33	34	37
Origin of renewable feedstocks by region, % of total supplied fuels					
Asia-Pacific	34	42	49	28	48
Australia	0	1	0	0	0
Europe	42	33	27	40	33
Middle East	0	0	0	1	1
North America	17	16	19	25	16
South America	7	8	6	7	2
PERSONNEL					
Total amount of employees at the end of year (31.12.)	58	54	54	52	50
Total amount of non-employees in own workforce (consists of summer trainees and consultants)	9				
New hires	10	10	9	2	9
Gender distribution, %					
Female	45	48	50	50	50
Male	55	52	50	52	50
Employee turnover, %	10	19	13	2	21
Personnel satisfaction level ¹⁾	84.1	80.9	85.2	85.4	80.9

1) Result of personnel well-being survey, scale 0-100

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	2023	2022	2021	2020	2019
Employees by contract type, %					
Full-time	90	96	98	100	98
Part-time	10	4	2	2	2
Employees by employment contract, %					
Permanent	90	94	98	98	98
Temporary	10	6	2	4	2
Coverage of performance and career development reviews, %	91	100	100	100	100
People working at the terminals ²⁾	34	32	35	35	40
Tank truck drivers and planners ³⁾	258	291	311	331	350
Realisation of equality					
General perception of equal treatment ⁴⁾	3.53	3.29	3.35	3.41	
Gender equality ⁵⁾	3.78	3.78	3.82	3.75	
Equality regarding age ⁶⁾	3.76	3.69	3.71	3.73	
Pay ratio between men and women ⁷⁾					
Average	1.18	1.01			
Median	1.11	1			

2) not employed directly by NEOT

3) not employed directly by NEOT

4) Based on annual personnel well-being survey results, scale 1-4

5) Based on annual personnel well-being survey results, scale 1-4

6) Based on annual personnel well-being survey results, scale 1-4

7) Other personnel groups in addition to senior salaried personnel are so small that it would be possible to identify the pay information of individual persons. Therefore, the pay information for these groups is not published. However, the information has been reviewed with the HR representative. Pay ratio calculation: men's salaries/women's salaries

REPORTING

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Scope of the report

GRI index

	2023	2022	2021	2020	2019
SAFETY					
Road transport					
Fatal accidents	0	0	0	0	0
Accidents to drivers	1	1	1	1	2
Overtaken tank trucks	1	3	2	0	0
Number of significant oil spills ⁸	0	2	1	0	0
Oil spills, total m ³	0	11.5	6.7	0.8	1
Safety observations by drivers	848	694	354	438	368
Online training, number of views	3,144	2,302	3,067	1,500	
Transportation units inspected	407	428	399	382	291
Terminals ⁹					
Observation tours	1,929	1,799	1,436	1,370	1,661
Near miss reporting, number of reported cases	67	50	72	51	68
Number of lost-time injuries, own personnel	0	0	0	0	0
Number of lost-time injuries, contractors	0	0	3	0	0
Shipping					
Significant accidents	0	0	0	0	0

8)Spills over 1,000 litres

9)The figures cover six terminals operated by NEOT in Finland.

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	2023	2022	2021	2020	2019
CLIMATE AND ENVIRONMENT					
Environmental performance at the terminals ¹⁰⁾					
VOC emissions, tonnes	40	34	93	65	67
Wastewater, m ³	852	1,143	1,863	3,284	984
Waste, tonnes	443	504	1,051	105	359
Non-hazardous waste	171	202	268	67	147
Hazardous waste	272	302	783	38	212
GHG Emissions					
Direct CO ₂ emissions (Scope 1), tCO ₂	0	0	0	0	0
Indirect CO ₂ emissions (Scope 2), tCO ₂					
Electricity	0	0	0	0	0
Heat	377	318	428	251	394
Other indirect CO ₂ emissions (Scope 3), tCO ₂					
Sea transport (time-chartered vessels)	53,112	56,492	50,728	48,351	51,545
Sea transport (COA and SPOT)	15,345				
Road transport	12,240	11,204	11,605	14,380	14,323
Railways	234	224	249		
Business travel (flights)	49	12	4	12	54
Use of products sold	18,129,917	19,912,502	18,322,961	18,858,409	21,527,139

10)The terminal figures cover six terminals operated by NEOT in Finland

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	2023	2022	2021	2020	2019
Emission reductions due to renewable fuels, tCO ₂	2,019,166	2,070,953	1,844,642	1,228,364	1,334,179
CO ₂ reduction from the use of supplied renewable fuels by country, tCO ₂					
Finland	658,153	834,939	845,882	387,162	346,230
Sweden	1,039,585	1,024,082	782,640	607,431	576,827
Norway	321,428	211,931	216,121	233,771	411,121
EEOI of NEOTS time-charter fleet	22.77	25.72	25.19		
Tanker trucks rated in EURO 5 and 6 categories, %	98	98	97	97	92
CO ₂ emissions per km for road transport, kgCO ₂ e/km	0.91	0.83	0.87	0.99	1.01
GOVERNANCE					
Number of notifications of possible misconduct	0	1	0	0	
Term contracts including NEOT Code of Conduct or corresponding requirements, % of total term contract volumes ¹¹⁾	92	90			

11) The calculation is based on the volume estimations agreed in term contracts. The calculation method has been refined and the 2022 value updated.

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Scope of the report

NEOT Group comprises of NEOT Oy, NEOT AB and NEOT AS. NEOT Oy operates in Finland, NEOT AB in Sweden and NEOT AS in Norway. NEOT reports its sustainability performance at group level.

NEOT Sustainability Report 2023 applies the Global Reporting Initiative (GRI) Universal Standards (2021) and Topic Standards with Standard versions indicated in the GRI Index. NEOT reports with reference to the GRI Standards, and the report is not compliant with the GRI Standards in accordance criteria.

The reporting period of NEOT's Sustainability Report is the financial year (1 January – 31 December).

This is NEOT's seventh published Sustainability Report. NEOT has identified the most relevant topics related to the company's operations, products and stakeholders, and the reporting focuses on those topics, as guided in the GRI Standards.

NEOT's most relevant sustainability topics are presented on page 16. Each sustainability focus area has its own section in the report presenting the progress achieved in each area.

Restatements of information

Throughout the report, the figures presented in parenthesis refer to NEOT's performance during the previous reporting period. If there are any restatements of figures compared to the information presented in the previous report, the rationale for significant adjustments is presented in connection with the figure in question.

Data boundaries and calculation principles

Safety

In addition to NEOT's own personnel, the company's safety reporting covers accidents and injuries occurred in the company's terminal operations in Finland as well as its transportation partners' operations related to NEOT's deliveries.

Logistics

Data related to environmental and safety performance of terminal operations covers the terminals operated by NEOT in Finland (6 terminals).

All environmental data related to NEOT's shipping operations covers the company's time-chartered vessels (6 TC vessels). From 2023, also the CO₂ emissions from Contract of Affreightment (COA) and SPOT vessels is reported.

Data concerning road, marine and railway transportation is based on the information provided by NEOT's logistics partners.

HR

NEOT's HR operations are outsourced to SOK's human resource function. All HR data originates from SOK's HR systems, and it covers 100% of NEOT's personnel i.e. all employees with active employment contracts. If not otherwise noted, HR data is reported as at the end of the reporting period (31 December). Number of leavers includes temporary and permanent employees as well as voluntary leavers and redundancies. Employee turnover is calculated against the average number of employees including both temporary and permanent employees.

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Greenhouse gas emissions

Due to the trading nature of NEOT's business, the company's operations do not result in material direct (scope 1) CO₂ emissions. Indirect (scope 2) CO₂ emissions cover emissions from purchased electricity and heat. NEOT uses market-based approach in its scope 2 emission reporting where the emissions are based on energy supplier specific emission factors. NEOT purchases only renewable electricity thus the used emission factor for purchased electricity is zero. The emission calculation of heat is based on emission factor for fuel oil (266 kg CO₂ / kWh). Calculation of scope 3 emissions from the use of sold products and related CO₂ reduction applies guidelines set in the EU Fuel Quality Directive (FQD) Article 7a. Scope 3 emissions resulting from road and marine transportation are based on actual fuel consumption data provided by NEOT's logistics partners. Reporting of scope 3 emissions resulting from business flights is based on the information received from NEOT's business travelling agency. Only the most relevant Scope 3 categories with reliable data available are included in the report.

Time-chartered vessels' CO₂ emission figures are received from vessel owner Terntank yearly. COA and SPOT vessels' CO₂ emissions are received yearly from vessel owners.

Product volumes

Total fuel sold to end use is reported in several product groups (Gasoline, Diesel, Light fuel oil, JET and Marine) in all countries (markets). Renewable raw materials are part of the reporting and classified as waste and residue or crop according to the information stated in the Proof of Sustainability (PoS) documents. Renewable materials regional breakdown is also shown in the report based on the information stated in the PoS documents.

Renewable material Country of origin

Renewable material feedstock's Country of origin (CoO) and volume is shown in the report in all NEOT countries Finland, Sweden and Norway. CoO information is stated in Proof of Sustainability documents.

Assurance practices

The data on time-charter fleet's emissions and EEOI is verified by an external third party (DNV).

Other information presented in NEOT's Sustainability Report 2023 has not been assured by an external third party.

Contact information for feedback

Pia Virtanen
Director, Sustainability, Communications and People Development

REPORTING

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GRI index

GRI content index

GRI STANDARD	DISCLOSURE	LOCATION	REPORTING
GRI 1 Foundation			
GRI 2 General Disclosures 2021			
1. THE ORGANIZATION AND ITS REPORTING			
	2-1 Organizational details	Back cover, p. 3-4, 9	HQ in Helsinki, Finland. NEOT Oy is registered in Finland, NEOT AB in Sweden and NEOT AS in Norway
	2-2 Entities included in the organization's sustainability reporting	p. 49-50	NEOT Group (NEOT Oy, NEOT AB and NEOT AS)
	2-3 Reporting period, frequency and contact point	p. 49-50	The report has been published on 18 April 2024.
	2-4 Restatements of information	p. 49-50	
	2-5 External assurance	p. 49-50	The report has not been externally assured. NEOT's top management review the report and Board of Directors is informed about the report contents.
2. ACTIVITIES AND WORKERS			
	2-6 Activities, value chain and other business relationships	p. 4, 7, 9	No significant changes in 2023.
	2-7 Employees	p. 44-45	NEOT only provides breakdowns (e.g. age and gender) for total number of employees.
	2-8 Workers who are not employees	p. 44-45	NEOT's summer trainees are employed by an external recruitment agency. Summer employees perform entry-level tasks and support replacing permanent workers during the holiday season.
3. GOVERNANCE			
	2-9 Governance structure and composition	p. 20, 44-45	Members of NEOT's Board of Directors in 2023: Arttu Laine (Chair)., Mika Anttonen, Henkka Talvitie, Harri Tuomaala, Jorma Vehviläinen, Antti Heikkinen, Mathias Kivikoski, Kati Ylä-autio
	2-10 Nomination and selection of the highest governance body		The Board of Directors is selected and nominated by the Annual General Meeting. NEOT is owned by St1 and SOK, and the Board comprises of representatives of these companies.

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GRI STANDARD	DISCLOSURE	LOCATION	REPORTING
	2-11 Chair of the highest governance body		The Chair of NEOT's Board of Directors is not employed by NEOT. NEOT CEO cannot be a member of the Board of Directors.
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 14-17	Operative management is responsible for planning and executing the management of impacts. The Board of Directors approves plans and monitors implementation.
GRI 1 Foundation			
GRI 2 General Disclosures 2021			
	2-13 Delegation of responsibility for managing impacts		The Board of Directors appoints the CEO who has the highest operative responsible for NEOT's operations.
	2-14 Role of the highest governance body in sustainability reporting		NEOT's Sustainability Report is reviewed by the management team. The Board of Directors is informed about the report including the material topics.
	2-16 Communication of critical concerns	p. 17	NEOT's CEO is responsible for communicating concerns to the Board. No reported cases in 2023.
	2-17 Collective knowledge of the highest governance body		Sustainability topics are included on the Board's agenda at least once a year. Specific training is provided according to needs.
4. STRATEGY, POLICIES AND PRACTICES			
	2-22 Statement on sustainable development strategy	p. 5-6	
	2-23 Policy commitments	Policies and Principles (website)	
	2-24 Embedding policy commitments	p. 14-17	
	2-25 Processes to remediate negative impacts	p. 14-17	
	2-26 Mechanisms for seeking advice and raising concerns	p. 14-17	
	2-27 Compliance with laws and regulations		No significant instances during the reporting period.
	2-28 Membership associations		NEOT is a member in the following associations: Finnish Transport and Logistics SKAL, Finnish Association of Safety Advisors, Finnish Standards Association (SFS), International Sustainability & Carbon Certification (ISCC).

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GRI STANDARD	DISCLOSURE	LOCATION	REPORTING
5. STAKEHOLDER ENGAGEMENT			
	2-29 Approach to stakeholder engagement	p. 14-17	
	2-30 Collective bargaining agreements		98% of NEOT employees are covered by collective bargaining agreements in 2023. The CEO was the only person not covered by bargaining agreements.
GRI 3: Material Topics 2021			
	3-1 Process to determine material topics	p. 14-17	
	3-2 List of material topics	p. 14-17	
	3-3 Management of material topics	p. 14-17, 28-41	
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	p. 3	Wages and salaries: 4.3 (3.9) million EUR NEOT is a collector of excise duty and in 2023 the company remitted a total of 1.4 (1.4) billion euros of excise duties to the Finnish tax authority.
	201-4 Financial assistance received from government		No financial assistance received during the reporting period.
GRI 205 Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken		No incidents during the reporting period.
GRI 206 Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No incidents during the reporting period.
GRI 301 Materials 2016	301-1 Materials used by weight or volume	p. 10, 43-44	NEOT is a supply company who does not have own production. NEOT reports only the amounts of final products sold to customers.

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- GRI index

GRI STANDARD	DISCLOSURE	LOCATION	REPORTING
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	p. 47	Water is mainly used at the terminals. Terminals receive their water from municipal water system. All used water is treated according to laws and other regulations before discharging.
	303-2 Management of water discharge-related impacts		The requirements of water discharge are included in environmental permits of the terminals.
	303-3 Water withdrawal		Water is mainly used at the terminals. Terminal receive their water from municipal water system.
	303-4 Water discharge	p. 47	Waste water is generated at the terminals. NEOT reports the total amount of waste water generated at 6 terminals in Finland operated by NEOT. All used water is treated according laws and other regulations before discharging.
	303-5 Water consumption		NEOT's operations do not consume material amounts of water. Water is consumed for the terminal operations, mainly for washing the tanks.
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions		Due to the nature of the business, NEOT's operations do not result in material direct (Scope 1) GHG emissions.
	305-2 Energy indirect (Scope 2) GHG emissions	p. 25, 47	
	305-3 Other indirect (Scope 3) GHG emissions	p. 25, 47	
	305-5 Reduction of GHG emissions	p. 24-25, 48	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p. 31-32	
GRI 306 Waste 2020	306-3 Waste generated	p. 47	Waste is generated mainly at the terminals operated by NEOT in Finland.
	306-5 Waste directed to disposal	p. 47	Hazardous waste is generated mainly at the terminals operated by NEOT in Finland.
400 SOCIAL STANDARD SERIES			
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	p. 19-21, 44	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		All NEOT's own employees have the same benefits regardless of their employment type or contract type.
GRI 402 Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		NEOT follows the local laws (Finnish) and bargaining agreements (YTN)

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GRI STANDARD	DISCLOSURE	LOCATION	REPORTING
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system		
	403-2 Hazard identification, risk assessment, and incident investigation		Due to the nature of NEOT's business safety work is focused on our logistics operations. Hazard identification, risk assessment, and incident investigation are a continuous part of our operations. Risk assessment is a part of our management system and the cases together with their root causes are reported and corrective actions taken are monitored regularly. Incidents are processed regularly in all logistics operations.
	403-3 Occupational health services		All NEOT employees are covered by a health care system required by law. The service is provided by an external service provider.
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 17, 28-30	
	403-5 Worker training on occupational health and safety	p. 28-30	
	403-6 Promotion of worker health	p. 19-21	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 28-30	NEOT's safety work focuses on logistics operations, which are outsourced to reliable logistics partners.
	403-9 Work-related injuries	p. 46	
GRI 404 Trainig and education	404-3 Percentage of employees receiving regular performance and career development reviews	p. 45	
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 20, 44-45	
	405-2 Ratio of basic salary and remuneration of women to men	p. 45	Due to privacy matters, NEOT reports the pay ratio of women to men only for the biggest personnel group (senior salaried personnel).
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		No reported incidents during the reporting period.
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 14-17, 34	The topic was included in NEOT's impact assessment

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GRI STANDARD	DISCLOSURE	LOCATION	REPORTING
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	p. 14-17, 34	The topic was included in NEOT's impact assessment
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 14-17, 34 Policies and principles (website)	The topic was included in NEOT's impact assessment. Zero tolerance for forced labour is included in NEOT Supplier Expectations.
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	p. 37-38, 48	NEOT's sustainability assessment for all new suppliers also includes social aspects.
	414-2 Negative social impacts in the supply chain and actions taken	p. 37-38	
GRI 415 Public Policy 2016	415-1 Political contributions		NEOT does not offer financial support to political parties or entities associated with them.
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	p.40, Supply Products (website)	All products supplied by NEOT are REACH registered and have material safety data sheets.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		No cases in 2023.
GRI 417 Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	www.neot.fi Supply Products (website)	
	417-2 Incidents of non-compliance concerning product and service information and labeling		No cases in 2023.
	417-3 Incidents of non-compliance concerning marketing communications		Not applicable to NEOT.

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The background is a solid teal color. In the upper right and lower right areas, there are several abstract shapes: three circles and two rounded rectangles, all in a slightly lighter shade of teal than the background. The shapes are scattered and do not form a specific pattern.

NEOT

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