

The background of the slide is a photograph of a modern building with a curved, metallic facade. A prominent feature is a spiral staircase that winds around the building's exterior. The image is in a cool, blue-toned color palette, giving it a professional and architectural feel.

**NEOT**

**NEOT**

# Due Diligence Statement 2024

Norwegian Transparency Act

# ABOUT THIS STATEMENT

This statement, prepared in accordance with the Norwegian Transparency Act covers the operations of NEOT AS, NEOT Oy and NEOT AB. NEOT AS is registered in Norway and is an obliged party under the Norwegian Transparency Act legislation.

Due to the nature of our business model, all NEOT's due diligence practices are similar across the whole Group and the practices are defined and managed on a Group level. Therefore, this report covers NEOT's operations and practices on a Group level. All due diligence practices are implemented identically in all NEOT's subsidiaries, including NEOT AS.

The statement has been approved by the Board of Directors of NEOT AS and reviewed by the Board of NEOT Group.

In this statement, we describe the steps NEOT Group, covering all its subsidiaries, has taken during the financial year 2024 (January 1 – December 31, 2024) to identify, assess, and address the risks of violations of fundamental human rights and decent working conditions in our own operations and supply chains.

This statement is issued in English, in accordance with a dispensation granted to NEOT AS by the Norwegian Tax Administration to prepare annual accounts and report in English.

## WORDS FROM OUR CEO

"The success of any company ultimately rests on its greatest asset—its people. I believe NEOT has done an excellent job of building and nurturing a positive company culture, exemplified by a response from our employee satisfaction survey that stuck with me: *"Coming to work feels like stepping into a living room surrounded by friends."*

In line with our values, we act with agility, responsibility, and professionalism while fostering a positive team spirit. I see our organization's flat hierarchy and openness as the pillars of our agility—here the best idea wins, and every voice is equally valued.

To me, responsibility toward our work community is best characterized by care.

Every day, we create the conditions for a safe and enjoyable work environment where everyone has the opportunity to succeed, grow, and be well.

We recognise that our operations effect the world around us, and we are committed to taking comprehensive responsibility for our impact on both people and nature throughout our supply chain. Strengthening our understanding of the direct impacts of our activities, along with the broader and cumulative impact within our value chains, is central to our sustainability efforts. "

**Sam Holmberg**  
CEO, NEOT Group





## 2024 HIGHLIGHTS

At NEOT, we strive to continuously deepen our understanding about human rights and the impacts our operations have on people throughout our value chain. We are continuously working to improve our due diligence processes and align them with the OECD Due Diligence Guidelines and the United Nations Guiding Principles on Business and Human Rights.

In 2024, we made progress on various fronts, including:

- Introducing an annual fuel supplier adverse media screening process (p. 10)
- Reviewing our Code of Conduct, Human Rights Policy and Supplier Expectations policies and principles. From now on, the documents will be reviewed annually and revised when necessary (p. 7)
- Developing a process of incorporating our policies and principles into all fuel supply contracts (p. 10)
- Advancing our goal of conducting a sustainability assessment of our existing fuel supplier base (p. 9)
- Sustainability strategy focus areas work started (p. 11)
- Double materiality test verification and results approved by board (p. 8)



# 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



# STRUCTURE, BUSINESS AND SUPPLY CHAINS

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.

NEOT specializes in oil and renewable products wholesale in Finland, Sweden and Norway and actively operates on the global trading market. Each year we supply around 6 billion liters of fuel products to our owners SOK and St1. In 2024, NEOT Group employed 57 people, and our revenue was 6.3 billion euros.

We have a highly optimized supply chain and logistics processes through which our products finally reach our owner-customers. However, since the nature of our business is trading, we do not own or operate production facilities, and the execution of our logistics operations is outsourced to reliable, long-term external partners.

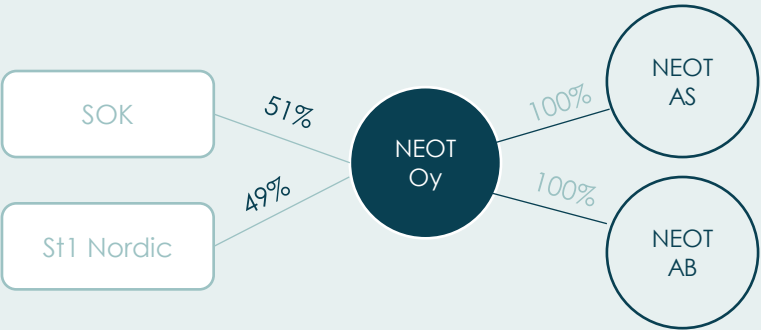
**Supply**  
St1's Gothenburg refinery is our most important source of supply and acts as our product

blending hub. Most of our oil products come from refineries in Finland, Sweden, Denmark, Norway. Renewable fuels are sourced globally.

**Logistics**  
NEOT's road transport operations focus upon Finland where we cooperate with 10 reliable haulier partners. Majority of our shipping operations are conducted with time-chartered (TC) vessels. The rest is done with Contracts of Affreightment (COA) and SPOT chartered vessels.

NEOT also operates six terminals in Finland (Hamina, Vaasa, Pori, Oulu, Varkaus and Kuopio) and holds rented capacity in one terminal (Inkoo) in Finland. We use railways for transfers between three terminals in Finland.

## OWNERSHIP STRUCTURE



Share of sea voyages done with time-chartered vessels

72%



Annual sea voyages

~400



Time-chartered (tc) vessels

6



LNG-powered tc vessels

5



Driven kilometers

13.4 million



Retail station deliveries in Finland

~111,000



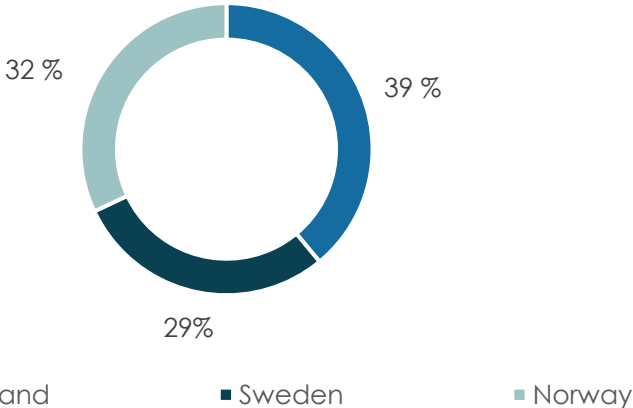
Fuel oil deliveries in Finland

~128,000



## SUPPLY BY COUNTRIES

in 2024, % of total supply



# PRODUCTS AND FEEDSTOCKS

Traceability and sustainability of supply chain is one of our strategic development areas and we are committed to continuously improving our performance. We operate only with suppliers and partners with a good reputation and track record who can demonstrate sustainable operations.

**Renewable fuels**

We source renewable fuels globally and all renewable fuels supplied by NEOT are traceable and fully compatible within the required regulations in the markets we operate in. We source renewable fuels only from suppliers complying with the EU's sustainability criteria. In 2024, 69 % of the renewable fuels we sourced were produced from waste and residue feedstocks.

**Fossil fuels**

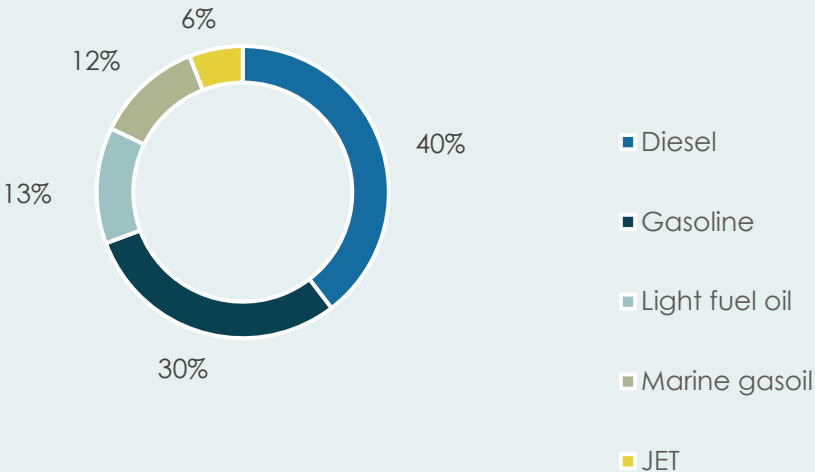
NEOT sources fossil fuels from trusted long-term partners and most of our fossil-based products are sourced from the Baltic Sea region, mainly from refineries in Finland, Sweden, Denmark and Norway.

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.

According to publicly available information and the information received from our suppliers, the majority of the crude oil utilised in NEOT's supply chain originates from Norway or the North sea. Other countries or areas of origin for crude oil in our supply chain include, e.g. US and West Africa. NEOT does not directly source oil products from Russia and has not been dependent on Russian imports, even before Russia's attack in Ukraine.

**SUPPLIED FUELS BY PRODUCT CATEGORY**

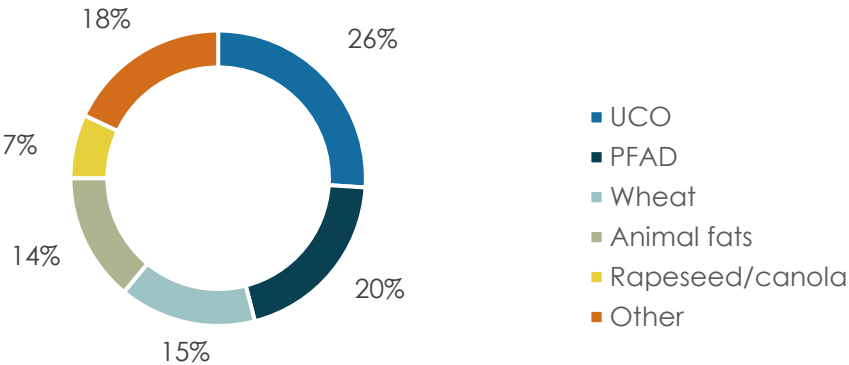
% in 2024, incl. fossil and renewable products



**RENEWABLE FEEDSTOCK ORIGINS**  
by region in 2024, % of total supply



**FEEDSTOCK BREAKDOWN OF RENEWABLE FUELS**  
in 2024, % of total supply



# POLICIES AND PRINCIPLES

We acknowledge our operations may directly or indirectly cause adverse impacts to people and human rights.

Our approach to human rights is based on the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGP). The UNGP outlines the duty of governments to protect human rights and businesses' responsibility to respect them as well as offer appropriate and effective remedies if those rights are breached.

We respect the rights stated in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Our official Human Rights Commitment was adopted in 2018.

Our everyday work and decision-making is guided by NEOT policies and principles and our respect towards human rights is embodied in these policies:

- **Human Rights Policy** – outlines our commitment to respect fundamental human rights
- **Code of Conduct** – sets the ground rules for NEOT employees
- **Supplier Expectations** – sets the ground rules for our suppliers within our supply chain

These policies are reviewed annually and revised, when necessary, by the Sustainability team to ensure they remain aligned with evolving standards and expectations. The policy documents state the year of the last review and revision.

Key components of NEOT's Human Rights Policy:

- Human Rights Commitment
- Fair wages and working hours
- Freedom of association and collective bargaining
- Discrimination
- Health and safety
- Forced labour
- Child labour and young workers
- Communities
- Corruption
- Privacy

For us, it is important that our stakeholders are heard, and that we foster open dialogue in all aspects of our value chain. We take any misconduct or breaches seriously. All our employees and stakeholders are encouraged to react to any unethical behaviour or action contravening NEOT Code of Conduct or current legislation.

Our employees can report their observations of misconduct to their supervisor, NEOT's employee health and safety representative, occupational health care professionals or through SpeakUp®, an anonymous communication channel that is open to all our stakeholders. The notifications received through SpeakUp® service will be processed confidentially in NEOT Compliance Committee.

The full policy documents can be found on our website at [Policies and principles – NEOT](#).

## NEOT'S HUMAN RIGHTS DUE DILIGENCE APPROACH





# RISK ASSESSMENT AND MANAGEMENT

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. 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.

Results from the double materiality assessment work were approved by the NEOT Management Team and the Board of Directors in 2024. For further details on the materiality assessment process, please see last year's due diligence statement.

**Materiality assessment results**

The results of the double materiality assessment mainly confirmed what we had already expected. Many of the key policies and actions we had already implemented were focused on mitigating the most material negative impacts and risks while promoting the material positive impacts. However, the results of the assessment help us to focus on the most material topics.

As an expert-driven company, we recognize both positive and negative impacts affecting our own workforce. In evaluating our value chain, we identified risks and impacts, including climate change and the health and safety of workers throughout the value chain.

According to the results of our materiality assessment forced labour may occur for instance in agricultural biofuel feedstock plantations, production facilities particularly in China, or fossil fuel upstream operations. Especially migrant workers and ethnic minorities are at risk.

Through our materiality assessment and supplier due diligence work, we have identified potential adverse impacts. The only actual material adverse human rights related impacts identified in the materiality assessment are related to occupational health and safety of our logistics partners' drivers.

In the autumn of 2024, we conducted a test verification by an independent third-party auditor to assess whether our double materiality process and the draft of our sustainability report align with the CSRD's requirements. This process provided valuable insights from an external perspective, ensuring we are moving in the right direction.

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

**Risk management and responsibilities**

The materiality assessment process was led by NEOT's sustainability team, and the financial risks and opportunities were evaluated together with internal experts responsible for the key operations at NEOT, such as finance, commercial operations and logistics. The sustainability team is led by the Sustainability Director, who reports to the CEO.

The most important risks identified through this assessment were integrated into NEOT's corporate risk management process, led by the Head of Treasury & Group Risk Management. The most significant risks have mitigation plans with an allocated responsible person, which will be reviewed biannually.



**NEOT'S SALIENT HUMAN RIGHTS ISSUES**



**HEALTH AND SAFETY**

Health and safety of employees, sub-contractors, and all workers throughout our value chain

Road safety of local communities around facilities



**FORCED LABOUR AND MODERN SLAVERY**

Trafficking

Migrant workers



# SUPPLIER DUE DILIGENCE

Some of our salient adverse human rights impacts are found in the upstream operations of our value chain, where we have only limited visibility or influence. Therefore, supplier selection and management practices are among the most important tools for preventing or mitigating the most severe negative impacts present in our value chains.

As a buyer of final products and their components, we have limited visibility to the upstream parts of our supply chains. Therefore, we are continuously developing our supplier management practices to gain better visibility, as well as influence, on the impacts occurring in our supply chains.

The two key measures of our supplier due diligence work are including sustainability requirements in contracts with our suppliers and conducting a risk-based sustainability review when onboarding new suppliers. In 2024, NEOT's Code of Conduct and Supplier Expectations or suppliers' own corresponding requirements were incorporated into fuel term contracts accounting for 90 % of the total term contract volumes. The requirements, of NEOT or the supplier, are acknowledged and committed to, but not formally signed. Our Human Rights Policy and international human rights agreements are referred to in the Code of Conduct and Supplier Expectations.

**Supplier sustainability review**

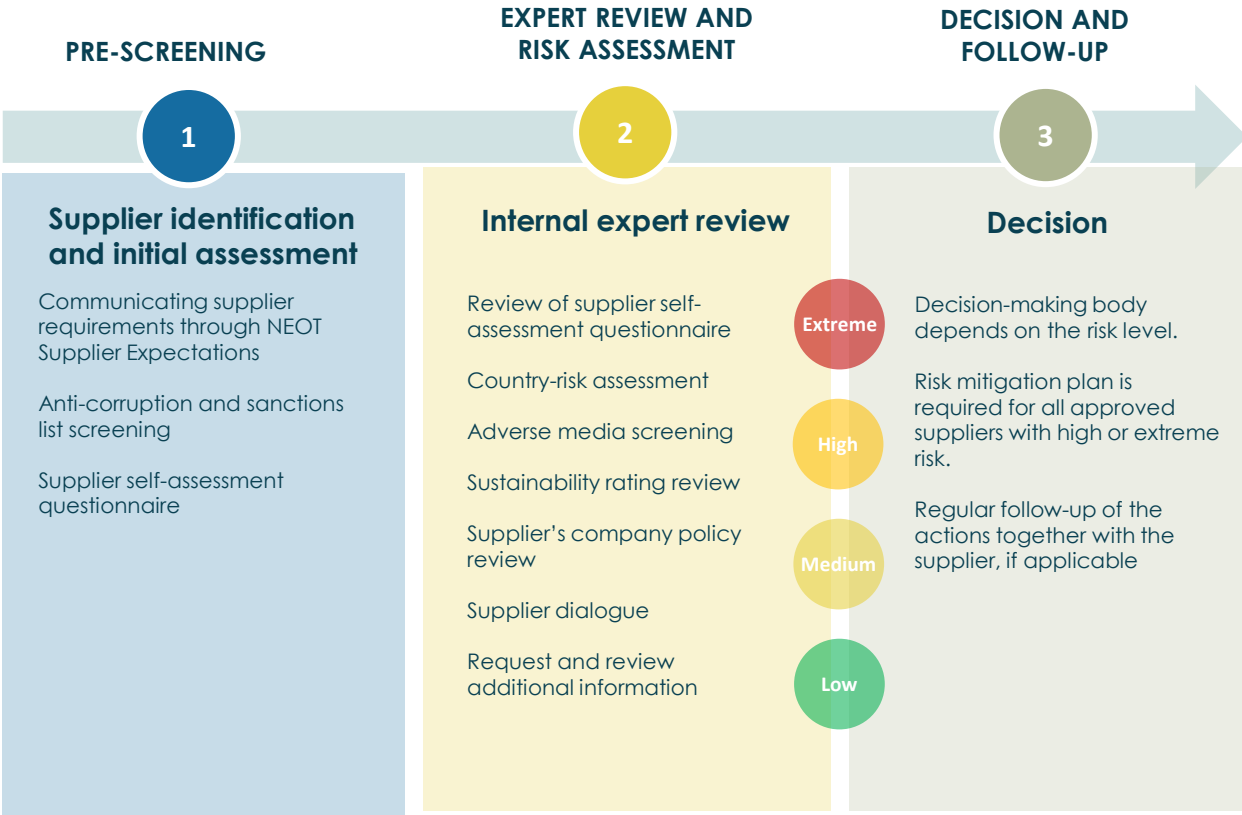
All counterparties supplying fuel components to NEOT are subject to our supplier sustainability review process. In the review process, all suppliers receive a risk classification, which determines the appropriate follow-up actions. The risk classification draws on factors like the supplier's response to a self-assessment questionnaire, general risks related to the

countries the supplier operates in and sources products from, results of an adverse media screening, and the supplier's existing sustainability and risk mitigation practices and policies.

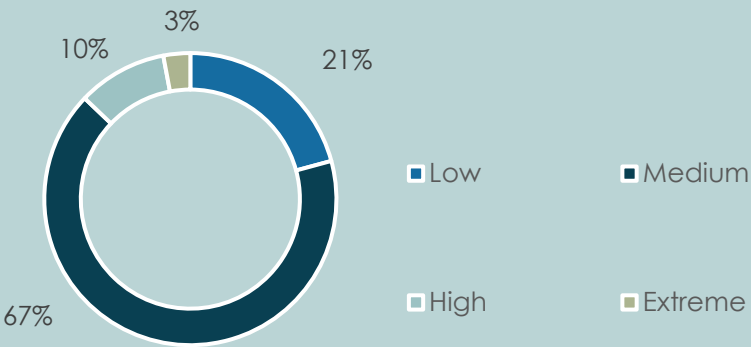
To evaluate the base risk level of the suppliers' operating and sourcing countries, we utilize a country risk assessment model developed by our owner \$t1 , using risk indicators across 15 different topics. These include fundamental human and labour rights, environmental and climate risks, business ethics, among other factors. The questionnaire includes a request of commitment to the principles of our Supplier Expectations.

The assigned risk level is based on various factors considered in the sustainability review. We use a tool drawing on various public sources to determine the risk level of the countries where the supplier operates and sources products and raw materials from. This, supported by the adverse media screening forms the baseline risk level of the supplier and can highlight key risk areas. The supplier's documented policies and requirements to their supply chain can lower the risk level if they appropriately address the risks.

## SUPPLIER DUE DILIGENCE PROCESS



SUPPLIERS IN EACH RISK CATEGORY of reviewed fuel suppliers, in %



As forced labour and modern slavery were identified as key risks in the supply chain, we pay special attention to our supplier's labour rights policies, both internal and those communicated upstream in their supply chain. We look for suppliers' commitments to a zero-tolerance on child labour and forced labour, the right to collective bargaining, fair remuneration and working hours compliant with relevant legislation. These principles are also found in NEOT's Supplier Expectations, which we ask our suppliers to commit to and forward the requirements in their supply chain.

#### **Responsibilities**

The sustainability review is conducted by the NEOT Sustainability team, who send in the questionnaire, communicate with the supplier on any follow-up questions, conduct the review of the questionnaire response, adverse media, country-risks and company policies, and finally assign a risk level to the supplier.

If the risk level is low or medium, the Sustainability team members can approve the supplier directly. In cases where the supplier is assigned a high risk level, approval and appropriate follow-up actions are decided by the Sustainability Director, the Sustainability team lead. In exceptional cases of extreme risk level suppliers, the decision-making body consists of NEOT's CEO, Commercial Director and Sustainability Director.

The anti-corruption and sanctions list screening is conducted by the Treasury & Group Risk Management team. The Contract department is responsible for incorporating NEOT's sustainability requirements in contracts.

#### **Current progress**

In 2024, we made progress in conducting sustainability assessments of our existing supplier base. At the end of the year, 79 % of NEOT

Group's existing suppliers had been assessed and assigned a risk level, using the same questionnaire and assessment process we use for our supplier onboarding, described on the previous page. 100 % of new suppliers during the year went through the assessment process.

Furthermore, annual screenings were conducted of every existing supplier, the anti-corruption and sanctions screening for the second time, and as a new development, an adverse media screening of suppliers by the Sustainability team. The results of the annual adverse media screening are presented to NEOT leadership, and possible follow-up actions are decided jointly with our owners on a case-by-case basis.

Another new development in 2024 was a supplier Code of Conduct approval framework and process, formulated jointly by the commercial and sustainability teams. This process serves to reach our goal of incorporating our sustainability requirements into all our fuel supply in a more efficient and systematic way. The process will be rolled out in 2025.

For suppliers assigned a high or extreme risk in our sustainability review, we are developing follow-up actions and closely monitoring the situation. The appropriate actions depend on the reason for the increased risk classification and the risks identified but generally include requesting suppliers to adhere to our policies and principles and conducting the review again to monitor progress or contractually ensuring the right to audit the supplier on compliance, by NEOT or an independent verifier. Procedures for suppliers that refuse to cooperate will be decided on a case-by-case basis if such a situation should occur.



# NEXT UP

In 2025, we aim to improve our performance on human rights due diligence, for example, with the following actions:

- Further developing our fuel supplier due diligence and clearance process, in collaboration with our owners
- Finalizing sustainability reviews of all our existing fuel suppliers, and developing follow-up processes
- Reviewing our Code of Conduct, Human Rights Policy and Supplier Expectations

policies, and offering training on the topics to our employees and partners

- Incorporating NEOT sustainability requirements or equivalent into all fuel term and spot supply contracts

These goals and targets are encompassed in NEOT's ongoing strategy work, led by our new CEO. The aim is to have our new strategic framework ready during 2025.



## Signatures to the Norwegian Transparency Act Statement for the year 2024

Board of Directors of NEOT AS

A stylized, handwritten signature in dark ink, appearing to be 'HT'.

Henrikki Talvitie  
Chair

A stylized, handwritten signature in dark ink, appearing to be 'SH'.

Sam Holmberg  
CEO





**NEOT**