

Neste's Renewable Raw Material Grievances (September 2024)

No	Target of grievance	Relationship with Neste (Direct/Indirect raw material sourcing/Other)	Parent Company Group	Grievance raiser/report/link	Status
1	PT Prasetya Mitra Muda	Indirect supplier	PT Nusantara Sawit Persada (NSS Group)	Mighty Earth Rapid Response Report 45	<p>[MONITORING] August 2024: Neste reached out to our direct supplier immediately when Mighty Earth informed us about the report. PT Prasetya Mitra Muda (PT PMM) has confirmed that the land clearing occurred within the company's concession area, outside of any identified HCV/HCS areas in the HCV/HCS assessment. PT PMM has agreed to cease further clearance and implement the following mitigation measures:</p> <ol style="list-style-type: none"> 1. The company will immediately stop land clearing in any areas within its concession that have not yet undergone an HCV/HCS assessment. 2. The company will conduct additional HCV/HCS study for targeted areas intended for further development, followed by an integrated peer review within the HCVRN. 3. Land development will only resume after the additional HCV/HCS study is completed and in areas classified as "go" areas. The company commits to adhering to any changes or recommendations arising from the peer review process. 4. The company acknowledges its responsibility for the deforestation that has occurred and will use the HCV/GCS assessment as the basis for a potential recovery plan, depending on the outcome of the HCV/HCS assessment. <p>We will monitor PT PMM's compliance with these commitments through our direct supplier.</p>
2	PT Inti Kebun Sawit	Not a supplier	PT Ciliandry Anky Abadi (CAA)	Mighty Earth Rapid Response Report 45	<p>[MONITORING] The alleged ownership connection between First Resources and Ciliandry Anky Abadi remains under investigation and tracked on the RSPO Complaint Tracker. We are closely monitoring the ongoing RSPO investigation and will review the outcomes of that process to ensure alignment with verified information.</p>
3	PT Mamuang, PT Agro Nusa Abadi, PT Lestari Tani Teladan	Not directly part of the supply chains, but exposed through other upstream mills within the same parent group	Astra Agro Lestari	Friends of the Earth US (FoE)	<p>[MONITORING] August 2024: Our supplier has confirmed that they have ceased sourcing from PT Letawa to avoid any sourcing linkages with the 3 implicated AAL subsidiaries in Sulawesi. Please refer to Apical's grievance tracker for more information. We remain committed to monitoring the action plans made by AAL and ensuring that the company is following through on their commitments, by directly engaging with our suppliers and AAL. Neste engaged with the AAL team together with its direct supplier, to understand the</p>

				<p>situation on the ground and the timeline for implementing the action plans. We have understood that the action plans are being carried out with the participation and consultation of the impacted communities. AAL also conveyed that they are working together with the local government to resolve the issues. AAL's August progress report can be found in this link.</p> <p>July 2024: AAL announced its RSPO membership application. FoE, through their press release, published an open letter along with over 30 international civil societies, calling for RSPO to withhold membership from AAL.</p> <p>June 2024: Friends of the Earth US reached out to Neste regarding its report named: Cultivating Conflict. how Astra Agro Lestari, brands, and big finance capitalise on Indonesia's governance gaps, which alleges that PT Astra Agro Lestari's subsidiaries have been involved in issues on land rights, governance and environment. Neste immediately reached out to its direct suppliers and sustainability partner, and received written responses. Our direct suppliers do not source directly from the three implicated subsidiaries of AAL in Sulawesi, but at group level. FoE report also alleged that PT Letawa, an upstream mill in our supply chain, may potentially source from the three implicated subsidiaries. Regarding the protest outside Jardine Matheson's offices in London by FoE UK, Walhi and community members from Sulawesi, AAL has released its statement reiterating that it has never committed acts of criminalisation, nor have performed any threats against the community. With regards to the allegations of AAL's encroachment on Indonesian forest areas reported by Bengkulu Genesis Foundation, AAL released a statement clarifying and refuting the data sources used in the research. In the same month, AAL published its final action plan.</p> <p>Other key timeline of the progress of these cases are:</p> <p>February 2024: AAL appointed ENS to assist AAL team in preparing an action plan and AAL published a response with regards to the Rio Mukti case on allegation of intimidation.</p> <p>December 2023: FoE published an article and video alleging that staff and security agents of AAL intimidated two local women in the Rio Mukti village.</p> <p>November 2023: AAL published the final verification report on its website. In response, FoE published a statement and a detailed response why it is rejecting the report and why the terms of reference of the investigation were insufficient. AAL published feedback and responses from key stakeholders on the verification report.</p> <p>May 2023: AAL published a statement on the progress update of the third party verification process and subsequent bi-weekly updates, and in October</p>
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4	Felda Global Ventures (FGV)	Indirect raw material via IOI, Genting, Mewah & Wilmar	Felda Global Ventures (FGV)	<u>U.S. Customs and Border Protection</u>	<p>[MONITORING] July 2024: FGV has <u>announced</u> that they have submitted a petition to the U.S. Customs and Border Protection (CBP) for the modification of the Withhold Release Order (WRO) that was issued in September 2020. According to the announcement, FGV implemented several remediation plans, including improving worker recruitment procedures, enhancing infrastructure and housing facilities, strengthening grievance mechanisms, and promoting workers' rights to freedom of association and union membership. FGV highlighted that these initiatives are part of its submission to the U.S. CBP.</p> <p>January 2024: According to a <u>press release</u> of FGV, FGV has carried out several initiatives, including:</p> <ul style="list-style-type: none"> - Reimbursed RM 72.2 million to 19673 workers. The reimbursement practice was verified by LRQA, an assurance company formerly known as ELEVATE; - For former workers, FGV had reimbursed RM 1.77 million and has set up a reimbursement programme which will be carried out until the end of 2024; - Strengthened its recruitment procedures with recruitment agencies by having an assessment and capacity building programme to be facilitated by LRQA, contract provision stipulating the obligation of recruitment agencies to reimburse workers who claim to have made

				<p>any form of fee during recruitment, and LRQA to survey newly recruit workers to ascertain if they had paid recruitment fees.</p> <p>FGV has planned to submit a petition to the US CBP by the end of second quarter in 2024.</p> <p>September 2023: According to FGV's media release on FY2022 financial performance, FGV is implementing ELEVATE's recommendations and expects to submit the final report to the U.S. Customs and Border Protection. FGV will reimburse current and former foreign workers, who were employed after 27 June 2019 for recruitment fees in three tranches between March and September 2023. Additionally, a sinking fund has been established for former workers who paid recruitment fees during their tenure but are no longer employed by FGV. For more information, please refer to the company's press release.</p> <p>March 2023: According to our direct supplier, FGV is in the process of developing and implementing a remediation plan based on the outcomes of ELEVATE's assessments. The remediation plan will be verified by ELEVATE. For more information, please refer to IOI's grievance log.</p> <p>August 2022: FGV commits to implementing action plans to strengthen its labour practices since it became a participating company of the Fair Labor Association (FLA) in 2019.</p> <p>Between November 2021 and January 2022, the FLA conducted Independent External Assessment (IEA) at FGV's headquarters in Kuala Lumpur and at the field level (mills and estates). In August 2022, the IEA-report, outlining the findings and action plans, is published on both FGV and FLA's websites (https://www.fgvholdings.com/press_release/fgv-continues-to-uphold-internationally-recognized-labour-standards-as-part-of-its-sustainability-agenda/, https://www.fairlabor.org/reports/fgv-action-plan-background-and-summary/).</p> <p>16 November 2021: FGV has appointed ELEVATE as the independent auditing firm to conduct an assessment of FGV's operations against the 11 International Labour Organization (ILO) Indicators of Forced Labour. The assessment is part of FGV's efforts towards petitioning for the revocation of the WRO by the CBP. Elevate is an independent sustainability and supply chain service provider with vast experience in advancing social compliance and addressing forced labour risks by applying a worker-centric approach.</p> <p>FGV had discussions with their US-based legal counsel and Elevate on the audit design and plan, which is expected to begin in November 2021.</p>
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5	PT Binasawit Abadi Pratama (PT BAP)	Direct Supplier	GAR	<p><u>Friends of the Earth Netherlands</u></p> <p>[MONITORING] April 2024: The case is still under investigation by the independent investigator appointed by the RSPO. According to Neste's understanding, GAR has also responded to the RSPO in March 2024. Neste will monitor the progress of the case and will provide updates whenever there are new developments or when the case is resolved.</p> <p>The detailed progress of the RSPO complaint progress can be found on the RSPO's <u>Complaints Portal</u>.</p> <p>Between 2021 to 2023: The RSPO complaint process progressed through several key stages, including finalising of the Terms of Reference (ToR) for an independent investigator, conducting face-to-face meetings with complainants and respondents, appointing independent investigator and commencing the investigation in August 2023.</p> <p>22 December 2020: GAR submitted additional documents <u>on GIS Analysis to the RSPO</u>.</p> <p>25 November 2020: The Complainants have provided their response on the difference on the hectarage clearance. Pending confirmation from the GIS team.</p> <p>October 2020: Case is currently being handled by the RSPO Complaints Panel. The Secretariat is waiting for a response from the Respondent on the issues pertaining land clearing and the final remark from the GIS team.</p> <p>April 2020: The key points of GAR's response to the FPP complaints to the</p>

				<p>RSPO are as follows:</p> <ol style="list-style-type: none"> 1. Allegation that GAR failed to secure necessary permits for eight (8) concessions in Central Kalimantan: the complex issue of obtaining permits in Indonesia affects all companies and is not peculiar to GAR. It is also a well-known issue to stakeholders including the RSPO. GAR has submitted evidence of the various legal changes that have occurred over the years re the allocation and designation of land for palm oil plantations. Through all the legislative changes, GAR and its subsidiaries have complied with the applicable and valid regulations at the time and have therefore been operating legally 2. Allegation that GAR and its subsidiaries failed to comply with RSPO New Planting Procedures: this is factually incorrect and without basis. GAR has submitted a list of documents verified by the RSPO certification body and submitted to the RSPO in 2014. In addition, GAR highlighted that the only new planting since 2014 has been to fulfil plasma development for the community. In this, GAR has also filed all the necessary documentation for the plasma development. 3. Allegation of unethical behaviour by GAR: the claims by FPP are factually incorrect. Since October 2018 when the corruption case was instigated GAR and its subsidiary PT BAP have been transparent about the case, the fact that the individuals in question acted of their own accord and in breach of the company's Code of Conduct. This was proven in the decision of the Jakarta Corruption Court which also ruled that the incident reflected the actions of a few individuals in breach of Government Regulations as well as GAR's own Code of Conduct. Neither GAR nor PT BAP were parties to the case. Therefore, claims that either company acted unethically are without basis. <p>GAR awaits the deliberation of the Complaints Panel and hopes that there will be a swift closure of this matter. For more information, refer to GAR's statement (2018 and 2020).</p> <p>March 2019: GAR acknowledges the findings of the Jakarta Corruption Court in the matter of three executives of PT Binasawit Abadipratama accused of bribery of government officials and hopes that this now draws a line under this unfortunate and regrettable incident.</p>
6	Rimbunan Hijau	Not in supply chain, but part of indirect supplier parent company group (Rimbunan Hijau -> Olenex)	Rimbunan Hijau	<p><u>Global Witness</u> (GW)</p> <p>[MONITORING] September 2023: We followed up with our supplier, and they informed us that the process is still ongoing.</p> <p>7 October 2021: GW released a public report titled 'The True Price of Palm</p>

				<p>Oil'. The allegations on RH in this report are largely similar to the letter that was sent to Wilmar's customers in July 2021. The report, however, contains additional information related to RH's health and safety practices.</p> <p>Our supplier, Wilmar, continues to monitor and investigate the remaining issues related to worker PPE Provision and RH's safety and health practices, and will guide RH towards resolution of this case.</p> <p>More info can be found here: https://www.wilmar-international.com/sustainability/grievance-procedure</p> <p>July 2021: A letter was sent to Wilmar's customers from the NGO Global Witness (GW), alleging environmental and social non-compliance incidents by Rimbunan Hijau (RH). A summary of the allegations in the letter were as follows:</p> <ul style="list-style-type: none"> - Environmental degradation and deforestation activities; - Violence and harassment against community members, through local police; - Lack of Free, Prior, Informed Consent (FPIC) prior to development of land; - Decent accommodation and facility for employees living in company housing; and - Workers' health and safety. <p>Wilmar immediately reached out to RH for clarification on the issues raised by GW, and has been actively engaging with the company since. RH has rebutted the allegations and provided us with all relevant documents which include:</p> <ul style="list-style-type: none"> - A field visit report by an independent consultant; - Evidence of engagements between RH and GW since 2017; - Landowner consent forms to ascertain FPIC and identify cultural sites that require protection; - Voluntarily written statements by a landowner, contents of which were further corroborated by a statement given by a local ward councillor; - Correspondence between Gilford Ltd and the Royal Papua New Guinea (PNG) Constabulary; - Board meeting minutes by landowner companies; and - A mediated agreement between Gilford Ltd and a landowner company issued by the PNG National Court.
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Neste does not operate any palm oil refineries, plantations and is not a palm oil trader.

Direct suppliers refers to parent company groups that have a direct business relationship with Neste.

Indirect suppliers refers to parent company groups that do not have a direct business relationship with Neste.

Neste's No-Buy List

No	Suppliers / Parent Group Companies	Date Suspended	Summary	Engagement with supplier
1	PT BEST	December 2018	Lost of RSPO Membership, an additional requirement of Neste	<ul style="list-style-type: none"> - 4 October 2018: Engagement at supplier's Surabaya HQ with owners/management - 22 November 2018: NDPE/Sustainability Workshop for various departments from PT BEST - 8 January 2019: facilitated discussion supplier with RSPO
2	PT Tunas Baru Lampung	December 2018	Allegation of deforestation	<ul style="list-style-type: none"> - 8 January 2019: Engagement at supplier's Jakarta HQ with management on severity of issues, received commitment to work on outstanding issues - 21 February 2019: Supplier engagement & workshop planning - 14 March 2019: NDPE/Sustainability Workshop for related departments from operations, sustainability, auditing from PT TBL - 10-11 April 2019: Neste Annual Supplier Workshop attended by 20 palm/pfad supplying companies - 18 July 2019: Engagement at supplier's Jakarta HQ with sustainability Head & Team to further discuss stop-work-order
3	FGV	October 2020	Allegations of labour issues. U.S. Customs and Border Protection issued a <u>Detention Order</u> on FGV Holdings Berhad, its subsidiaries and joint ventures.	Purchases from supply chains that are verifiably traced back to FGV on hold
4	AA Sawit Sdn Bhd Jernih Kemboja Sdn Bhd	March 2022	Allegation of deforestation, reported by <u>Mighty Earth Rapid Response Report #38</u> .	Purchases from supply chains that are verifiably traced back to AA Sawit Sdn Bhd and Jernih Kemboja Sdn Bhd are put on hold.
5	IndoGunta	December 2022	Allegation of deforestation	Neste requested its direct suppliers to put on hold sourcing from IndoGunta group for Neste's supply chains
6	Indofood / Salim Group	March 2023	Allegations of labour rights violations and deforestation	Neste requested its direct suppliers to put on hold sourcing from Salim group for Neste's supply chains
7	Samling	March 2023	Allegation of deforestation and land conflicts	Neste requested its direct suppliers to put on hold sourcing from Samling group for Neste's supply chains
8	Ciliandry Anky Abadi	March 2023	Allegation of deforestation	Neste requested its direct suppliers to put on hold sourcing from Ciliandry Anky Abadi group for Neste's supply chains
9	PT Teguhkarsa Wanalestari PT Prima Mas Lestari PT Asia Sawit Lestari	March 2023	Alleged ownership linkages with PT Usaha Sawit Unggul and PT Sawit Sukses Sejati, two companies alleged to have been involved in deforestation.	As the beneficial owners of the group of companies cannot be determined and the linkages of these companies to the alleged deforesters cannot be verified based on the information available, we asked our suppliers to exclude the three companies from Neste's supply chains.

				Please note that the two companies, PT Usaha Sawit Unggul and PT Sawit Sukses Sejati, alleged to have been involved in deforestation, are not in Neste's supply chains. The three allegedly-linked mills reported in the report are linked to us via alleged ownership linkages, not sourcing.
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Inclusion of companies or groups on the list above is not an indication of verified wrongdoing. Neste works together with its sustainability partners and suppliers to ensure compliance with its sustainability requirements, and carefully examines the information made available to it. When grievances are brought to our attention and we cannot confirm a company's compliance with our sustainability requirements, we request our suppliers to remove those companies from our supply chains.