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**Audited period:** January 1<sup>st</sup> – December 31<sup>st</sup>, 2023

**Validity period:** January 1<sup>st</sup> – December 31<sup>st</sup>, 2024

**Audit statement of Neste's Sustainable Aviation Fuel (SAF) based emission reduction transaction model**

Neste's Sustainable Aviation Fuel (SAF) based emission reduction transaction model for end-customers, as described in [www.neste.com/SAF](http://www.neste.com/SAF), is audited by SGS Germany GmbH (SGS) remotely. This audit process, further defined in the audit scope section, is part of a yearly audit cycle of this transaction model, following a risk-based approach. This approach consists of the identification of risks and the evaluation of their probability and their possible consequences. It will be reflected in the selection of the audit sample.

The audit statement is intended for customers of Neste (and its affiliates), as part of the Neste MY SAF solutions. As a result, the audit statement may not be suitable for another purpose. Therefore, our verification body's report is intended solely for Neste (and its affiliates), and customers of the Neste MY SAF solutions.

**1. Audit scope**

SGS carries out an annual audit, in accordance with a transaction model to reduce customer flight emissions by supplying physical SAF to Neste's partner airlines. SGS verifies that the quantities of SAF, sold under the scope of this transaction model, have been produced and delivered by Neste during the period from January 1<sup>st</sup>, 2023 to December 31<sup>st</sup>, 2023. The validity period of this audit statement is one year. In order to achieve credible and reportable emission reductions resulting from SAF transactions, the Aviation Guidance published by Science-Based Targets initiative (SBTi) sets out guiding principles for using SAF in corporate climate targets. To use SAF to meet Science-Based Targets in scope 3 targets, customers should<sup>1</sup>:

- Obtain reasonable proof of fuel consumption / combustion
- Demonstrate environmental benefits associated with the SAF used (e.g., Certificate of Sustainability (CoS), including SAF lifecycle values)
- Prove clear chain of custody for the SAF consumption down, rather than across, the value chain (i.e., a business traveller could only purchase SAF from an upstream supplier, either an airline or a fuel producer)
- Include full accounting of Well-to-Wake emissions from all fuel consumption (SAF + fossil fuel) in a firm's scope 3 inventory

<sup>1</sup> according to "SCIENCE-BASED TARGET SETTING FOR THE AVIATION SECTOR", version 01 of August 2021, p. 32.

## 2. Audit process

We carried out an audit on 20.12.2023 to verify the volumes of SAF delivered under this transaction model can be established with a reasonable degree of certainty, including the applied accounting procedures.

The sample size is the square root ( $\sqrt{x}$ ) of all transactions from all locations. The selection is risk-based to cover multiple locations, airlines, customers, feedstocks, volumes and GHG values. In case of non-conformities, the sample size will be increased by 50 %.

The following steps are included in the audit:

- Verified samples of sustainability and certification documentation, and retirement process of SAF deliveries with corresponding sustainability criteria related to end-customer services;
- Verified samples of contracts and agreements related to the transaction execution;
- Verified samples of the deliveries of SAF to and from the location(s) of Neste;
- Verified the information provided by Neste to show the accuracy of the data including mass balance, conversion factors and feedstocks used to produce SAF.

Our audit has been performed with a high level of assurance, based on a checklist developed by Neste and following the SBTi Aviation guidance checkpoints mentioned above. The documents directly connected to the selected sample and needed for the confirmation of the SBTi guidelines will be checked. We have audited the statement of SAF contributions, purchases and associated CO<sub>2</sub>eq emission savings, for the period January 1<sup>st</sup>, 2023 to December 31<sup>st</sup>, 2023, with a validity period of one year.

**Table 1: SBTi Aviation guidance checkpoints**

SBTi requirements	Neste's model under the scope of this audit
Obtain reasonable proof of fuel consumption / combustion	<ul style="list-style-type: none"> <li>• We confirm that Neste has produced and supplied SAF under this transaction model to reduce end-customer flight emissions, by supplying SAF to (a) partner airline(s) in several locations, for one or more flights.</li> </ul>
Demonstrate environmental benefits associated with the SAF used (e.g., Certificate of Sustainability (CoS), including SAF lifecycle values)	<ul style="list-style-type: none"> <li>• We confirm that Neste's Delivery Report includes a statement of certification and supporting GHG values (other than the Proof of Sustainability).</li> <li>• We confirm that the SAF delivered under this transaction model has been certified according to an EU voluntary scheme (Directive (EU) 2018/2001, Article 30, Paragraph 4) up until the point of delivery to commingled fuel storage, from which SAF deliveries are made to airline(s). The SAF was distributed and delivered on a mass balance basis.</li> </ul>
Prove clear chain of custody for the SAF consumption down, rather than across, the value chain (i.e., a business traveller could only purchase SAF from an upstream supplier, either an airline or a fuel producer)	<ul style="list-style-type: none"> <li>• We confirm, based on self-declarations from partner airlines, that they have not reported the batches of SAF under any regulatory compliance scheme ( EU RED II, EU-ETS, CORSIA).</li> <li>• We confirm, based on the self-declarations and documentation from Neste, that SAF volumes and sustainability criteria delivered under this transaction model were only allocated and reported to one airline at the time and no other parties (no double claim of the sustainability criteria).</li> </ul>

	<ul style="list-style-type: none"> <li>• We confirm, based on a self-declaration from partner airlines, that airlines have recognized the effective emission reductions in Scope 1 (Direct GHG emissions) for the combustion emissions and in Scope 3 Category 3 (Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2) for the upstream emissions. We ensured that corresponding scope 3 benefits have not been sold, transferred, or allocated directly or indirectly to any third party (other than Neste). We confirm that there has been a clear chain of custody on the transfer of fuel and corresponding emission reduction claims between different parties involved.</li> <li>• We confirm based on self-declaration from Neste that the batches of SAF have been physically supplied by Neste as a blend in several airports in Neste's delivery network. Subsequently, Neste has supplied these SAF volumes to several airlines in those locations, confirmed and proven by delivery documentation.</li> <li>• We confirm that there has been a clear chain of custody on the transfer of fuel and corresponding emission reduction claims between different parties involved.</li> </ul>
<p>Include full accounting of Well-to-Wake emissions from all fuel consumption (SAF + fossil fuel) in a firm's scope 3 inventory</p>	<ul style="list-style-type: none"> <li>• We confirm that relevant information is provided in the Neste MY SAF for Business booklet.</li> </ul>

On basis of the risk-based audit approach and self-declarations from airlines and Neste as described above, we confirm that Neste has fulfilled customer's SAF deliveries to airlines in such a way that customers can credibly report an emission reduction of their scope 3 aviation emissions in line with the emission reductions connected to the specifically allocated SAF deliveries.

Best regards

**SGS Germany GmbH**

  
 i.A. **SGS Germany GmbH**  
 Marlene Sonntag

  
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 Dr. Markus Graminsky