

NESTE

Annual Report 2025

Remuneration report

Neste Remuneration Report 2025

Letter From the Chair of the Neste Board of Directors

Dear Shareholder,

I am pleased to present the first remuneration report since my appointment as Chair of the Neste Board and Personnel and Remuneration Committee.

At Neste, we want to ensure that our remuneration supports the business strategy and performance on all organizational levels. We believe competitive and fair rewarding will contribute to Neste's long-term financial success, encouraging value-based behavior and individual accountability. It also contributes to long-term value for all our stakeholders.

The year 2025 was Heikki Malinen's first full year as the President and CEO, during which Neste focused on selected priorities to improve profitability, operational excellence and safety. In 2025, all Neste's business areas had solid performance – successful commercial operations in Renewable Products, high operational availability in Oil Products and good operational performance in Marketing and Services.

In 2025, Neste renewed its short-term incentive (STI) plan to better support the company's priorities by more focused goal structure and metrics. The aim is to enhance overall performance, drive operational excellence, and foster continuous improvement across all businesses and functions. Performance is measured by all businesses' comparable EBITDA, group free cash flow and safety metrics. Solid business performance is reflected in the short-term incentives (STI) that will be paid in 2026 for the financial year 2025.

Over the past three years, Neste faced significant challenges in the markets, which affected the development of Neste's shareholder return. The Performance Share Plan (PSP) 2023–2025 main performance metric was relative Total Shareholder Return (relative TSR) of Neste shares compared to the STOXX Europe 600 index between 2023 and 2025 with a weight of 80%. The Neste Total Shareholder Return was compared to the index at the 1.3th percentile and the result of this metric was 0%. The second performance metric was combined Greenhouse Gas impact with a weight of 20%. The result of this metric was 0%. Consequently, no shares reward will be paid in 2026 under the Performance share plan (PSP) 2023–2025.

In 2025, Neste renewed its long-term incentive (LTI) plan to support the company's strategy implementation and long-term value creation. The new performance metrics are Renewable Fuels Sales Volume and Neste comparable ROACE. We at Neste believe these new metrics will further encourage management's and key employee's commitment to Neste's sustainable growth.

Simultaneously, a pay cap for paid total variable remuneration was implemented and set at 230% of annual fixed compensation for the CEO and at 200% of annual fixed compensation for the senior management.

Neste continues to utilize short- and long-term incentive plans to drive the company's performance and long-term financial success. To ensure continuity and clarity, in 2026 metrics for variable pay plans will be the same as in 2025.



The following Remuneration Report outlines the remuneration of the members of the Board of Directors, the President and CEO Heikki Malinen and the previous President and CEO Matti Lehmus for the financial year 2025.

I welcome any feedback on Neste's Remuneration Report for 2025.

Pasi Laine

Chair of the Board of Directors and
Personnel and Remuneration Committee

Introduction

This Remuneration Report has been prepared in accordance with the Finnish Corporate Governance Code 2025, and the requirements set forth in the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act and the Decree of the Ministry of Finance. The report will be presented at the 2026 AGM of Neste for an advisory shareholder vote.

Our remuneration programs at Neste reflect our longstanding remuneration principles of supporting the strategy, paying for performance and thereby supporting Neste's long-term financial success, encouraging value-based behavior and individual accountability, and paying competitively and fairly.

Based on our remuneration principles, we have designed our remuneration policies, practices and processes to ensure that we can compete and retain the best talents in the diverse markets in which we operate. We believe that our performance-based remuneration programs, combined with selecting the right individuals for key positions, targeted talent development, proactive succession planning and appropriate market competitive compensation are key to our future success.

For our CEO, a significant proportion of remuneration is derived from variable pay to ensure that there is a strong alignment between sustainable value creation for shareholders, company performance and compensation. The Board of Directors sets the targets for both short- and long-term incentives, and the variable payouts are directly linked to strategic financial and ESG measures.

Application of the Remuneration Policy in 2025

The remuneration for the Board of Directors and the CEOs during the financial year 2025 was executed in accordance with the 2024 Remuneration Policy. No deviations from the Remuneration Policy have been made, and no remuneration of the Board of Directors or the CEOs has been reclaimed or restated during the financial year 2025.

Remuneration and company performance over the last five financial years

	2021	2022	2023	2024	2025
Company performance (in EUR million)					
Comparable EBITDA	1,920	3,537	3,458	1,252	1,683
Paid compensation (in EUR thousands)					
Average compensation of Members of the Board ¹⁾	51	73	63	83	83
President and CEO ²⁾	2,046	1,436	2,014	1,689	2,839
Average compensation of Neste employee ³⁾	78	86	89	85	90
Average compensation of Neste employee in Finland ³⁾	72	76	77	74	80

¹⁾ Includes all fees paid to the members (annual board fees, meeting fees). The payment practice changed in 2022 and board fee was paid monthly until AGM and total annual board fee from board membership 2022–2023 was paid in May 2022.

²⁾ Taxable value of the remuneration in each year, includes all remuneration elements: fixed salary including benefits, short- and long-term incentive payments and supplementary pension contributions. The total amount reflects the remuneration of Peter Vanacker until 4/2022, Matti Lehmus from 5/2022 until 14 October 2024 and Heikki Malinen from 15 October 2024 onwards.

³⁾ Includes all wages and salaries incl. incentive payments (STI based on accrual, LTI based on accounting value) without indirect employee costs (social security costs, pension costs, other costs) divided by the average number of personnel during the year.

Remuneration of the Board of Directors for the previous financial year

The Annual General Meeting decides on the remuneration for the members of the Board, based on the proposal of the Shareholders' Nomination Board, for one period at a time until the closure of the next AGM. On 25 March 2025, the 2025 AGM confirmed the following annual fees for the members of the Board of Directors. 99.34% of the votes cast were in favor of the proposal of the Shareholders' Nomination Board.

Chair	165,000 EUR per annum
Vice Chair	90,000 EUR per annum
Chair of Audit Committee ¹⁾	90,000 EUR per annum
Members	75,000 EUR per annum
Meeting fees	
Meeting held in the member's home country	1,000 EUR
Meeting held outside the member's home country	2,000 EUR

¹⁾ If he or she does not simultaneously act as Chair or Vice Chair of the Board

Meeting fees were paid based on attendance, plus compensation for expenses in accordance with the Company's travel guidelines.

The meeting fee for meetings held over the telephone or through other means of data communication was paid according to the fee payable for meetings held in each member's home country. The meeting attendance fees include meeting fees paid due to special tasks set by the Board of Directors, but not travel expenses.

Details of the shareholdings of the Board of Directors are shown on the web pages.

Remuneration paid to the members of the Board in 2025

The AGM 2025 decided that 40% of the fixed annual fee was to be paid in the form of shares, and 60% in cash. The shares were purchased directly on behalf of the Board members within two weeks following the publication of the interim report for the period 1 January to 31 March 2025 from the market at a price formed in public trading. The Company has paid all costs and transfer tax related to the purchase of Company shares. Transfer tax has been handled as taxable income for each member. The total cash part of the annual Board fee for the Board membership period 2025–2026 were paid in May 2025. Meeting fees were paid during the year after the meetings.

EUR	Total annual fee	Meeting fees	Total
Pasi Laine, Chair ¹⁾	165,000	25,000	190,000
John Abbott, Vice Chair ²⁾	90,000	21,000	111,000
Nick Elmslie	75,000	29,000	104,000
Anna Hyvönen ³⁾	75,000	16,000	91,000
Just Jansz	75,000	23,000	98,000
Essimari Kairisto ³⁾	90,000	20,000	110,000
Conrad Keijzer	75,000	26,000	101,000
Sari Mannonen	75,000	24,000	99,000
Former Board members			
Matti Kähkönen (Chair until 25 March 2025)	-	3,000	3,000
Eeva Sipilä (Vice Chair until 13 February 2025)	-	4,000	4,000
Johanna Söderström (Member until 25 March 2025)	-	6,000	6,000

¹⁾ Chair of the Board since 25 March 2025.

²⁾ Vice Chair of the Board since 25 March 2025.

³⁾ Member of the Board since 25 March 2025.

Remuneration has been paid from the parent company.

Remuneration of the President and CEO in 2025

Neste's Board of Directors decides on the remuneration of the President and CEO. The available remuneration elements are defined in Neste's Remuneration Policy and are aligned with market practices. The remuneration of the CEO consists of a fixed annual remuneration, including a base salary and fringe benefits, and variable remuneration, including short- and long-term incentives plans and a supplementary pension.

Variable remuneration

The President and CEO's short-term incentives, including the terms and conditions, are determined by Neste's Board of Directors. The Board of Directors annually sets and evaluates targets for the President and CEO. The maximum short-term incentive for the current President and CEO was 120% in 2025.

The Board of Directors decides on and implements Neste's long-term incentive plans and the earning opportunity for the President and CEO. The purpose of these plans is to drive Neste's long-term performance and success. Currently the maximum LTI earning opportunity for the President and CEO is 200% of annual fixed salary at grant.

The combined value of variable remuneration elements (the STI and LTI) paid during a calendar year cannot exceed 230% of annual fixed compensation.

Supplementary pension

The supplementary pension of the current President and CEO is a defined contribution plan with an annual contribution of 20% of the fixed annual salary and a retirement age of 66 years.

The table below includes the taxable value of the remuneration for the President and CEO Heikki Malinen:

President and CEO's total remuneration	Paid in 2025 (EUR)
Fixed annual salary ¹⁾	1,200,240
Short-term incentive plan ²⁾	11,340
Long-term incentive plan, taxable value of one-time supplementary arrangement 1,250,000 EUR paid in shares ³⁾	1,375,573
Supplementary pension	252,000
Total	2,839,153
Proportion of fixed and variable remuneration (supplementary pension excluded)	Fixed 46% Variable 54%

¹⁾ Benefits and vacation pay included in the fixed remuneration.

²⁾ Based on the financial year 2024 performance and prorated to start date.

³⁾ Taxable value of one-time supplementary arrangement of 1,250,000 EUR paid in shares that vested in October 2025. The monetary amount of this reward was converted to shares based on the fair value of Neste share which prevailed at the vesting time. The difference between the value of this reward at vesting and the taxable value on the date of actual payment is due to the development of the share price. At vesting the share price used was EUR 16.42 (based on volume weighted average price during 8 August – 29 October 2025) and the date of payment 31 October 2025 the share price was EUR 18.07 (volume weighted average price on 31 October 2025).

The previous CEO Matti Lehmus received in 2025 as termination benefits in accordance with his contract 475,430 EUR fixed salary including benefits and vacation pay, 162,672 EUR STI (STI 2024 paid in 2025 and STI 2025 prorated until end date), 4,742 EUR LTI payment for PSP 2022–2024, 56,329 EUR supplementary pension payment and 450,630 EUR severance payment of six months salary.

Remuneration has been paid from the parent company.

Short-term incentives

The purpose of the short-term incentives is to reward and incentivize improvements in short-term financial and operational performance and support the delivery of the business strategy.

The incentive payment of 1,512,000 EUR will be paid in March 2026 for the President and CEO Heikki Malinen. According to his contractual agreement, STI 2025 and STI 2026 include a multiplier and final STI payment will be multiplied by two. However the maximum STI payment is capped at 120% of the annual fixed compensation, and any STI reward exceeding this will not be paid.

Below are details of the short-term incentive plans in 2024 and 2025. STI scale changed for 2025 related to the renewal of the short-term incentive plan.

Performance metric	Weight in 2024	STI 2024, paid in 2025		STI 2025, to be paid in March 2026	
		2024 Performance outcome %		2025 Performance outcome %	
		Threshold	50%	Weight in 2025	Minimum
Renewable Products comparable EBITDA	30%	Target	100%	Maximum	100%
		Maximum	200%		
Renewable Products comparable EBITDA	30%		0	35%	70%
Oil Products comparable EBITDA	20%		0	25%	62%
Group Free Cash Flow	20%		0	30%	100%
Comparable ROACE	10%		0	-	-
Group Safety (TRIF)	10%		60	5%	13%
Group Process Safety (PSER)	10%		0	5%	67%
Total weighted outcome ¹⁾	100%		6	100%	74%

¹⁾ With performance metric outcomes without rounding

The maximum short-term incentive for the President and CEO is 120% in 2026. Details of the short-term incentive plan 2026 metrics for the President and CEO for 2026, potential reward payment in March 2027:

Performance metric	Weight
Renewable Products comparable EBITDA, MEUR	35%
Oil Products comparable EBITDA, MEUR	25%
Group Free Cash Flow, MEUR	30%
Group Safety (TRIF)	5%
Group Process Safety (PSER)	5%

Long-term incentives

The objectives of the share-based long-term incentive scheme are to align the interests of Neste' management and key employees with those of the Company's shareholders and, thus, to promote shareholder value creation in the long term, to commit management to achieving Neste's strategic targets and to retain its key employees.

Performance Share Plan 2023–2025 will vest in 2026. The plan had a three year-long performance period for both metrics and the total performance outcome was 0%.

The President and CEO Heikki Malinen was also entitled to a one-time supplementary arrangement of 1,250,000 EUR payable in shares (Restricted Share Plan) which vested in October 2025. This was granted at hire in recognition of forfeiting previous employer awards according to Neste Remuneration Policy. The one-time award was granted in shares to create a link to company long-term share performance and encourage share ownership. The President and CEO is required to accumulate and maintain a shareholding which is equivalent to the annual fixed salary.

Performance Share Plan	Performance metric	Weight	Performance metric outcome %	Total weighted Performance outcome %	Number of max gross shares granted		Number of gross shares vested		Vesting time
					Heikki Malinen	Matti Lehmus	Heikki Malinen	Matti Lehmus	
PSP 2022–2024	Relative Total Shareholder Return (TSR) compared to the STOXX Europe 600 Index	80%	0%	2%	-	26,400	-	528	2025
	Combined Greenhouse Gas Impact 2022–2024	20%	10%						
PSP 2023–2025	Relative Total Shareholder Return (TSR) compared to the STOXX Europe 600 Index	80%	0%	0%	Prorated 29,097 from employment start date	Original 23,600, prorated 18,683 until end date	0	0	2026
	Combined Greenhouse Gas Impact 2023–2025	20%	0%						
PSP 2024–2026	Relative Total Shareholder Return (TSR) compared to the STOXX Europe 600 Index	80%	-	-	Prorated 54,038 from employment start date	Original 33,700 Prorated 15,446 until end date	-	-	2027
	Combined Greenhouse Gas Impact 2024–2026	20%	-	-					
PSP 2025–2027	Renewable Fuels Sales Volume 2025–2027	60%	-	-	290,200	n/a		n/a	2028
	Neste comparable ROACE 2027	40%	-	-					
Restricted Share Plan									
RSP 2022–2024	-	-	-	-	1,250,000 EUR in shares	n/a	76,123	n/a	2025
RSP 2023–2025							RSP 2022–2024: 53,700		
RSP 2024–2026							RSP 2023–2025: 18,680		
							RSP 2024–2026: 3,743		

