

Sustainable supply chain

Neste Oil ensures that it acts sustainably at every stage of its supply chain. Our feedstock suppliers are carefully selected and committed to operating sustainably in their own operations. All of our renewable inputs are fully traced back to where they are produced or cultivated.

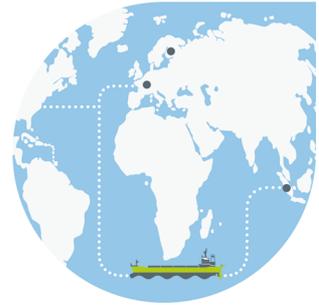
Our ways to ensure the sustainability of our supply chain



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100%
of the crude palm oil we use is sustainably produced and certified

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Cooperation for the good of rainforests with The Forest Trust



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Palm oil from 54,000 smallholders



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What were our targets?	Actions and achievements in 2013	What next?
100% of the crude palm oil we use is certified by 2015.	<ul style="list-style-type: none"> 100% of the crude palm oil used was certified in 2013. 	<ul style="list-style-type: none"> Continue using only certified crude palm oil also in the future.
All the renewable inputs we use are traced back to their origin.	<ul style="list-style-type: none"> All the renewable inputs we used were traced back to their origin. 	<ul style="list-style-type: none"> Ensure the continued traceability of our renewable inputs.
Develop how we monitor the carbon footprint of fossil fuels.	<ul style="list-style-type: none"> We familiarized ourselves with the emission data of our most important crude oil suppliers, and began cooperation in this area. 	<ul style="list-style-type: none"> Extend cooperation with selected crude oil suppliers.

Case: Palm oil from tens of thousands of smallholders



Palm oil from tens of thousands of smallholders



Neste Oil buys its palm oil directly from producers without the use of intermediaries. Purchases of palm oil from smallholders have steadily increased over the last few years, and the number of smallholders supplying Neste Oil rose from 9,000 to 54,000 in 2013 alone.

Palm oil offers a higher return and helps educate children

Palm oil is an important part of the economy in Indonesia and Malaysia, and enables many families to educate their children, for example. Many smallholders cultivating oil palms today used to grow rubber trees. By switching to oil palms, they have often been able to double their income.

Growing oil palms has increased the standard of living of two smallholders in Indonesia, Hery Setiawa and Suwelo Ard, for example. One of them has built a house with over 100 m² of space for his family and sent his eldest son to study at Riau University. The biggest hope of both men is to provide an education for their children.

Cooperatives support smallholders and provide information

Smallholders cultivate their own two-hectare plots and belong to cooperatives that organize training, make joint decisions, and manage things like the safe storage of the chemicals needed on plantations.

The training and support provided by cooperatives help smallholders follow sustainable cultivation methods.

“Without our support people, we wouldn’t know as much about sustainable methods as we do now, and they give us a lot of information and help,” say Suwelo and Hery.

Certified palm oil commands a better price

Neste Oil requires all its suppliers to be certified to ensure that it knows the origin of the palm oil it buys and that it is produced sustainably. Certification is also a requirement for smallholders. They benefit, however, as certified palm oil commands a better price than non-certified palm oil. Neste Oil is currently negotiating with International Financial Corporation (IFC), which funds sustainable development projects, to organize a system that would enable Neste Oil to buy palm oil from independent smallholders in the future as well.