

Human rights



Respect for human rights is included in Neste Oil's [Sustainability principles for biofuels](#), [Sustainability policy](#) and [Code of Conduct](#). Our personnel can learn about the ethical rules by playing an interactive game, among other methods.

We are committed to observing the human rights principles of the United Nations' Declaration of Human Rights and the International Labor Organization (ILO). The same respect for human rights is also required from all our partners.

Neste Oil does not tolerate harassment, discrimination, child labor, forced labor or exploitation in any form. The most central aspect of human rights in our own operations is the promotion of equality.

Joining Global Compact strengthens our commitment to human rights

Human rights and labor rights are a key area of development in Neste Oil's sustainability work. In 2014, we strengthened our commitment to the implementation of these rights in our supply chain by joining the UN's Global Compact sustainability initiative. Six of the ten Global Compact principles concern human rights and labor rights. We will define how we will monitor the realization of the principles in our operations in early 2015.

Finnwatch report raised shortcomings related to the implementation of labor rights

Finnwatch published a report detailing how various Finnish companies source their palm oil, including Neste Oil's supply chain, in September 2014. The report highlighted shortcomings related to the realization of workers' rights in a plantation of our Malaysian palm oil supplier, IOI Group.

After learning of the findings, we immediately took action to establish what happened and to remedy the situation. We have discussed the findings and IOI's corrective measures on several occasions with the company's representatives. Also the RSPO and ISCC certification schemes have re-audited all of the

plantations mentioned in the report. According to ISCC's findings there were not any actual violations at these plantations. They did find, however, that some of IOI's procedures only barely meet the certification requirements. RSPO's process is still on-going.

Based on the matters that emerged in the audits, the operations of the certification organizations will also be developed. The ISCC will establish a working group aiming to improve the audit procedures of social questions. Neste Oil will take part in the working group's activities. In order to influence the development of certification, we are also involved in the human rights working group of RSPO.

In order to deepen our understanding on the social issues and related stakeholder activity in the palm oil industry we started cooperation with an international organization focused on social rights in early 2015. The aim of this cooperation is to increase the capability to take social aspects into account in our supply chain more efficiently.

Read [Finnwatch's Sonja Vartiainen's thoughts about cooperation with us](#).

Enhanced monitoring of labor rights in our own operating chain

Human rights and labor rights are part of the due diligence and certification criteria included in our selection process of raw material suppliers. In order to enhance the monitoring of our own supply chain, we have commenced development work to make our practices more strict with regard to social questions, such as human rights and labor rights. Our aim is to finish the development project during the first half of 2015.

Read more about [the sustainability requirements for our raw material suppliers](#).

NGO viewpoint: Sonja Vartiala



Labor rights at palm oil plantations – an NGO's point of view



"Finnwatch, a Finnish human rights organization focusing on corporate responsibility, investigated the realization of labor rights at the plantations of the IOI Group, Neste Oil's Malaysian palm oil supplier, in 2014. The Finnwatch report published in September revealed several severe shortcomings related to working conditions at IOI's plantations, such as salaries under the minimum wage, limitations to the right to strike and professional organization and problems related to recruitment. It should be noted that Neste Oil was the only one among the surveyed companies that traced all of the crude palm oil it uses to the plantations using mass balance and segregation tracing methods.

IOI Group has prepared the first action program to address some of the problems raised in our report. We are still waiting for Neste Oil to provide information about the concrete measures with which it will ensure the realization of labor rights throughout its supply chain. We consider it likely that the problems observed with IOI Group are also common at other Malaysian plantations.

Good cooperation, but room for improvement in openness

During the preparation of the Finnwatch report, Neste Oil acted openly and provided a substantial amount of information to Finnwatch. The company also encouraged the IOI Group to

provide Finnwatch people with access to individual plantations. Nevertheless, there is reason to remark that Neste Oil still has a lot to do in relation to increasing the openness of its operations. In spite of years of criticism by NGOs, the company has still not published all of its palm oil suppliers or information concerning individual plantations supplying palm oil to Neste Oil. By keeping their supply chain secret, Neste Oil maintains a contrary position in regard to the Finnish Government resolution on ownership policy that encourages companies to pay attention to the transparency of supply chains.

Room for development in monitoring with regard to labor rights

Neste Oil has prepared extensive policies on corporate responsibility from ecological and social points of view. In spite of these policies, Neste Oil has exclusively relied on international palm oil certification systems in the monitoring of labor rights. According to the Finnwatch report, it is obvious that these certifications are not, in their current form, sufficient to guarantee the rights of employees. Neste Oil should improve its policies in relation to the monitoring of working conditions and should also pay more attention to human rights in the audit systems it uses. Neste Oil and the certification systems it uses should commit to the international principles of labor rights in the production of palm oil prepared by NGOs.

Even though the Finnwatch report published in fall 2014 focused on labor rights, it also briefly touched the subject of tax responsibility in palm oil production. Company tax responsibility is a growing international trend that Neste Oil should also increasingly acknowledge in the future. In addition, Neste Oil should prepare responsibility guidelines on the payment of taxes and start publishing an extensive country-by-country tax report."

Sonja Vartiala,
Executive Director,
Finnwatch