



St1 Group Sustainability Materiality Assessment

Game Changer 2022

St1 Nordic Oy Integrated Report

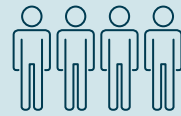


Materiality assessment The first three steps in the process to determine material topics relate to the organization's ongoing identification and assessment of impacts. During these steps, the organization identifies and assesses its impacts regularly, as part of its day-to-day activities, and while engaging with relevant stakeholders and experts. The organization should document its process of determining material topics. This includes documenting the approach taken, decisions, assumptions, and subjective judgments made, sources analyzed, and evidence gathered.



Material topics and project scope

Material Topics

Environmental	Social	Economic
GHG emissions Air pollution Resource consumption Water and effluents Hazard waste Non-hazard waste Biodiversity and ecosystems loss Soil, surface water and groundwater contamination	Labour rights Freedom of association and collective bargaining Occupational Health and Safety Closure and rehabilitation Child Labour Forced labour, modern slavery and human trafficking Local communities impact Land resource rights Non-discrimination and equal opportunities Migrant workers' rights Indigenous peoples' rights	Corruption Conflict and security Anti-competitive behaviour Asset integrity and critical incident management
		



Selected business operations

Product & raw material supply	Operations	Projects	Logistics
 Crude oil and fossil fuel supply (Diesel, gasoline)	 Refinery	 Wind	 Road transport
 Biofuel products: PFAD, UCO, AF	 Biogas	 Afforestation and reforestation	 Sea transport
 Biofuel supply	 Terminal operations		
	 Biorefineries		
	 Construction (project such as Gothenburg HVO)		
	 Feedstock processing		
	 Retail stations		

Prioritization criteria - negative impacts

Severity



Scale

How grave/serious the impact would be?



Scope

How widespread would the impact be? How many people affected?



Remediability

How hard would it be to put it right?

Likelihood



Nature of the business activity

How common the issue for the industry/sector?



Nature of the operating context

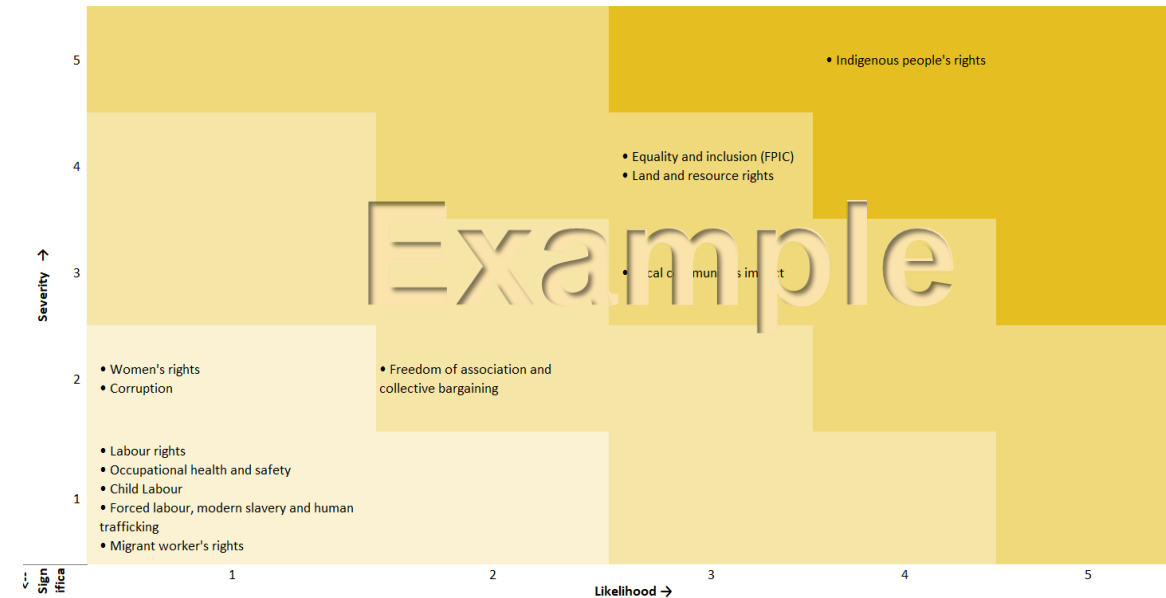
How common the issue for the country/region? Is there legal mechanism in place?



Nature of the business relationships

How many actors are involved/is there lack of visibility in the supply chain?

St1 sustainability impact map



Prioritization criteria – positive impacts



Scale

How beneficial the impact is/could be?



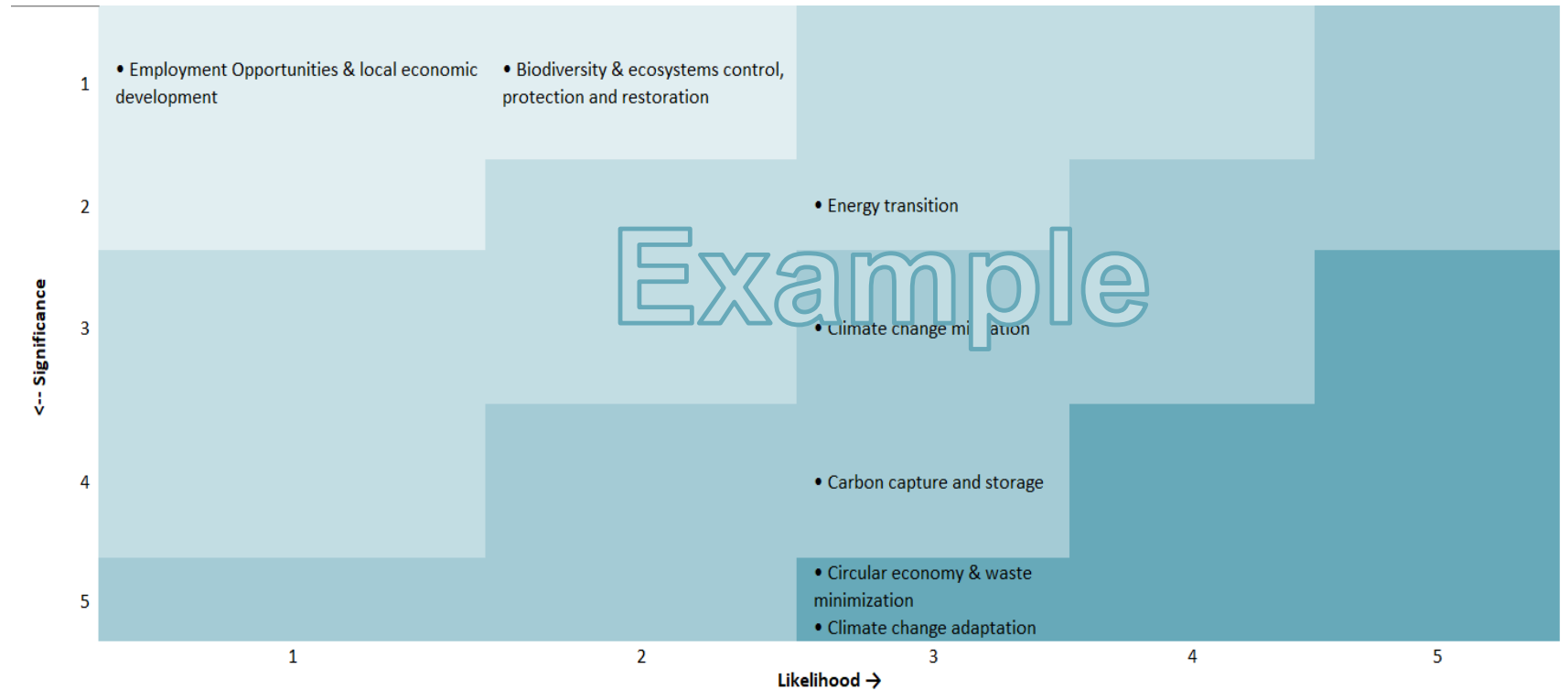
Scope

How widespread would the impact be? How many people affected?



Likelihood

How likely the impact is to happen?



#1

Impact Assessment Results and Conclusion

Selected material topics



Health, Safety, Security
& Environment
(HSSE)



Supply Chain
Sustainability



Diversity & Equal
Opportunities



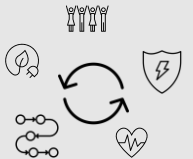
Biodiversity



Energy transition and
Climate impact



Energy Security

	Most material topic	Sustainability objectives	SDG	ESG	Performance highlights in 2022	Action points going forward
 We are developing best-in-class ESG stewardship, by being a trustworthy and responsible actor, and a desirable partner in the energy sector	 1	Sustainability governance is integrated into our core processes and decision making		Governance	- Code of conduct training is created - Materiality assessment is performed - Gap analysis of our operations against UN Guiding Principles and OECD Due Diligence guidelines is conducted	- Increase competence in Human and labor rights for management - Continue development of group level sustainability roadmap - Increase due diligence competence in organization - Integrate sustainability criteria into project management frameworks
	 Energy transition and Climate impact Energy Security 2	We set measurable and effective emissions reduction targets and introduce new feedstocks to improve energy diversity		Environment	- Acquiring Brocklesby Ltd. - Biogas joint venture together with Valio - Developing wind portfolio - Developing energy transition roadmap	- SBTi method implementation - Establish carbon intensity (gCO2e/MJ) targets for scopes 1,2 and further developing scope 3 - Progress Wind & Biogas GWh targets - St1 Gothenburg Biorefinery startup
 We are committed in transitioning towards a more sustainable value chain	 Supply chain sustainability 3	We are developing compliant and transparent supply chain as well as more sustainable production		Environment Social	- Development of supplier and other third-party due diligence pilot process - Majority of main business partners and supplier screened against social criteria - ISCC certification obtained	- Development of centralized group-level supplier due diligence process - Develop social and environmental criteria for supplier sustainability audit - Create human rights training for our suppliers and business partners - Expand ISCC certification scope to St1 Green
	 Energy security Energy transition and Climate impact 4	We develop a sustainable retail network in the Nordics		Environment, Social	- Investment in electric vehicle charging network - Digital solution for labour rights tracking - HSSE focus and training	- Expand EV charging network in the Nordics - Talent development - Work with suppliers to unpack value chains and create transparency
	 Biodiversity 5	We work to protect biodiversity and mitigate negative impacts through own operations and supply chain		Environment	- Biodiversity is integrated into carbon sequestration project selection criteria - Biodiversity impact assessment started for biorefinery concept	- Conduct environmental impact assessment for St1 value chain - Increase internal competence
 People are the heart of our value chain	 Non-discrimination and equal opportunities 6	We aim for balanced representation and have zero tolerance in discrimination at all levels of employment		Social	- Improved recruitment practices to minimize the risk of unconscious biases - Pay gap analysis	Increase internal and external (Game Changer) communication regards to, recruitment practices, wellness frequency, overtime capture, gender balance
	 Health, Safety, Security & Environment (HSSE) 7	We will align our HSSE processes to industry best practice in the Nordics		Governance, Social	Total Recordable Case Frequency (TRCF) reduction targets for St1 employees	- Develop Group level Health and Safety targets for contract labor - Establish a panel group to measure and develop Security and Environment objectives



Thank you

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May 2023