



# St1 Due Diligence Statement 2022

Statement on Modern Slavery and Human Trafficking  
under the UK Modern Slavery Act

Due Diligence Statement under the Norwegian Transparency Act



We at St1 thrive from integrity, transparency and open dialogue. We play by the rules and ethics and compliance is everyone’s responsibility. We respect the rights and dignity of all people, and we expect the same from all our partners. We support and respect the protection of internationally proclaimed human rights and we make sure that we are not complicit in any human rights abuses.

All employees involved in St1’s value chain have the right to be free from slavery, servitude and forced labour, or any exploitation depriving their basic human rights. All forms of bonded and indebted labour, such as withholding wages and depriving the freedom of a worker through physical confinement or forced overtime work, are against the St1 principles.

**1. About this statement**

This statement, prepared in accordance with the UK Modern Slavery Act 2015 and the Norwegian Transparency Act, is published by St1 Nordic Oy (St1) and applies to all our subsidiaries in compliance with the above-mentioned regulations. It has been approved by the Board of Directors of St1 Nordic Oy.

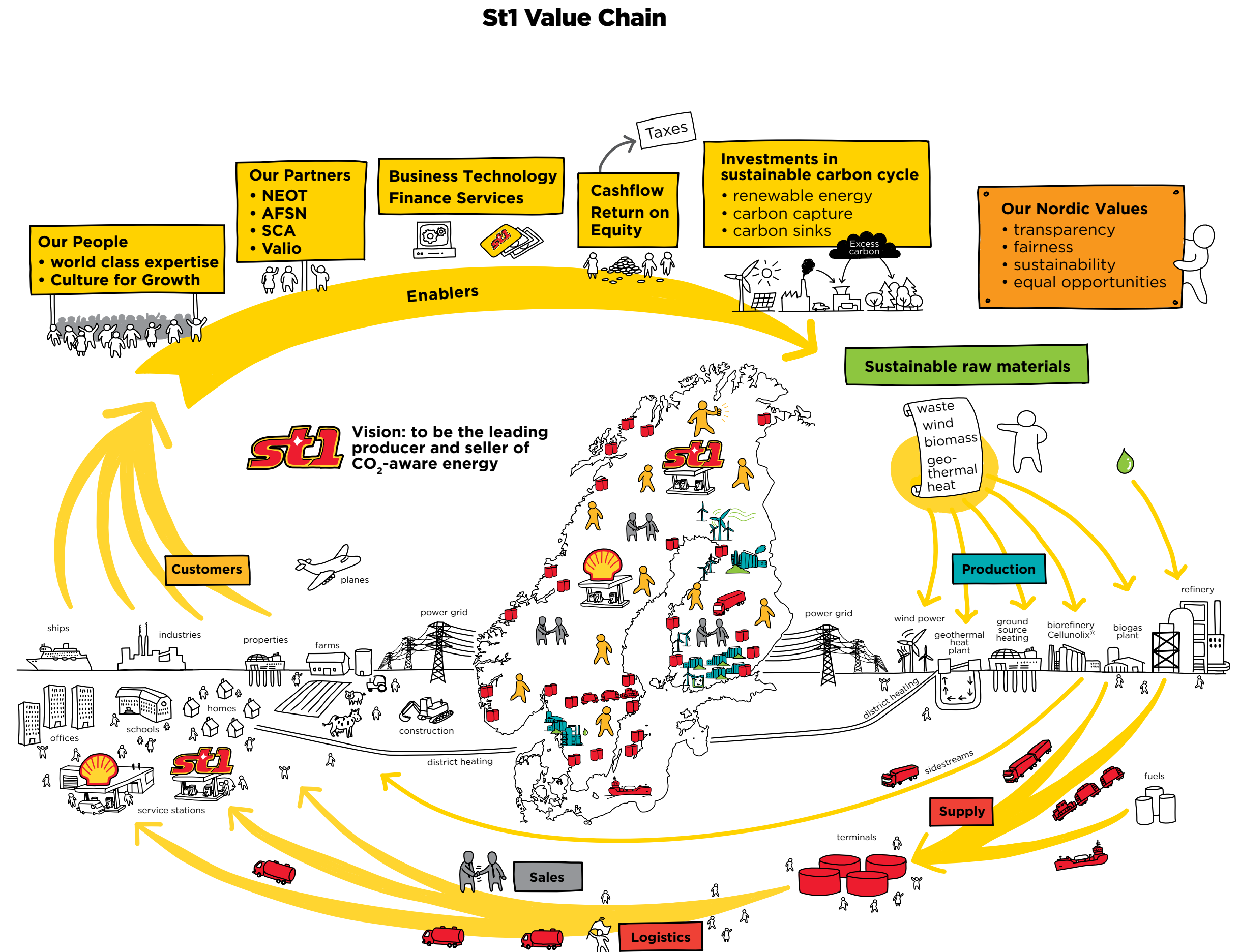
In this statement, we describe the steps St1 has taken during the financial year 2022 (January 1 – December 31, 2022) to identify, assess, and address the risks of modern slavery and human trafficking as well as risks of violations of other fundamental human rights and decent working conditions.

**2. Structure, business, and supply chains**

At St1, we aspire to be an energy company that challenges the conventional. Our company vision is to be the leading producer and seller of CO<sub>2</sub>-aware energy. Our value chain begins with sustainable raw materials and energy sources such as waste, wind, biomass, and geothermal heat. We produce and invest in sustainable energy production wind parks, geothermal heat, and biorefineries. We also invest in energy transition at our traditional refinery.

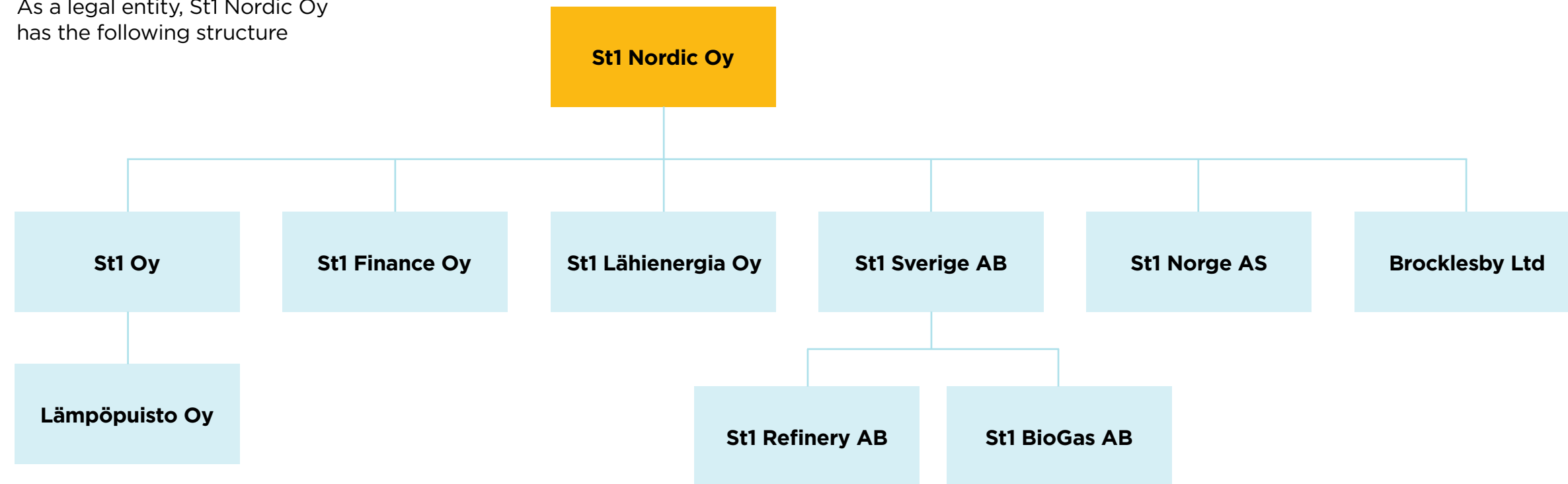
Through our optimized supply chain and logistics our products finally reach our customers. We have an extensive network of terminals to which trucks, trains, and ships transport our products. From there, they are further trucked to our service stations and customers. We serve our customers with premium energy products for use in air-, maritime- and land traffic, various industries, agriculture, and houses.

Our Gothenburg refinery is our most important source of supply, but our partner, North European Oil Trade (NEOT), provides additional fuels to fulfil our demand. NEOT sources these fuels, which are of fossil and bio-origin, from other refineries in Finland, Sweden, Denmark, and Norway, emphasizing high quality and suitability in its fuel selection process.

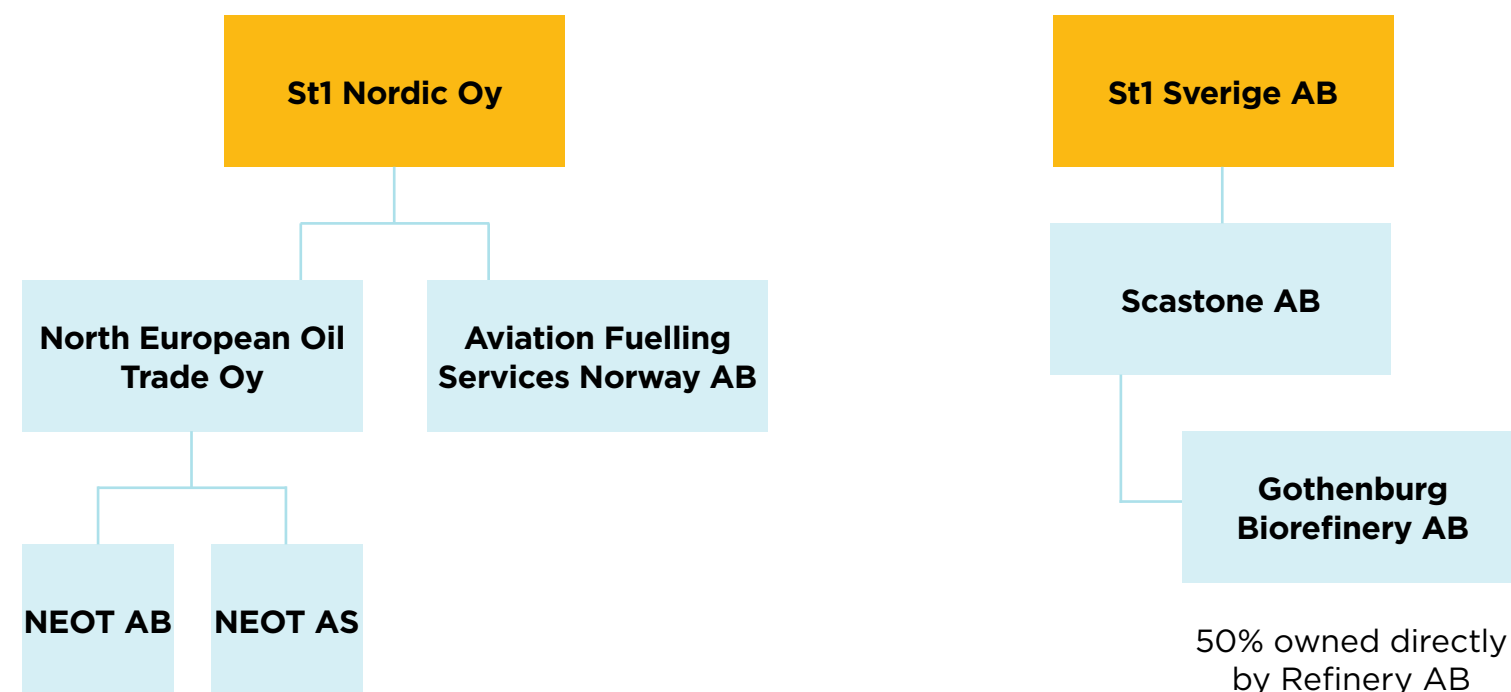


### Chart of the group's main companies

As a legal entity, St1 Nordic Oy has the following structure



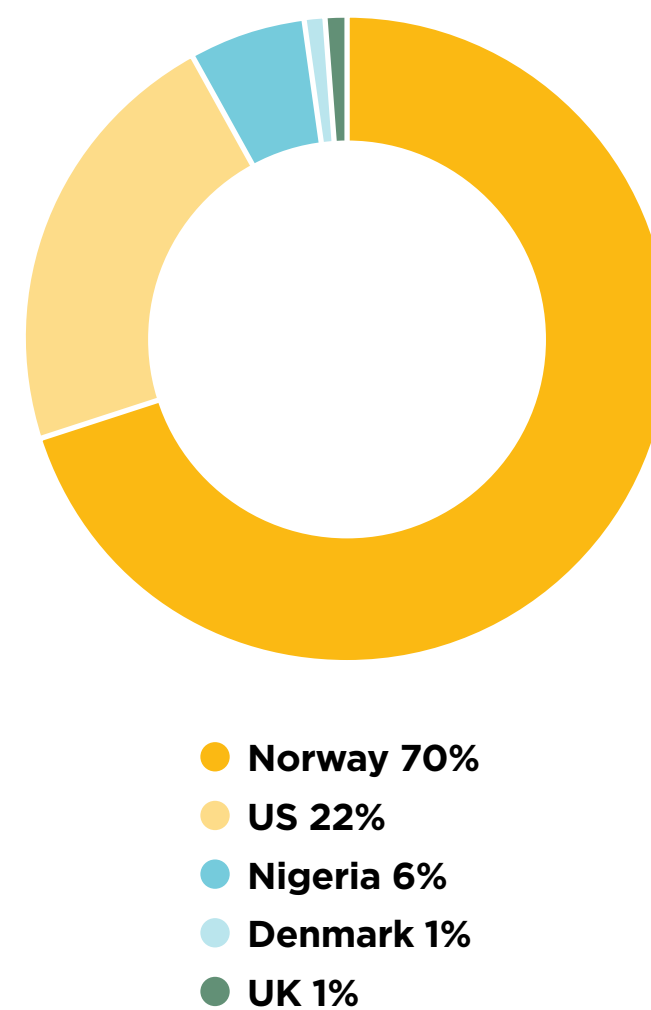
### Associated companies



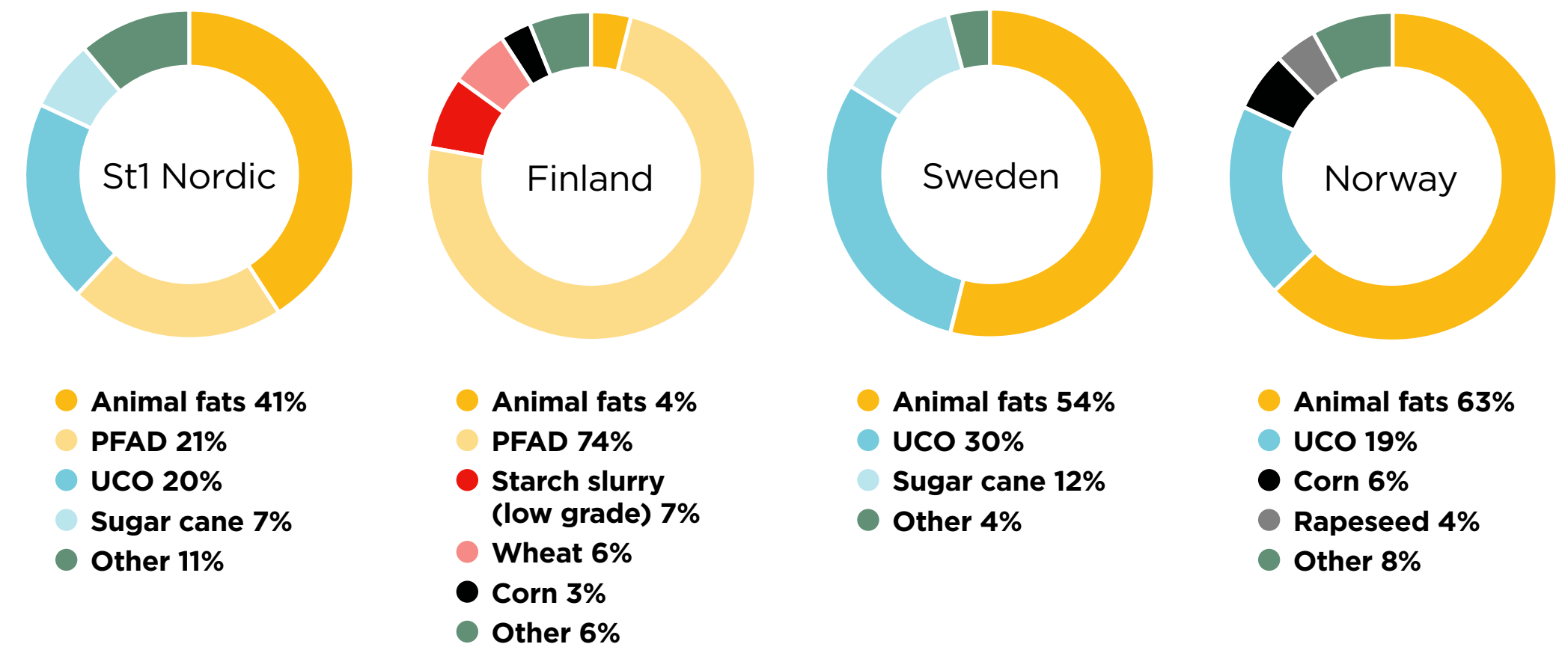
St1 operates in Finland, Sweden, Norway, and the United Kingdom, but our raw materials and final products that we sell are sourced from global markets. In addition, St1 Oy has a subsidiary in Thailand, St1 Renewable Energy Thailand Ltd., which runs the piloting and R&D of cassava starch mill waste stream, pulp conversion process to advanced ethanol. During 2022, the average number of employees was 1,052 people and our revenues amounted to MEUR 10,474.8.

Read more about St1's structure, business, and supply chain in our integrated annual report, [Game Changer 2022](#).

### Crude oil processed at St1 Gothenburg Refinery by country of origin during year 2022

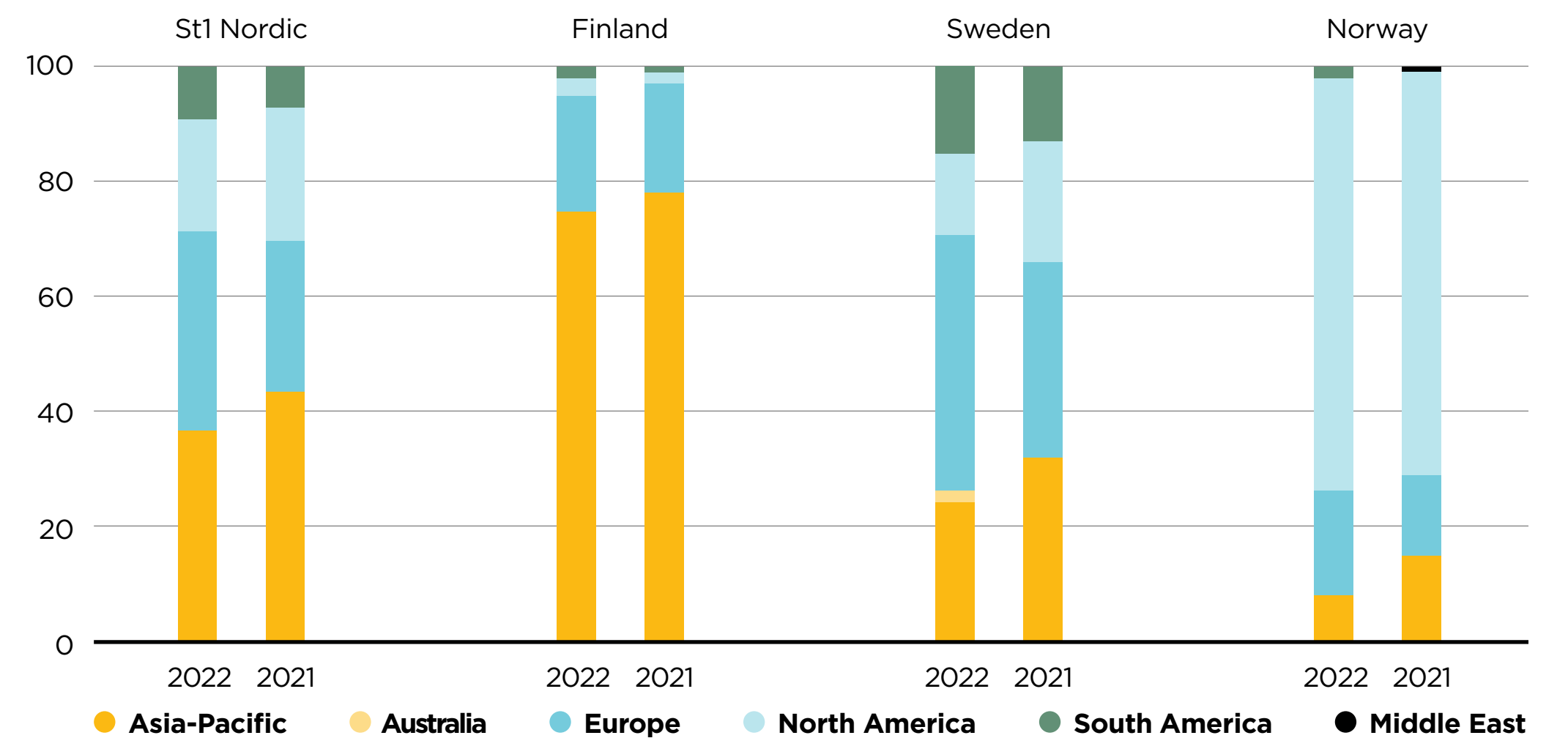


### Biofuels feedstock split 2022



\* Figures include heating oil and off-road use bio.

### Biofuels feedstock country of origin by region (% volume)



### 3. Our policies and principles

We seek to ensure that our operations have a positive impact on people and the societies they live in. However, we also acknowledge that our activities may directly or indirectly cause adverse impacts to human rights and decent working conditions. We also recognize the potential risk of modern slavery in our industry and supply chain.

Our approach to human rights is based on the United Nations Guiding Principles on Business and Human Rights (UNGP). The UNGP outlines the duty of governments to protect human rights and businesses' responsibility to respect them as well as offer appropriate and effective remedies if those rights are breached.

We respect the rights stated in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Our respect towards human rights is embodied in our **policies**:

- St1 Human Rights Policy - outlines our commitment to respect fundamental human rights
- St1 Code of Conduct - sets the ground rules for St1 employees
- St1 Partner Code - sets the ground rules for our partners operating within our supply chain
- St1 Due Diligence Commitment - our commitment to implement human rights due diligence processes

Human rights principles that we address in our policies:

- Fair wages and working hours
- Freedom of association and collective bargaining
- Equal and fair treatment without fear of discrimination
- Health and safety
- Forced labour and modern slavery
- Child labour
- Positive societal impact to communities
- Anti-Corruption
- Right to privacy

It is important to St1 that our stakeholders are heard, and that we foster open dialogue in all aspects of our value chain. Any misconduct and unethical behaviour against our Code of Conduct is taken seriously, and we encourage all our stakeholders to report possible concerns openly. Our employees can report their observations of misconduct to their managers, Human Resources, management team members, or through **SpeakUp®**, an anonymous communication channel that is open to all our stakeholders.

We also created a separate Transparency Act email address, where the public can direct their questions. In accordance with the legal requirements, all queries will be answered within a three-week timeframe. The email address can be found on [st1.no/apenhetsloven](mailto:st1.no/apenhetsloven).

## Our Human Rights Due Diligence Approach



**5 Communicate**

- St1 Game Changer annual integrated report
- Annual Due Diligence reporting in line with Norwegian Transparency Act and UK Modern Slavery Act
- Internal communication tools and channels
- Communication with affected stakeholder if applicable

**2 Identify and assess actual and potential adverse impacts**

- Human Rights Impact assessment performed in 2020 to identify the most salient human rights issues for St1
- Conducted an in-depth evaluation of St1's actual and potential adverse impacts as part of Materiality Assessment in 2022
- Project-specific Integration of human rights impact identification assessments into strategic projects

**1 Policy commitments**

St1's Code of Conduct package, created in 2020, consists of the following documents:

- St1 Code of Conduct
- St1 Partner Code
- St1 Human Rights Policy

**3 Cease, prevent, or mitigate**

- Development of supplier and other third-party due diligence processes
- Integration of St1 Partner Code to contracts with suppliers and other third parties
- Code of Conduct and Human Rights training mandatory for all St1 employees

**4 Track implementation and results**

- Development of internal tool to track implementation in line with OECD Due Diligence Guidelines

**6 Provide for or cooperate in remediation when appropriate**

- St1 Speak Up channel
- Site-specific grievance and non-conformity reporting mechanisms



#### 4. Risk assessment and management

We continuously develop our processes to ensure the integration of these principles in our day-to-day activities. At the beginning of 2022, we conducted a gap analysis of our operations against Organization for Economic Cooperation and Development (OECD) Due Diligence Guidelines and the United Nations Guiding Principles (UNGPs), in line with our commitment to the UN Global Compact.

Throughout the year, we have been working on creating internal tools and processes to bridge these gaps and monitor progress. We have placed our focus on developing internal models for impact assessment, identifying and prioritizing actual and potential sustainability impacts, and developing our supplier due diligence.

During 2022, we conducted a Group-wide sustainability impact assessment. Its purpose was to identify actual and potential adverse sustainability impacts in our own operations and throughout our value chain. In addition, we performed a Group-wide human rights impact assessment in 2020.

The highest risks with regard to human rights are in our upstream bio- and fossil fuel supply chains, which include points of origin of raw materials, processing, and transportation. In addition, large-scale temporary projects in our home markets that include construction and maintenance were identified as high risk.

Our upstream supply chain is extensive and involves many actors, and this increases the likelihood of adverse impacts taking place. While conducting impact assessments, we assessed

#### The most salient human rights issues



##### Fundamental labour rights

Fair working hours and compensation, right to organize and bargain, right to join a union, right to freedom from slavery and forced labour, rights of children and youth



##### Health and Safety

Health and safety of employees, sub-contractors, and all workers throughout our value chain



##### Non-discrimination and equal opportunities

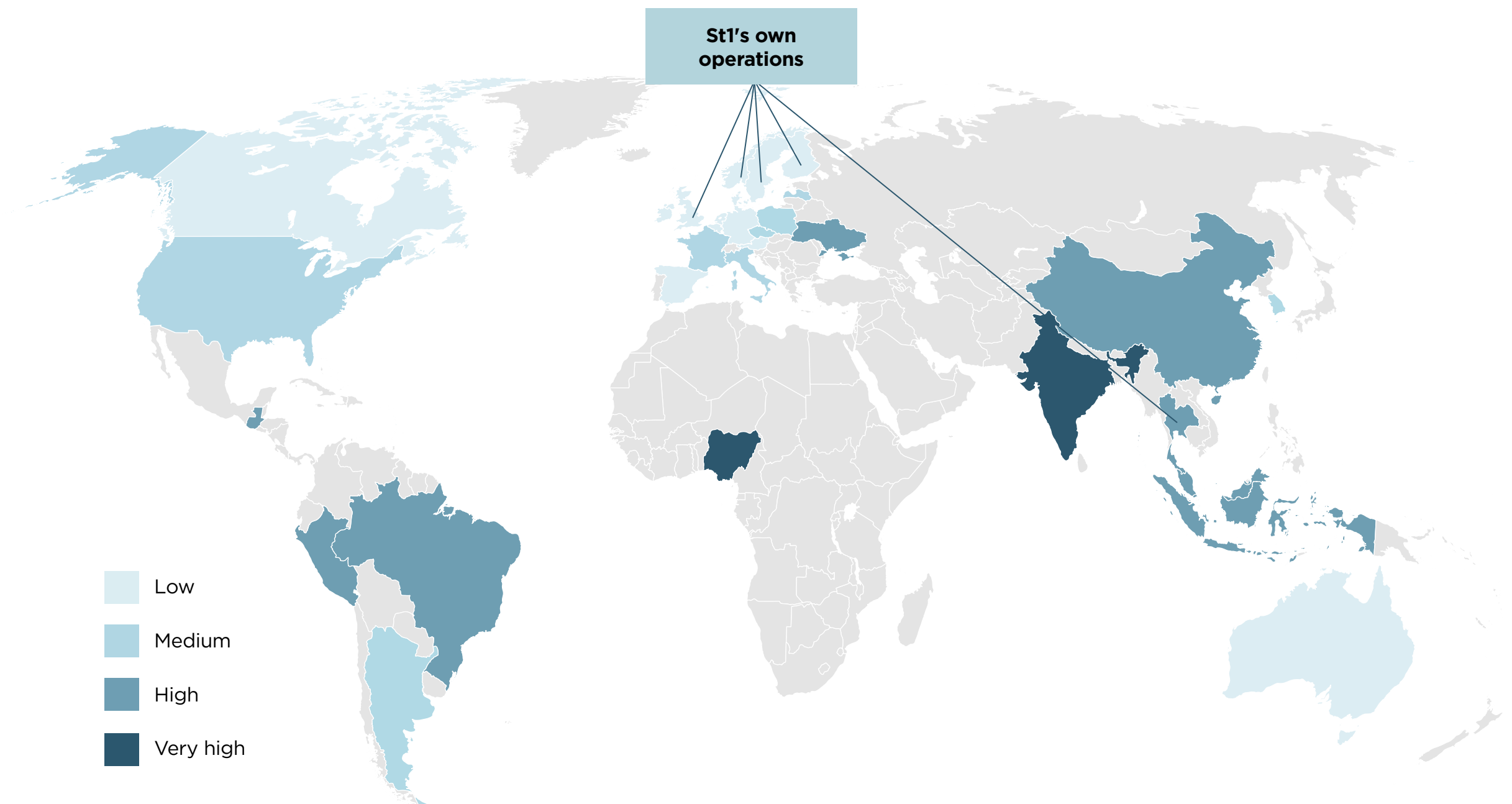
Right to equal treatment and non-discrimination, women's rights, and right to privacy and family life



##### Land and resource rights

Indigenous peoples' rights, land, livelihoods, culture, and right to health and life

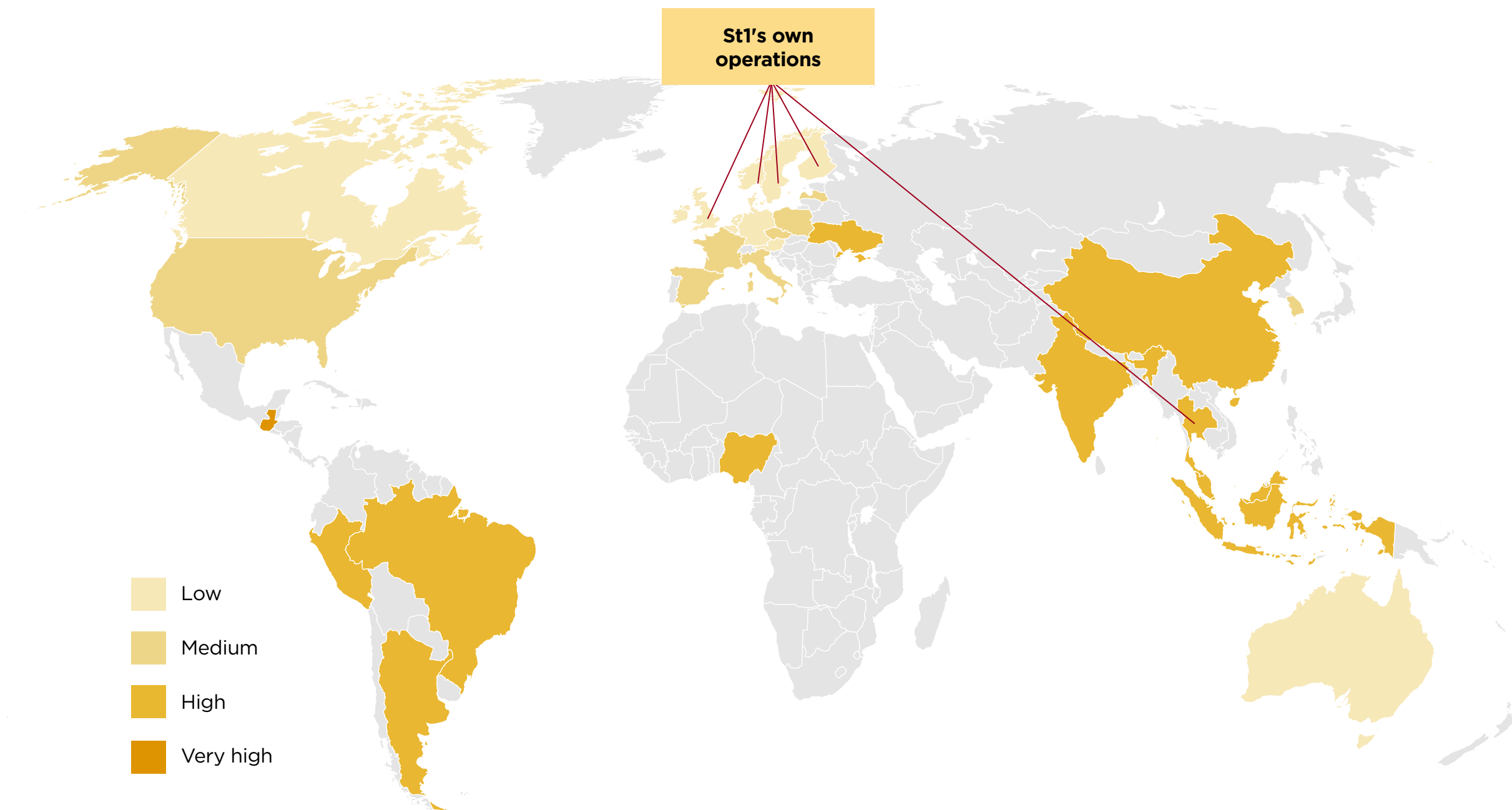
#### Modern slavery country risks



St1 has direct operations in Finland, Sweden, Norway, the United Kingdom, and Thailand. The remaining countries on the map represent the origin of crude oil used at St1 Refinery and the origin of feedstocks of biofuels products we sold in our home markets during the year 2022. All biofuel products are sourced by our supply partner NEOT and all crude oil used in St1 Refinery is purchased from and shipped directly to our refinery by a single supplier. Only the countries from where we supply above 1% of the total product volume are included in the map. Additional data on the county of origin is on page 3.

St1 assesses modern slavery risks by country using [The Global Slavery Index](#) produced by the Walk Free international human rights group. The assessment uses the Vulnerability Model, which determines the susceptibility of a country to modern slavery risks.

**Human rights country risks**



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St1 assesses human rights risks by country using the [World Justice Project \(WJP\) Rule of Law index](#), which evaluates countries risk levels based on eight factors. These include constraints on government powers, the absence of corruption, open government, fundamental rights, order and security, regulatory enforcement, and civil and criminal justice.

St1's biofuel supply from Used Cooking Oil (UCO), Animal Fats (AF), and Palm Fatty Acid Distillate (PFAD) feedstocks, as well as our fossil fuel supply separately. As a result, we identified the most salient human rights issues relevant for St1.

The sector and geography of the operations are key elements in defining risks. We used a wide range of sources to determine modern slavery risks and the risk of violations of other fundamental human and labour rights. The sources include trustworthy reports by international human rights and non-governmental organizations, such as [Walk Free](#), [World Justice Project](#), [UNICEF](#), [Transparency International](#), [Freedom House](#), and [The International Trade Union Confederation](#), among others.

**5. Supplier and business partner due diligence**

St1 has a diverse value chain. For this reason, we seek to ensure that a risk-based approach is taken for our different types of suppliers. During 2022, we created a pilot supplier and other third-party sustainability pre-qualification screening process. Through this process, we make sure that sustainability risk-based criteria are integrated into our partner selection process.

In 2022, our main strategic partners as well as new bio feedstock and fossil fuel suppliers underwent our pre-qualification process. We have also screened partners based on other criteria; namely, the importance of the contract to our business, their ability to deliver services, total annual spend, industry, high-risk value chains, and geography.

Several factors, including country exposure and industry exposure, determine the sustainability

risk of a supplier. During the year, we developed an internal country risk evaluation model by using country indicators across 15 different topics. These include fundamental labour rights, corruption, modern slavery, child labour, migrant workers' rights, land rights, climate change, and biodiversity, among other factors. In addition, a supplier self-assessment questionnaire helps us analyze the supplier's ability to mitigate the abovementioned risks.

Partners that are determined to be of high risk are subject to desktop research by our internal sustainability experts at St1. The investigation involves an extensive country risk overview, adverse media screening, and a review of external Environmental, Social, and Governance (ESG) ratings. The next steps could include a supplier sustainability dialogue and the development of follow-up actions.

During 2022, we have had several in-depth dialogues with key partners, suppliers, and customers regarding due diligence practices, value chain risks, and monitoring. These discussions have been valuable for developing our own processes. Additionally, they contribute to enhancing transparency on human rights and labour rights topics and practices within our sector. We will continue these dialogues in 2023.

Stakeholder engagement is also a key pillar of our project development work. We want to have a positive impact in the societies where we operate and contribute to a socially just energy transition. Therefore, in 2022, we held dialogues and engaged actively with stakeholders who could potentially be impacted by our projects, both positively and negatively. We conduct public



meetings, engage in direct individual dialogues, or meet with the relevant groups.

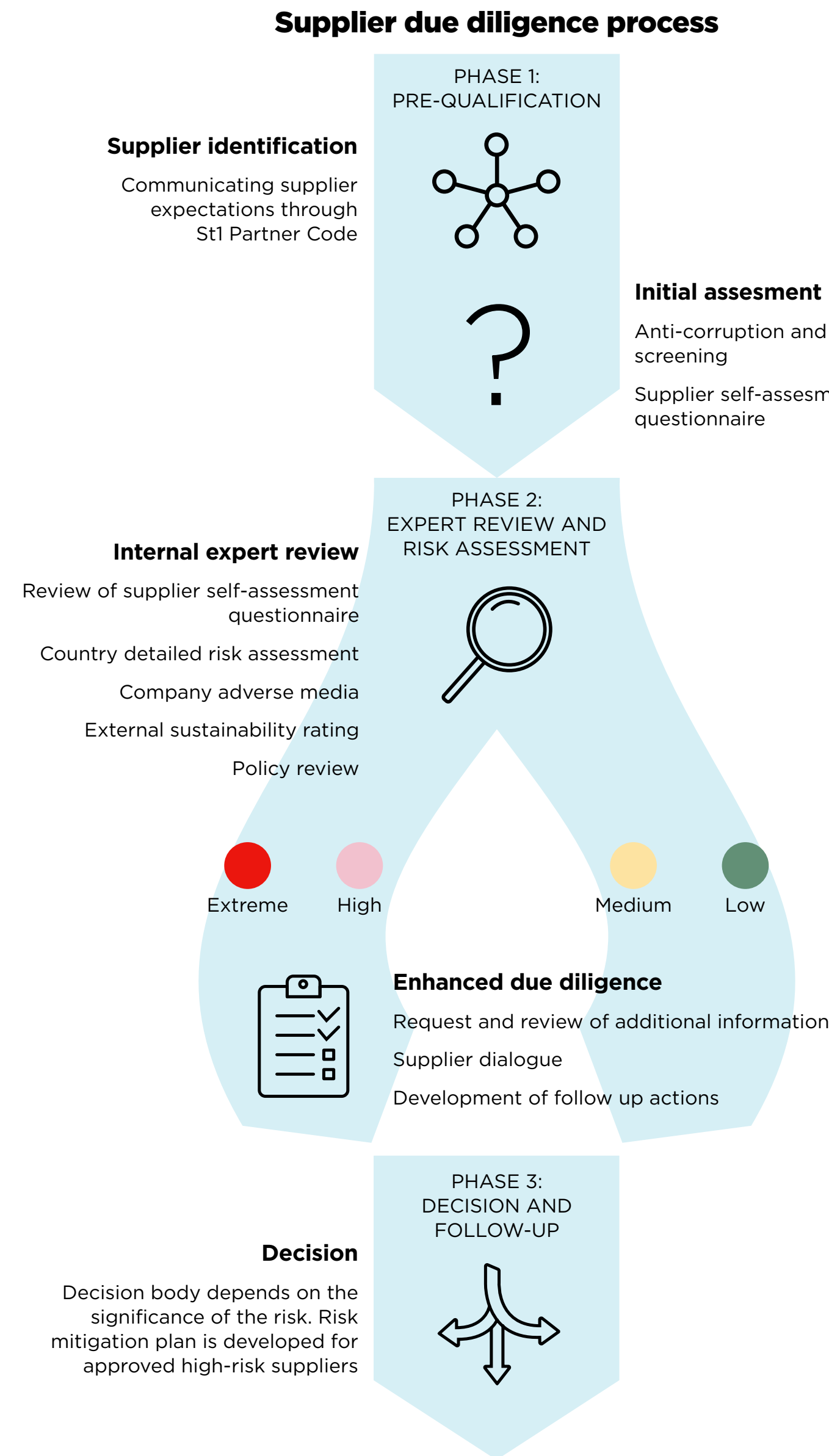
As of the period that this report accounts for, no human rights or labour rights violations have been identified. If concerns or accusations towards any of our partners are raised, we reserve the right to audit and will investigate the accusation in dialogue with the partner according to our Partner Code. Violations of the St1 Partner Code will be handled on a case-by-case basis, as in any other contract violation. In addition to being legally required to provide for and cooperate in remediations when appropriate, we are committed to follow through with our due diligence approach.

### 6. Training

St1 provides mandatory general human rights training for all employees as part of training on our Code of Conduct. The objective of the training is to maintain a high level of understanding on the risks of modern slavery and human trafficking as well as on the vital importance of fundamental human rights and decent working conditions to our operations and supply chain.

### 7. Looking ahead: targets for 2023

As part of our efforts to continuously improve our due diligence processes and align them with best practices, we follow the OECD Due Diligence Guidelines and the United Nations Guiding Principles on Business and Human Rights. Subsequent to the review of the effectiveness of the steps taken in 2022 to ensure that there is no slavery, human trafficking, or other violations to fundamental human rights and decent working



conditions in our supply chain, we intend to take the following actions in 2023:

- Conduct training on fundamental human rights and decent working conditions for Board of Directors, executive management, business unit leadership teams and employees directly involved in procurement of feedstock
- Develop a group-level supplier sustainability pre-qualification system
- Develop a supplier social audit process and framework
- Conduct sustainability screening for all our new bio feedstock- and fossil fuel suppliers and new major business development partners
- Integrate St1 Partner Code or similar acceptable requirements to all new feedstock supply contracts
- Increase the number of supplier and customer dialogues

### 8. Words from our CEO

Energy systems are integrated and global by nature. In our approach to managing human rights, we look through an international lens to make sure that we understand risks that are not only present in our direct operations, but also in our extensive supply chains.

As an energy company in transition, we know that our own operations and upstream supply chains are constantly developing. In the process of creating new business models, we must ensure that we continually assess our human rights risks. Respecting and protecting human rights is everyone’s responsibility, and only by collaborating with our suppliers, customers, and other business partners can we achieve a greater positive impact.

We continuously work to ensure that our human rights management approach is aligned with international frameworks and all relevant local legislation. A key pillar in this effort is our engagement with external stakeholders and organizations; and since 2020, we have committed to the UN Global Compact and been an active participant in the initiative. The UN Global Compact Principles, together with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles for Business and Human Rights, are our primary reference frameworks.

This is the first year we are reporting on our progress in addressing human rights risks, and we acknowledge that there is a lot of work still to be done. Our Sustainability team works across the organization to engage with and learn directly from our partners, customers, and suppliers to develop and refine our processes.

We aim to improve our approach to managing human rights and modern slavery risks by increasing our internal competence, training our staff, and developing and improving our risk assessment and mitigation actions. As a part of the St1 “Culture for Growth,” we aim to be transparent and to challenge ourselves and our partners to gradually improve industry best practices together.

Henrikki Talvitie, CEO at St1 Nordic

## References

The following are the building blocks of St1's human rights due diligence approach:

### Frameworks:

- [OECD Due Diligence Guidelines](#)
- [United Nations Guiding Principles on Business and Human Rights](#)

### Country risk assessment indices and resources:

- [Transparency International \(Corruption Perception Index\)](#)
- [International Trade Union Federation \(ITUC Global Rights Index\)](#)
- [WJP Rule of Law Index](#)
- [UNDP, Gender Inequality Index \(GII\)](#)
- [Environmental Performance Index \(EPI\)](#)
- [Freedom House \(Freedom of the World Reports\)](#)
- [Migrant Integration Policy Index](#)
- [UNICEF, statistics and reports](#)
- [Walk Free, Global Slavery Index](#)
- [International Work Group for Indigenous Affairs](#)
- [The Heritage, Property rights index](#)
- [Human Rights Watch World Report](#)
- [International Labour Organisation \(ILO\)](#)
- [Reporters Without Borders, Press Freedom](#)
- [U.S. Department of Labor, International Child Labour & Forced Labor Reports](#)
- [Indigenous Navigator](#)
- [Amnesty International](#)



### St1 Nordic Oy

Interested in CO<sub>2</sub>-aware energy?  
Read more at [st1.com](https://st1.com)

St1 Nordic Oy is an energy group whose vision is to be the leading producer and seller of CO<sub>2</sub>-aware energy