



SUSTAINABILITY STATEMENT

**MAKING THE WORLD SAFER,
OVER AND OVER AGAIN**

Teamwork between the sustainability team, purchasing and R&D



**THE PRINCIPLES OF
SUSTAINABLE SAFETY
GUIDE EVERYTHING
THAT WE DO**

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General information
Environmental information
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Governance information



Nokian Tyres integrates
sustainability deeply into
the business model.



GENERAL INFORMATION

ESRS 2 General disclosures

BP-1 Basis for preparation of the Sustainability Statement

The Sustainability Statement has been prepared on a consolidated basis for the entire Nokian Tyres Group, scope of consolidation being the same as for the Financial Statements including the parent company and all the companies in which the group directly or indirectly holds more than 50 percent of the votes unless otherwise stated in connection with the disclosed information.

During the materiality assessment, both Nokian Tyres' own operations and the company's value chain were considered. The Statement includes information about the value chain when relevant regarding the following material impacts, risks, or opportunities:

- E1 Climate change: Greenhouse gas emissions (upstream and downstream value chain)
- E2 Pollution: Tire and road wear particles and their reduction (downstream value chain)
- E4 Biodiversity and ecosystems: Biodiversity impacts in raw material sourcing (upstream value chain)
- E5 Circular economy: Material use (upstream value chain), tire end-of-life impacts (downstream value chain)

- S2 Workers in the value chain: Prevention and mitigation of adverse human rights impacts in the value chain (upstream value chain)
- S4 Consumers and end users: Contribution to road and end user safety, increasing end user awareness, privacy (downstream value chain)
- G1 Business Conduct: Ethical and sustainable sourcing practices, advancing and lobbying for legislation that is beneficial for end users and/or the environment, preferred partner for suppliers through good and fair relationship management.

Nokian Tyres has used the option to omit sensitive information related to details of manufacturing partners and to the datapoints 31 a and 31 c in the disclosure requirement E5-4.

BP-2 Disclosures in relation to specific circumstances

Time horizons

Reporting does not deviate from the medium- or long-term time horizons defined by ESRS 1 section 6.4.

Value chain estimation

In the calculation of Scope 3 emissions data, several estimations are used, including, for example, the use of general emissions factors and averages. This affects the accuracy of calculations. The calculation principles are based on Nokian Tyres GHG inventory, and they are presented in more detail under the disclosure requirement E1-6.

To improve data quality, Nokian Tyres aims to get emissions data from an increasing number of raw material suppliers and transport companies each year, allowing this data to be used in calculations instead of general emissions factors.

Sources of estimation and outcome uncertainty

All sources of estimation that are subject to a high level of measurement uncertainty are related to the value chain.

Changes in preparation or presentation of sustainability information

This is the first year Nokian Tyres reports sustainability matters according to the ESRS requirements.

Disclosures stemming from other legislation or sustainability reporting pronouncements

The Statement also includes additional disclosures on sustainability. The information is provided in accordance with the GRI standard, ESG rating requirements from S&P Global, and with the requirements of local legislation. This supplemental information is indicated visually with a round plus mark and the text “additional, non-material information”. Some of the information is related to the material topics and thus placed among the topical ESRS disclosures. Information related to non-material topics is presented in the separate section “Additional sustainability disclosures”.

GOV-1 Sustainability governance at Nokian Tyres

The Board of Directors is responsible for the overall management of the company and the organization of its operations. The President and CEO, appointed by the Board of Directors, is responsible for day-to-day management of the company in accordance with the instructions of the Board of Directors.

In 2024, there were nine non-executive members in the Board of Directors. The President and CEO was an executive director. There was no employee representation on the Board of Directors.

The members of the Board of Directors have relevant experience in the following: tire industry, CEO experience, international experience especially in the Nordic, Central European and North American markets, financing, corporate risk management, and corporate governance.

At the end of 2024, the Board of Directors had six male (66.7%) and three female members (33.3%) and three different nationalities. The age range was between 48–67 years. The President and CEO was male and Finnish. The new President and CEO started in January 2025, and he is male and Italian.

At the end of 2024, the members of the Board of Directors and the President and CEO showed diversity in the following aspects:

Diversity factor	Details
Age	Under 30 years old: 0% 30–50 years old: 10% Over 50 years old: 90%
Gender	Female: 30% Male: 70%
Nationality	Finnish: 70% German: 20% American: 10%
Expertise	Expertise in the tire industry: 20% CEO experience: 90% Leadership experience: 100%
Education	M.Sc. in Economics: 60% MBA: 20% M.Sc. in Technology: 10% Dipl. Ing. in Physics: 10% M.Sc. in Engineering Management: 10% M.Sc. in Social Sciences: 10%

All members of the Board of Directors were independent of the company and of all major shareholders in the company, with the exception of Reima Rytsölä, who was deemed not to be independent of a significant shareholder of the company based on his position as the CEO of Solidium Oy (ownership in the company at year end 10.10%). The percentage of independent members of the Board of Directors was thus 89.

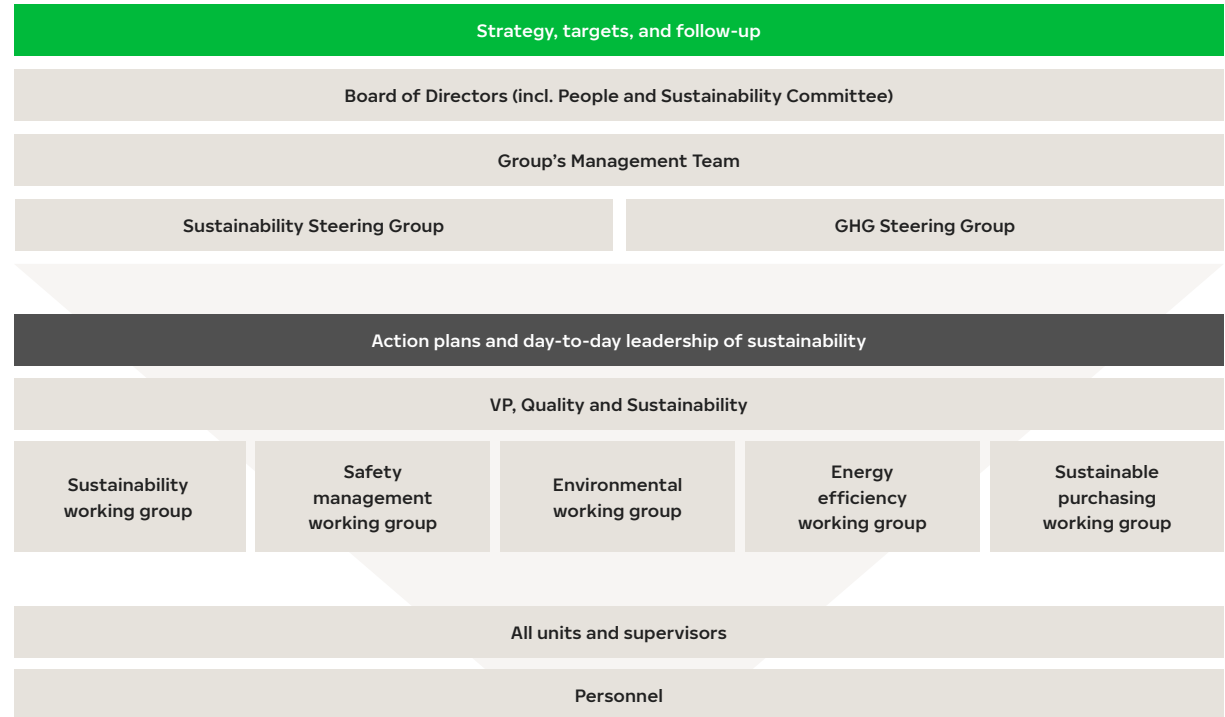
The Board of Directors is the entire group's highest body overseeing sustainability, including the impacts, risks and opportunities. The Board of Directors approves the key sustainability targets as well as the group's policies guiding the group's operations and internal control. The Board of Directors' People and Sustainability Committee (PSC), among other things, prepares sustainability topics for the Board of Directors and monitors developments in the operating environment and regulation relating to sustainability.

All members of the PSC are independent of the company and of all major shareholders of the company. The PSC has no independent decision-making power; collective decisions are made by the Board of Directors.

Nokian Tyres' sustainability work is led by the Senior Vice President, Operation Excellence, who is a member of the Management Team. The Sustainability Steering Group supervises and monitors the sustainability work within the group and comprises of senior representatives from Operation Excellence, Products & Innovations, Legal, Finance, Human Resources, and Communications functions. The Greenhouse Gas (GHG) Steering Group supervises and monitors the progress in reducing greenhouse gas emissions within the group. The duties of all supervisors include day-to-day leadership of sustainability.

Sustainability matters are reported to the Board of Directors' People and Sustainability Committee. The PSC, among others, regularly reviews with the management the progress of the company's sustainability program and monitors sustainability reporting process. The skills, competencies, and experience of the members of the Board of Directors in leadership, strategy development and execution, governance, risk management, remuneration, communications and stakeholder relations are relevant in ensuring that the company systematically and successfully develops and executes its sustainability program. The Board of Directors' committee work makes it possible to deepen sustainability expertise. Internal and external sustainability professionals can be asked to speak at committee meetings, and topic-specific presentations and trainings are organized as needed, including on material topics.

Managing sustainability at Nokian Tyres



As for business conduct, the Board of Directors is responsible for Nokian Tyres' corporate governance and the organization of its operations pursuant to the Finnish Limited Liability Companies Act and other regulations. The Board of Directors holds the general authority to lead and represent the company unless the matter belongs to the General Meeting of the shareholders pursuant to the applicable law or the Articles of Association. The policies and key tasks of the Board of Directors are defined in the Finnish Limited Liability Companies Act, the Articles of Association, and the Board of Director's Charter.

The President and CEO conducts the group's business and manages the company's operations in accordance with the Finnish Limited Liability Companies Act and the instructions and guidelines provided by the Board of Directors. The President and CEO is responsible for informing the Board of Directors regarding the development of the company's business and financial situation, and for preparing the company's strategy and objectives for the approval of the Board of Directors. The President and CEO is also responsible for implementing the approved strategy and plans, ensuring the legal compliance of the company's bookkeeping and arranging reliable asset management.

The Board of Directors and the President and CEO have knowledge in areas such as strategic leadership, consumer goods industry, corporate governance, risk management, and operational efficiency, which are crucial for effective business conduct at Nokian Tyres.

GOV-2 Addressing sustainability matters

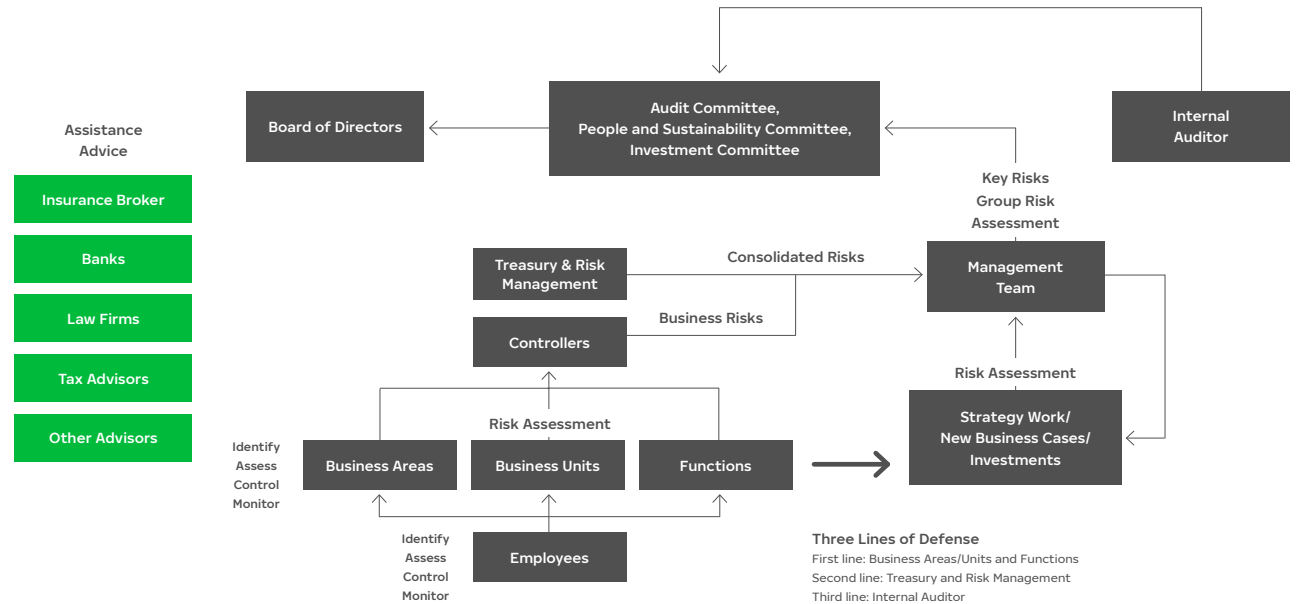
The Vice President, Quality and Sustainability reports sustainability matters to the People and Sustainability Committee at least three times a year or as needed.

The results of the double materiality analysis and the material impacts, risks, and opportunities were presented to the Board of Directors in February 2024 and discussed. Additionally, Nokian Tyres'

updated short- and long-term science-based greenhouse gas emissions reduction targets were confirmed by the Board of Directors in 2024. To maintain regular information flow, sustainability topics are included in the agenda of People and Sustainability Committee meetings. The topics are chosen based on their relevance and importance.

Consideration of impacts, risks, and opportunities is also embedded in the Enterprise Risk Management (ERM) Policy, which is binding for all group companies, Business Areas (BAs), Business Units (BUs), and functions at all organization levels. The ERM aims to minimize the adverse impacts of strategic, operational, and financial risks, remove or mitigate hazard risks, and take advantage of opportunities. The ERM is part of the general management and internal control system.

Risk assessment and reporting



The Treasury and Risk Management in the Finance organization conducts regular group enterprise risk analyses together with Business Areas, Business Units, and functions. The analyses are presented to the Management Team at least once a year. Risks that may impact the achievement of the group's strategy and business objectives are identified, assessed, and prioritized by severity in the context of risk appetite. Based on chosen risk appetite and tolerance level, risk is accepted, avoided, reduced, or transferred. The results of this process are reported to the Audit Committee and, when the nature of the risk requires, also to the People and Sustainability Committee or the Investment Committee, and then to the Board of Directors.

The Board of Directors discusses the most significant risks, risk appetite and related measures in connection with the strategy process and decisions related to business objectives and major investments.

In 2024, the annual risk review was integrated into the strategy work presented to the Board of Directors. As the most relevant risks were presented on a high level across all company operations, the detailed material risks and opportunities were not specifically addressed. However, risks related to ESG, R&D, and the own workforce were analyzed during the strategy work among the most significant risks, and mitigation measures were identified.

The results of the analysis included also a strong commitment to achieving Nokian Tyres' sustainability goals. Achieving the goals requires active mitigation of many of the company's impacts, such as greenhouse gas emissions, use of virgin resources, and adverse human rights impacts in the supply chain.

GOV-3 Integrating sustainability-related performance in incentive schemes

Nokian Tyres' Total Rewards Philosophy and Guideline was created by the Management Team and approved by the Board of Directors in 2018. The document was updated in 2024. It forms the basis for the

rewarding principles in the company. The executive remuneration is designed to advance strategy execution, business objectives, sustainability, and long-term profitability of the company.

Nokian Tyres Remuneration Policy describes the remuneration of the Board of Directors and the President and CEO, and the principles of determining the policy and implementation of the policy. The Remuneration Policy was presented in and adopted by the Annual General Meeting 2024. The Board of Directors oversees the company's remuneration, including the sustainability-related rewards, by following the company's progress in meeting the targets in the People and Sustainability Committee meetings and by approving the President and CEO remuneration.

A significant aspect of the Remuneration Policy is to link sustainability-related performance measurements into incentive schemes. This ensures that the management's remuneration is linked to the achievement of sustainability goals, thereby aligning the management's interests with the company and its stakeholders.

Nokian Tyres has several incentive plans in use to measure performance in both the short and long term. The company has two share plans that are intended to align the objectives of the Nokian Tyres' shareholders and key employees for increasing the value of the company in the long term, to retain the key employees at the company, and to offer them a competitive incentive scheme that is based on earning and accumulating shares.

The share-based incentive plans typically have performance periods of a minimum of three years. The Board of Directors decides on the terms and conditions of the plans and on the performance criteria and related objectives separately for each performance period. The achievement of performance criteria is evaluated after each performance period and the amount of the reward is determined based on the extent to which the goals have been reached during the performance period. The criteria for the performance period are based on strategic, financial, production, and sustainability-related goals.

The current performance criteria in the company's main long-term incentive plan, the Nokian Tyres Performance Share Plan, are cumulative EBITDA, increase in passenger car tire production volume, and reduction of Scope 1 and 2 carbon dioxide equivalent (CO₂e) emissions. The CO₂e sustainability target carries 10 percent weight of the total of 100 percent target setting within long-term incentives. Nokian Tyres' Restricted Share Plan serves as a complementary long-term incentive tool, used for the retention of Nokian Tyres President and CEO, the Management Team, and other selected key employees.

GOV-4 Statement on due diligence

Core elements of due diligence	Location in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	Workers in the value chain: Driving sustainable business in the supply chain
b) Engaging with affected stakeholders in all key steps of the due diligence	General disclosures: Hearing the interests and views of stakeholders, Table Stakeholder engagement: Suppliers, business partners, and subcontractors
c) Identifying and assessing adverse impacts	Workers in the value chain: Audits help identify the topics to be improved
d) Taking actions to address those adverse impacts	Workers in the value chain: Audits help identify the topics to be improved
e) Tracking the effectiveness of these efforts and communicating	Workers in the value chain: Audits help identify the topics to be improved

GOV-5 Risk management and internal controls over sustainability reporting

Nokian Tyres' Enterprise Risk Management Policy provides a structured framework for managing risks related to sustainability reporting. Risk assessment is a continuous process of identifying, assessing, controlling, and monitoring. A risk assessment is needed to identify and prioritize risks for internal controls.

To ensure that Nokian Tyres' risk management and internal control framework is effective for sustainability reporting, the evaluation of the processes for all material areas of sustainability reporting is ongoing, including the reassessment of existing controls and identification of additional controls within the processes.

The risks identified in sustainability reporting include accuracy of data inputs, manual processing of data, and person risk. While preparing for the CSRD-aligned reporting, control environment improvements were implemented. Identification of additional controls and further risk mitigation actions are ongoing.

The existing internal controls related to sustainability reporting are dependent on the area of reporting and they include quantitative and qualitative data reviews by data owning functions, the Vice President, Quality and Sustainability, Sustainability Steering Group, and the People and Sustainability Committee.

SBM-1 Sustainability is integrated into Nokian Tyres' strategy

Nokian Tyres' product portfolio includes winter, summer, all-weather, and all-season tires for passenger cars as well as special tires, wheels and retreading materials for heavy-duty machinery, trucks and buses. The Vianor chain provides tire and car services.

In 2024, Nokian Tyres' products were sold in 46 countries. Nokian Tyres' key markets are the Nordic countries, where the company is the market leader in premium passenger car tires, and North America and Central Europe, where the company seeks growth. Nokian Tyres' direct customers are business customers, the most significant of which are tire dealers, car dealerships, and vehicle manufacturers. Vianor service centers operate in Finland, Sweden, and Norway, serving both business customers and end users.

In 2024, Nokian Tyres employed 3,810 people at the end of the year, of which 2,722 in the Nordic countries, 618 in North America, and 470 in Central Europe.

Nokian Tyres' sustainability-related goals regarding significant product groups and stakeholder relationships are the following:

- Maintain the status that tires do not contain Substances of Very High Concern
- Increase the share of renewable or recycled raw materials in tires to 50 percent by 2030
- Have at least 60 products in the best rolling resistance A class by 2028
- Maintain the status that 100 percent of premium tires of the selected scope are in the best wet grip A or B class in the EU Tyre Labelling and that all of the Nokian Tyres Hakkapeliitta products meet the EU ice grip requirements
- Decrease lost-time incident frequency (LTIF) from 8.3 (2018) to 1.5 by 2025
- Develop personnel well-being
- Maintain the status that 100 percent of sustainability high-risk suppliers have been audited
- Maintain the status that 100 percent of natural rubber processor suppliers are either GPSNR members or have signed Nokian Tyres' sustainability commitment.

In 2024, Nokian Tyres' tires did not contain Substances of Very High Concern. In line with the 2030 goal related to renewable and recycled raw materials, an ISCC PLUS certified raw material and a new renewable raw material were taken into use in production of passenger car tires in the Finnish factory. There were 10 products in the rolling resistance A class at the end of the year. 100 percent of premium tires of the selected scope were in the best wet grip A or B class in the EU Tyre Labelling, and all Nokian Tyres Hakkapeliitta products met the EU ice grip requirements. The LTIF improved to 4.6 (4.7). 100 percent of sustainability high-risk suppliers have been audited, and 100 percent of natural rubber processor suppliers are either GPSNR members or have signed Nokian Tyres' sustainability commitment.

Nokian Tyres' financial target is to achieve net sales of two billion euros with strong profits. The business units have different roles: Passenger Car Tyres unit creates growth and profitability with a strong brand, selective distribution, and market-specific products, Heavy Tyres aims to continue with strong growth with widening product portfolio, and Vianor supports sales and premium brand position in the Nordic countries. To achieve the target, the investment phase that continues until the end of 2025 includes expanding factories' capacity in Finland and in the US, building a new factory in Romania, and utilizing manufacturing partners that supplement the company's own production. The growth phase 2026–2027 concentrates on strengthening the brand position further and so increasing market penetration with new products, increased capacity, and enhanced operational capabilities.

The cornerstones of Nokian Tyres' strategy are 1) the safest tires for all conditions, 2) responsive and effective supply chain, 3) premium Nokian Tyres brand, 4) leader in sustainability, and 5) Nokian Tyres team. Especially 1, 4, and 5 are related to and/or impacted by sustainability matters and reflect the company's ambition to continuously develop sustainability and show leadership.

During 2024, a critical project was the building and preparing for the ramp-up of the new factory in Romania, and during 2025, it is crucial to ensure successful commercial production there. Besides increasing production capacity, the Romanian factory sets an industry benchmark by being the first full-scale zero CO₂e emission tire factory in the world. More information about what zero CO₂e emissions mean at the factory in Romania can be found under [E1-1](#).

In 2024, the annual risk review was integrated into the strategy work presented to the Board of Directors. Risks related to ESG, R&D, and own workforce were analyzed in strategy work among the most significant risks and mitigation measures were identified. The importance of the following was noted:

- following global and local legislation and regulations very closely and proactively
- strong commitment to achieving sustainability goals
- sustainability, environmental, human rights and quality audits
- ability to create high quality, leading innovation products that meet customer demand
- competent and committed personnel.

The Board of Directors discusses the most significant risks, risk appetite and related measures in connection with the strategy process and decisions related to business objectives and major investments.

Nokian Tyres' business model and value chain

Nokian Tyres operates with a focus on the consumer car and vehicle tire replacement market, particularly excelling in the premium winter tire segment. Nokian Tyres' business is divided into three units: Passenger Car Tyres, Heavy Tyres, and Vianor.

- The Passenger Car Tyres business unit develops, manufactures and sells high-quality winter, summer and all-season tires for passenger cars, SUVs, and vans. The unit operates within the premium tire segment and focuses on the replacement tire market, generating more than half of Nokian Tyres' total net sales. The Passenger Car Tyres business unit comprises three business areas: Nordics, Central Europe, and North America. This allows tailoring their business plans to meet different market needs and conditions. Nokian Tyres' factories are located in Nokia, Finland, Dayton, US, and Oradea, Romania. Manufacturing partners complement own production. Nokian Tyres has chosen only established manufacturing partners with good reputation in the market, and the companies have been assessed according to the KYC process. Because some of them operate in areas where there can be sustainability risks, also environmental and social responsibility audits have been conducted.
- The Heavy Tyres business unit develops and manufactures special tires for trucks and heavy machinery, focusing on niche product segments. The core products include forestry tires, tires for ports and terminals, mining, agriculture, trucks and buses, and other heavy uses, such as earthmoving and road maintenance. Manufacturing of heavy industrial tires takes place in Nokia, Finland, while wheels for heavy machinery are produced in Nastola, Finland. Additionally, truck and bus tires are produced by manufacturing partners.
- Vianor is the largest car maintenance and tire services chain in the Nordic countries with a wide network of service centers and online stores. The target is to support sales and premium brand position in the Nordic countries by ensuring the sales of Nokian Tyres' products through strong distribution and excellent service, while also delivering positive results as a standalone unit.

Nokian Tyres places a strong emphasis on innovation, particularly in developing products for demanding conditions. The Products and Innovations function is dedicated to maintaining a competitive product offering and ensuring product profitability. The company aims to be highly customer-oriented, focusing on profitable growth and efficient global operations. Pricing power is increased by a strong brand, product reputation, and efficient distribution.

Nokian Tyres integrates sustainability deeply into the business model. The company shows leadership in reducing greenhouse gas emissions in the tire industry and aims to manage the environmental impacts of the products throughout their entire life cycle, from raw material sourcing to end-of-life recycling. There is a strong focus on increasing the share of recycled and renewable raw materials. Social responsibility is also deeply embedded in the company culture, promoting principles of fairness and respect for human rights in all operations, including responsible sourcing and labor rights. Employee well-being is based on safety, leadership, and modern company culture.

The following graph provides an overview of the main features of Nokian Tyres' upstream and downstream value chain and the company's position in it. It includes a brief description of main inputs, key business relationships including suppliers and customers, distribution channels, and end users.

Nokian Tyres' value chain

Transportation of raw materials

Most of the raw materials for tires are transported by sea to large ports in Europe from where they are shipped to Finland and the US.



Group functions

Nokian Tyres Group employs more than 3,800 people. Nokian Tyres produces passenger car, van and heavy tires in Finland, and passenger car and light truck tires in the US. The new factory in Romania produces passenger car tires. In addition, there are sales companies in the key markets. Two test centers are located in Finland and one in Spain. Vianor offers tire and car services and also operates five retreading plants in Finland, Sweden and Norway.



Logistics

From the logistics centers, the tires are transported to warehouses by land and sea.



Consumers and end users

Consumers and end users are people who drive or operate vehicles that have Nokian Tyres' tires. They can be, for example, passenger car drivers, people working for transport companies driving trucks, buses or vans, or people working in forestry or agriculture. Vianor offers tire and car services for both consumers and business customers. Nokian Tyres develops high-quality products that offer safe driving kilometers. Sustainability is considered all the way from raw material procurement to end-of-life. Approximately 90 percent of a Nokian Tyres tire's carbon footprint is generated during its use.



Upstream

Operations

Downstream



Suppliers

The main raw material groups in tire manufacturing are synthetic rubber, fillers, chemicals, reinforcing materials, and natural rubber. Nokian Tyres uses more than 200 different raw material suppliers. Manufacturing partners complement Nokian Tyres' own production. Vianor imports tires and purchases goods for tire and car service. Nokian Tyres requires that all sustainability critical suppliers adhere to the Supplier Code of Conduct, and supplier sustainability audits have been conducted since 2016.



Subcontractors

Nokian Tyres and Vianor work with several subcontractors in various fields, such as construction, security, cleaning, and logistics. All new subcontractors offering their services are expected to commit to the Supplier Code of Conduct.



Society

Nokian Tyres' impact is directly seen in the factory locations as a locally significant job creator and a permanent part of the surrounding community. The purchases, salaries, and taxes as well as the dividends to shareholders contribute to well-being throughout the world.



Distribution

Nokian Tyres' products are sold to end users via Vianor and Vianor Partner chains, car dealerships and tire stores. Due to the extensive distribution network, Nokian Tyres' products are sold in 46 countries. Nokian Tyres' high-quality products and services enable the company's customers to reach their own targets related to, for example, sales and customer satisfaction.



Recycling

End-of-life tires can be shredded or granulated to be utilized in various applications. Bus and truck tires can be retreaded two to four times. Used tires can also be combusted for energy. Nokian Tyres uses some recycled materials in the products, such as recycled steel and carbon black.

SBM-2 Hearing the interests and views of stakeholders

Nokian Tyres is committed to minimizing its negative impacts and maximizing its positive impacts on the economy, environment, and people. An essential part of driving this positive change is under-

standing how Nokian Tyres' stakeholders view sustainability and which sustainability topics are relevant for society and the company's business. This is done by engaging stakeholders when conducting double materiality assessments every three years. The feedback from stakeholders is taken into account in operational development and decision-making.

In addition to the materiality assessments, engagement occurs as presented in the following table by key stakeholder group. The table also presents the purpose of engagement, topics that different stakeholder groups prioritized in the most recent materiality assessment, and how those views have been or are considered in Nokian Tyres' operations, business model, and strategy.

Key stakeholder groups and stakeholder engagement at Nokian Tyres

Stakeholder group	Stakeholder engagement	Purpose of the engagement	Stakeholder expectations in the order of importance, based on the responses in double materiality assessment	Connection to Nokian Tyres' operations, business model, and strategy
Employees White and blue collars located in the Nordics, North America, and Central Europe	<ul style="list-style-type: none"> • Actions to provide meaningful and motivating job content and working conditions • Engagement survey Drive! • Systems through which employees are encouraged to record safety observations and environmental observations • Cooperation with employee representatives • Regular info sessions • People review discussions • Materiality assessments • Dialog about safety and health at work • Whistleblowing channel 	<ul style="list-style-type: none"> • Hearing employees' perceptions, ideas, feedback, and experiences • Keeping employees up-to-date on topical matters and planned developments • Contributing to a safe, sustainable and motivating workplace and working life 	<ul style="list-style-type: none"> • Tire safety and quality • Safety of employees • Tire design, choice of materials, or other innovations aimed at reducing greenhouse gas emissions from tire use • Reduction and elimination of harmful chemicals • Greenhouse gas emissions reductions in company's own operations 	<ul style="list-style-type: none"> • Developing new, safe, state-of-the-art products • Externally certified safety management system • Promoting the well-being of the personnel by providing a safe working environment that motivates them • Increasing the share of recycled and renewable raw materials • Developing tires with low rolling resistance • Nokian Tyres' products do not contain Substances of Very High Concern as defined in the EU REACH regulation • Reducing greenhouse gas emissions according to Nokian Tyres' science-based targets
Customers (B2B) E.g. tire dealers and car dealerships in the Nordics, North America, and Central Europe	<ul style="list-style-type: none"> • Day-to-day business cooperation • Customer experience surveys • Materiality assessments • Whistleblowing channel 	<ul style="list-style-type: none"> • Building trust and strong partnerships • Enabling customers to achieve their targets • Gaining insight about the perspectives of consumers and end users of tires 	<ul style="list-style-type: none"> • Tire safety and quality • Safety of employees • Tire design, choice of materials, or other innovations aimed at reducing greenhouse gas emissions from tire use • Ethical and responsible company culture • Respect for human rights in the supply chain 	<ul style="list-style-type: none"> • Developing new, safe, state-of-the-art products • Externally certified safety management system • Increasing the share of recycled and renewable raw materials • Developing tires with low rolling resistance • Conducting business in a reliable and sustainable way • Conducting sustainability audits to natural rubber processing plants since 2016, and auditing manufacturing partners

Stakeholder group	Stakeholder engagement	Purpose of the engagement	Stakeholder expectations in the order of importance, based on the responses in double materiality assessment	Connection to Nokian Tyres' operations, business model, and strategy
<p>Suppliers, business partners, and subcontractors E.g. raw material providers and partners of the communications, IT, R&D, HR, and other functions</p>	<ul style="list-style-type: none"> Day-to-day business cooperation Supplier due diligence Supplier assessments and audits and possible follow-up actions Subcontractor cooperation on occupational safety Materiality assessments Whistleblowing channel 	<ul style="list-style-type: none"> Promoting responsible sourcing Compliance with Nokian Tyres Supplier Code of Conduct Protecting human and labor rights of workers Gaining insight of upcoming developments and trends 	<ul style="list-style-type: none"> Tire safety and quality Reduction and elimination of harmful chemicals Safety of employees Collaborative relationships with suppliers Measures to prevent corruption, bribery and misconduct 	<ul style="list-style-type: none"> Developing new, safe, state-of-the-art products Nokian Tyres' products do not contain Substances of Very High Concern Externally certified safety management system Occupational safety trainings for subcontractors and offering them the possibility to record safety observations in Nokian Tyres' system Conducting business in a reliable and sustainable way As a tire manufacturer, Nokian Tyres purchases significant amounts of natural rubber. The people getting their livelihood from natural rubber are recognized as a risk group regarding material negative human rights related impacts. Preventing and mitigating the impacts and promoting and ensuring decent working conditions is an essential aspect of Nokian Tyres' business conduct.
<p>Investors, owners, Board members E.g. potential or existing shareholders (domestic or international), and Board members</p>	<ul style="list-style-type: none"> Investor meetings, events, and seminars Stock exchange releases and other publications Board meetings Materiality assessments Whistleblowing channel 	<ul style="list-style-type: none"> Understanding expectations Providing material information Attracting responsible investors Enhancing transparency 	<ul style="list-style-type: none"> Tire safety and quality Tire design, choice of materials, or other innovations aimed at reducing greenhouse gas emissions from tire use Safety of employees Minimization of tire and road wear particles Greenhouse gas emissions reductions in company's own operations 	<ul style="list-style-type: none"> Developing new, safe, state-of-the-art products Increasing the share of recycled and renewable raw materials Developing tires with low rolling resistance Externally certified safety management system Promoting the well-being of the personnel by providing a safe working environment that motivates them Reducing greenhouse gas emissions according to Nokian Tyres' science-based targets
<p>Authorities, media, NGOs, industry associations E.g. public authorities, media representatives, NGOs related to sustainability and environmental responsibility, and industry associations</p>	<ul style="list-style-type: none"> Project cooperation Joint initiatives and programs Meetings, events and seminars Press releases and other publications, responding to media inquiries Answering public consultations Materiality assessments Whistleblowing channel 	<ul style="list-style-type: none"> Knowledge sharing Ensuring regulatory compliance Contributing to initiatives Contribution to developing industry standards Driving sustainable development 	<ul style="list-style-type: none"> Greenhouse gas emissions reductions in company's own operations Tire design, choice of materials, or other innovations aimed at reducing greenhouse gas emissions from tire use Traceability and transparency of raw materials Waste minimization and management Protection of biodiversity in the supply chain 	<ul style="list-style-type: none"> Reducing greenhouse gas emissions according to Nokian Tyres' science-based targets Increasing the share of recycled and renewable raw materials Developing tires with low rolling resistance Exclusively purchasing rubber processed in the plants that Nokian Tyres has approved In 2022, 2023, and 2024, 100 percent of the tire production waste was utilized Preparing for the EUDR

The prioritization of sustainability topics in different stakeholder groups was presented to the Management Team and to the Board of Directors in February 2024 together with the results of the double materiality analysis.

Creating safe tires for all conditions is an essential part of Nokian Tyres' business model, and Nokian Tyres' products are developed to help both drivers and other people using the roads stay safe in traffic. From the perspectives of consumers and end users, collecting information about their views is part of the process when developing a new passenger car tire. For heavy tires, the insight is gained through customer surveys. Consumers and end users can also contact the company and leave product feedback through the websites. Additionally, they can participate in materiality assessments through public links shared on the company's social media channels. Furthermore, the tire and car service chain Vianor and Nokian Tyres' customers sell Nokian Tyres' products to consumers and end users and have insight into their views.

SBM-3 Material sustainability-related impacts, risks and opportunities

Nokian Tyres' material impacts, risks, and opportunities are presented in the following tables, including the effects of the material impacts on people or the environment, reasonably expected time horizons of impacts that are not actual, and the connection to the company's strategy, business model, activities and business relationships.

E1 Climate change

Material impacts, risks, and opportunities	Type	Description	Effects on business model, strategy, value chain and decision making, and related actions
Greenhouse gas emissions from own operations (Scope 1 and 2)	Actual negative impact (Own operations)	Nokian Tyres' Scope 1 and 2 emissions are mainly generated through energy use in the factories and account for less than one percent of the total GHG emissions associated with the company's activities.	Nokian Tyres aims to be the industry leader in reducing factory emissions. The company reduces greenhouse gas emissions according to its science-based targets and is committed to achieving net-zero emissions by 2050. The new factory in Romania is the first zero CO ₂ e emission factory in the tire industry and supports the company's strategy by increasing production capacity. More information about what zero CO ₂ e emissions mean at the factory in Romania can be found under E1-1.
Greenhouse gas emissions in the value chain (Scope 3)	Actual negative impact (Upstream and downstream value chain)	The majority of Nokian Tyres' total GHG emissions are Scope 3 emissions that are indirectly affected by the company and occur in the value chain. These include, for example, emissions from tire use, purchased goods and services, capital goods and upstream transportation and distribution.	Nokian Tyres is committed to reducing greenhouse gas emissions from the value chain. The company will increasingly use greenhouse gas emission levels as one supplier selection criterion.
Increasing costs related to tire raw materials	Transition risk (Upstream value chain)	Tire material costs may increase due to replacing fossil-based raw materials with more expensive renewable and recycled materials.	One of Nokian Tyres' sustainability goals is to increase the share of recycled and renewable raw materials in tires to 50 percent by 2030. The company aims to optimize the combination of sustainable material use and the related additional costs.
Further environmental fees	Transition risk (Upstream and downstream value chain)	New environmental fees, such as additional taxes and certification costs, may cause new expenses. For example EU's CBAM for fossil raw materials and carbon taxes.	Possible effects on sourcing decisions.
Increased revenue and/or cost savings due to climate-friendly technologies	Opportunity (Own operations)	Energy-efficient production enabled by modern machinery used in Nokian Tyres' factories, and the new zero CO ₂ e emission factory in Romania are recognized opportunities.	Continued investments on climate-friendly technologies.
Increased revenue from competitive product portfolio	Opportunity (Own operations)	Nokian Tyres' share in winter tire markets is strong. The company has readiness to increase the share further, should the extreme weather phenomena increase in the future.	Nokian Tyres is an expert in creating tires for demanding and challenging weather conditions. Continued focus on strengthening winter tire knowhow.
Increased revenue from innovations with low carbon footprint raw materials	Opportunity (Own operations)	Innovative raw material use helps create sustainable, environmentally friendly products that meet customer and consumer needs and expectations, generating revenue.	Continued investments on innovation and research.

E2 Pollution

Material impacts, risks, and opportunities	Type	Description	Effects on business model, strategy, value chain and decision making, and related actions
Pollution of air, water and soil	Actual negative impact (Downstream value chain and own operations)	Tire and road wear particles (TRWP) are formed when tires are in contact with the road. TRWP are considered as microplastics and can degrade local air quality, water and soil, and have negative effects on both ecosystems and human health.	Nokian Tyres is committed to continuously improving the quality, safety and environmental friendliness of the products, services, and processes. Improved tire properties and innovative designs are ways to reduce the amount of TRWP compared to business-as-usual practices.
Adverse health and environmental impacts from the use of chemicals	Actual negative impact (Downstream value chain and own operations)	Negative environmental impacts can take place in the value chain due to chemicals in tire materials. Chemical use in own operations could harm the people working in production and warehouses.	Nokian Tyres' tires do not contain any Substances of Very High Concern, and the company works to avoid the use of harmful substances, thereby minimizing risks to occupational health in production and warehousing. Ensuring chemical and environmental safety in all operations is part of the continuous sustainability work. The company actively screens for environmentally sustainable raw materials and development cooperation with suppliers, and, as needed, makes decisions on new raw materials in order to further develop the environmental sustainability of products.
Increasing regulatory obligations related to pollution	Risk (Own operations)	The risk of increasing regulatory obligations related to pollution can lead to increased costs of materials and product development. There's also a risk of penalties and litigation from the use of banned or restricted substances.	Nokian Tyres conducts its business in line with all applicable laws and regulations and proactively anticipates future requirements.
Development of more environmentally sustainable products (more durable products and safer chemicals)	Opportunity (Own operations)	Innovation in tire design and materials could give Nokian Tyres an advantageous position in introducing more durable products that result in decreased generation of TRWP.	Nokian Tyres actively screens for environmentally sustainable raw materials and development cooperation with suppliers. The company continues investments on innovation and research, and, as needed, makes decisions on new raw materials in order to further develop the environmental sustainability of products.

E4 Biodiversity and ecosystems

Material impacts, risks, and opportunities	Type	Description	Effects on business model, strategy, value chain and decision making, and related actions
Biodiversity impacts in raw material sourcing	Actual negative impact (Upstream value chain)	Nokian Tyres' biggest biodiversity impacts are indirect, taking place in the beginning of the value chain as they are mainly caused by the cultivation of natural rubber. Natural rubber is one of the main ingredients of tires, and thus sustainable sourcing of raw materials is necessary with the aim of reducing the negative biodiversity impacts, e.g., land use change, deforestation, and effects on species.	As a member of the Global Platform for Sustainable Natural Rubber (GPSNR) Nokian Tyres is committed to a shared responsibility toward improving the social, environmental, and economic sustainability of the global natural rubber value chain. In 2024, 100 percent of Nokian Tyres' approved natural rubber processors were either members of the GPSNR or committed to develop their operations according to Nokian Tyres' Sustainable Natural Rubber Policy, which covers various commitments related to social and environmental aspects, such as human rights, labor rights, and protection of the environment and biodiversity.
Increasing regulation related to deforestation and other biodiversity-related issues	Risk (Upstream value chain and own operations)	For example, the EU deforestation regulation (EUDR) concerning natural rubber obliges companies to ensure that products sold in the EU have not led to deforestation and forest degradation, and there are penalties for non-compliance. Such regulation can increase the costs of raw materials and/or the administrative costs of sourcing and distribution.	Nokian Tyres conducts its business in line with all applicable laws and regulations. During 2024, the company prepared for the EUDR.

E5 Resource use and circular economy

Material impacts, risks, and opportunities	Type	Description	Effects on business model, strategy, value chain and decision making, and related actions
Use of virgin resources	Actual negative impact (Upstream value chain)	Various raw materials are needed for tire production. Still today the majority of raw materials in the tire industry are fossil-based or from other non-renewable sources.	Nokian Tyres is committed to safeguarding natural resources and promoting circular economy. The company reduces the environmental impact of its material use through product development, by sourcing recycled and renewable materials, and by replacing fossil raw materials. Nokian Tyres' goal is to increase the share of renewable and recycled raw materials in tires to 50 percent by 2030. To achieve this goal, the company is in close cooperation with different raw material manufacturers and encourages innovations from different stakeholders.
Negative impacts caused by improper management of end-of-life tires	Actual negative impact (Downstream value chain)	In Finland, nearly 100 percent of tires are recycled. In all of Europe the figure is 92 percent. In the US, the tire recycling rate of collected tires is 79 percent. Improper management of end-of-life tires contributes to environmental pollution and can be considered as waste of natural resources as there are possibilities to utilize end-of-life tire materials.	Nokian Tyres promotes the recycling of end-of-life tires together with its stakeholders, and the company can also contribute to the topic by developing circular tire solutions. As one of the original founders of Finnish Tire Recycling Ltd, Nokian Tyres is involved in their work of looking for new ways to recycle and utilize tires. Retreading is one of the best recycling methods. All Nokian Tyres' products (tires and wheels) are recyclable.
Increasing regulation on materials (e.g. traceability)	Risk (Upstream value chain and own operations)	The increasing regulation on e.g. ensuring the origins of raw materials can lead to increasing costs of raw materials and sourcing.	For example, the EUDR regulation will increase operational costs, as natural rubber is one of the main ingredients in tires. Nokian Tyres aims to create effective processes to minimize additional costs.

S1 Own workforce

Material impacts, risks, and opportunities	Type	Description	Effects on business model, strategy, value chain and decision making, and related actions
Positive impacts through improved employee health, well-being, and motivation	Actual positive impact (Own operations)	To support employees' well-being and motivation, Nokian Tyres advances an inclusive working culture and wants to empower the employees to actively participate and collaborate, to take both ownership of their work and responsibility for everyone's safety. The modern working environment with digital tools helps teams to flexibly organize their work and supports the individual well-being of employees.	Nokian Tyres team is one of the cornerstones of the company's strategy. This applies to all impacts, risks, and opportunities related to own workforce. The Management Team fully supports the hybrid way of working, including flexible working time and arrangements when possible. Employees that are motivated and feel well generally perform on high level.
Positive impacts by offering secure work and fair working conditions	Actual positive impact (Own operations)	Employees' financial security is improved as Nokian Tyres guarantees adequate compensation, fair terms of employment, freedom of association etc.	Actions to support strong Nokian Tyres team.
Positive impacts from improved skills and career development of employees	Actual positive impact (Own operations)	Enabling skills and career development leads to increased motivation and satisfaction at work as well as benefits the company through better employee retention and highly motivated and skilled employees.	At Nokian Tyres, each employee has the ownership of their development and career. Manager's role is to offer support by providing resources and opportunities for learning, where feasible. Employees have also an opportunity to discuss their career aspirations for the future.
Increased health, well-being and motivation, improved company culture and employer reputation through inclusivity and equality	Potential positive impact (Own operations)	Nokian Tyres fosters an equal and inclusive work culture.	Nokian Tyres respects human rights and treats all individuals equally.
Adverse impacts on employee health, well-being and motivation	Potential negative impact (Own operations)	There is a potential long-term negative impact that work-life imbalance and excessive working hours can lead to e.g. employee burnout or otherwise poor working environment for employees.	Nokian Tyres' goal is to promote occupational health and well-being with proactive actions. The company follows the well-being at work with group-wide surveys and one-to-one conversations. Occupational health care is based on local legislation and the company's Environmental, Safety, and Quality Guideline.

S1 Own workforce

Material impacts, risks, and opportunities	Type	Description	Effects on business model, strategy, value chain and decision making, and related actions
Adverse impacts on employee safety	Actual negative impact (Own operations)	The safety risks are mostly related to the operators' work at the factories and to mechanics' work in tire and car service centers.	Nokian Tyres is working toward a workplace with zero accidents, and the actions, such as safety inspections, audits, and safety observations, are followed monthly in the Management Team meetings. The results are analyzed in team meetings and action plans are drawn based on the findings.
Attractive employer brand through outstanding employee well-being and working environment	Opportunity (Own operations)	Proactive measures to increase employee health and well-being, as well as a supportive and inclusive working environment, offer an opportunity to improve talent attraction and retention.	Employer branding actions as needed to be able to recruit competent workforce.
Competitive advantage and improved innovation capabilities through competent workforce	Opportunity (Own operations)	Highly competent and trained employees can support securing Nokian Tyres' business in the long-term.	Hiring talented employees and continuous upskilling of current workforce.

S2 Workers in the value chain

Material impacts, risks, and opportunities	Type	Description	Effects on business model, strategy, value chain and decision making, and related actions
<p>Adverse human rights impacts related to working conditions and equality in the supply chain and outsourced operations</p>	<p>Actual negative impact (Upstream value chain)</p>	<p>The adverse human rights impacts are related to natural rubber, which is one of the main ingredients of tires and the livelihood of hundreds of thousands of families living in countries where the local legislation and working conditions have not been fully developed. The natural rubber supply chain is complex and fragmented. Yet, at the same time, if natural rubber is cultivated, produced and processed in a sustainable way, it has the potential to bring positive social, environmental and economic impacts.</p>	<p>Nokian Tyres' principles in all operations are fairness and respecting human rights. Nokian Tyres aims to prevent and mitigate human rights violations in its supply chain through strengthening the due diligence processes, and the company has conducted sustainability audits of suppliers since 2016 to be able to address potential problems and drive improvements. In 2021, Nokian Tyres published its Sustainable Natural Rubber Policy to tackle issues associated with the natural rubber supply chain. As part of Nokian Tyres' commitment toward a more sustainable business, the company has been a supporting member of the United Nations Global Compact (UNGC) initiative since 2015, and the company follows the initiative's ten principles that cover the areas of human rights, labor, the environment, and anti-corruption. Nokian Tyres is further committed to acting in the manner required by the UN Guiding Principles on Business and Human Rights.</p>

S4 Consumers and end users

Material impacts, risks, and opportunities	Type	Description	Effects on business model, strategy, value chain and decision making, and related actions
Improving road and end user safety	Actual positive impact (Downstream value chain)	Premium quality means premium safety: Nokian Tyres has not had a significant recall in 23 years. As a tire manufacturer Nokian Tyres must ensure that the tires are verifiably safe to use and that they meet the quality requirements as well as expectations of customers and end users. In Central Europe, wet and snow grip are crucial for winter driving safety, while in the Nordics and in the northern parts of North America ice grip is more important.	An essential part of Nokian Tyres' strategy is to create high-quality, safe tires for all conditions. Nokian Tyres improves the safety of the products through continuous product development and testing. The company's leadership and product development are guided by the Code of Conduct, the Environmental, Safety and Quality Guideline, and testing policies. Additionally, Nokian Tyres complies with several requirements concerning noise, studs, chemicals, testing, and tire markings, among other things.
Increasing end user awareness on safety-, environmental- and other aspects by providing educational content	Actual positive impact (Downstream value chain)	Drivers can make a difference with their choices and actions, and many of them are also interested in getting tips and advice on tire selection, use, and maintenance. Nokian Tyres and Vianor communicate regularly to educate drivers on how to maintain tires, how to take into account safety and environment when selecting tires, and how to get the best out of them by driving responsibly.	Nokian Tyres' vision is to lead the world to drive smarter. This includes regular educational communication.
Negative impacts due to compromised customer privacy due to inadequate cybersecurity and privacy	Potential negative impact (Downstream value chain)	Nokian Tyres aims to ensure that there are adequate cybersecurity and privacy measures in place to prevent data breaches and misuse of customer and consumer data.	Nokian Tyres is committed to working in accordance with the legislation and regulations and has high respect for personal data. As for data privacy, regulations are followed, and there are trainings and clear internal processes.
Fact-based and innovative sustainability communications and marketing	Opportunity (Own operations)	Fact-based and innovative sustainability communications and marketing offers opportunities to improve Nokian Tyres' brand and reputation among end users, thus generating more revenues.	Leadership in sustainability is one of the cornerstones of Nokian Tyres' strategy, and the company communicates regularly on the topic.

G1 Business conduct

Material impacts, risks, and opportunities	Type	Description	Effects on business model, strategy, value chain and decision making, and related actions
Ethical and sustainable sourcing practices	Actual positive impact (Upstream value chain and own operations)	Requiring a commitment to ethical business and sustainability from suppliers promotes both environmental and social responsibility in the supply chain.	Nokian Tyres company culture is guided by respect, openness, and sustainability, along with high ethical values that guide decision-making on every level of the company.
Advancing and lobbying for legislation that is beneficial for end users and/or the environment	Actual positive impact (Downstream value chain and own operations)	By lobbying in a responsible and transparent manner, the company can help shape legislation that is both effective in reducing the potential negative impacts while not causing disproportionate costs. Nokian Tyres is not involved in political activities, fundraising, or political contributions as per our Code of Conduct.	Nokian Tyres' participation in the activities of industry and trade organizations depends on the current topics and opportunities to offer expertise. For example, Nokian Tyres' advocacy led to the addition of the ice grip marking and snow grip marking in the EU Tyre Label to help drivers choose safe winter tires for winter conditions. Currently the company participates, for example, in ETRMA's tire abrasion project that aims for reducing road transport emissions by setting global tire abrasion limits that are based on a reliable tire test method.
Preferred partner for suppliers through good and fair relationship management	Opportunity (Upstream value chain and own operations)	Good and fair supplier relationship management offers an opportunity for long term, mutually beneficial supplier relationships enabling long term development of cooperation and efficiency improvements.	Nokian Tyres aims for strong partnerships that are mutually beneficial.

The Group has arranged part of its external financing as sustainability-linked funding. During 2023, Nokian Tyres issued the first sustainability-linked bond under its Sustainability-Linked Bond Framework. The framework has two KPIs, both of which are related to greenhouse gas emissions intensity. The first KPI is related to Scope 1 and 2 emissions, in t CO₂e/production ton, and the second KPI to Scope 3 emissions from product use, in t CO₂e/production ton. Sustainability's second-party evaluation considers both KPIs to be "Very strong" and the Sustainability Performance Targets "Ambitious". The same KPIs are also used in another credit facility arrangement. Failure to meet these KPIs would result in additional interest expenses to Nokian Tyres.

As three cornerstones of Nokian Tyres' strategy (safest tires for all conditions, leader in sustainability, and Nokian Tyres team) are related to the company's material topics regarding tire safety and own workforce and stating the commitment to sustainability, it was assessed that the company in general is well prepared to address the material impacts and risks and to take advantage of the material opportunities as part of its strategy execution during the strategy period that lasts until the end of 2027. A separate qualitative analysis on resilience is planned for year 2025.

This is the first time that Nokian Tyres reports on material impacts, risks, and opportunities identified in a double materiality analysis according to the European Sustainability Reporting Standards' requirements. The previous material topics were identified through a different process in 2021, and they were the following:

- Environmentally sustainable raw materials
- Actions to mitigate climate change
- Safety and well-being at Nokian Tyres
- Promoting human rights in all operations
- Safety properties of tires.

IRO-1 The process to identify and assess material impacts, risks and opportunities

Nokian Tyres carried out a sustainability double materiality assessment according to the European Sustainability Reporting Standards' requirements for the first time during September 2023–February 2024. The assessment process consisted of a contextual analysis based on public and internal sources, stakeholder survey, internal assessment and working group meetings. The results were reviewed and validated by Nokian Tyres' Management Team, the Audit Committee, the People and Sustainability Committee, as well as the Board of Directors. The process followed the principles of internal control and risk management confirmed by Nokian Tyres' Board of Directors.

Contextual analysis

The analysis served to give an understanding of the context and a starting point for the materiality assessment. The aim of the analysis was to preliminarily identify and evaluate the potentially relevant sustainability aspects (impacts, risks, and opportunities) to the tire industry and across Nokian Tyres' value chain. The contextual analysis was based on publicly available and internal materials, looking into the larger sustainability trends in the media, an overview of relevant regulation, sector-specific frameworks, and industry publications, as well as a peer benchmark.

Identifying sustainability-related impacts, risks, and opportunities

As a result of the contextual analysis, a number of actual and potential, negative and positive impacts, as well as risks and opportunities relevant in Nokian Tyres' own operations and through its business relationships were identified and categorized as per the ESRS topic division. The key features of the value chain were considered on a general level, including the key inputs and outputs, Nokian Tyres' own functions, as well as the main stakeholders including suppliers and consumers.

The identified list of material topics served as basis for the stakeholder engagement via an online survey. Through the survey, Nokian Tyres engaged with a wide range of stakeholder representatives to understand their views and interests on relevant sustainability topics for Nokian Tyres. Participants included Nokian Tyres' employees, suppliers, business partners, corporate customers, retailers, investors, board members, authorities, media, NGOs, and industry associations. The views of these stakeholders informed the subsequent assessment of material impacts, risks, and opportunities.

Assessment and determination of material impacts, risks, and opportunities

The materiality of the identified impacts, risks and opportunities was assessed in accordance with the principles of the ESRS. The severity of the negative and positive effects (considering the scale, scope and, in the case of negative effects, also the irremediable character of the impact), the magnitude of the financial impact of the risks and opportunities, as well as the likelihood of their occurrence were each assessed on a scale of 1 to 5. For the identification and assessment of climate-related risks and opportunities, Nokian Tyres' simultaneously conducted separate climate risk assessment was utilized and integrated into the double materiality assessment process.

The result of the severity/magnitude scores and the corresponding likelihood scores formed the total materiality scores of each sustainability topic, by which a quantitative materiality prioritization of the identified items was created. The double materiality scores for the sustainability matters were determined based on both the impact materiality scores and risk materiality scores. The median value of all the materiality scores was employed as the initial quantitative threshold for determining the materiality of a single sustainability topic (impact, risk, or opportunity). After further discussion and analysis in working group meetings and discussions with the assurance provider, qualitative materiality adjustments were made during 2024 for individual impacts, risks, and opportunities, resulting in the final list of material topics.

The double materiality assessment is revised yearly during the first half of the year, and the next comprehensive assessment is planned to be conducted in 2026–2027.

Topic-specific considerations

The double materiality assessment identified and evaluated impacts related to **climate change**. Scope 1 and 2 emissions are material impacts for Nokian Tyres because tire manufacturing is energy intensive. In addition, raw materials, logistics, and tire use, cause material Scope 3 emissions. Approximately 90 percent of a Nokian Tyres tire's carbon footprint is generated during its use.

Nokian Tyres addresses climate change related risks through a procedure encompassing identification, evaluation, prioritization, and action. This process was integrated into the double materiality assessment process.

RISK PROCESS

Step 1: Mapping and identification of relevant climate-related risks

The first step involves mapping and identifying pertinent climate-related risks, which are integrated into the broader risk management framework of the company. Risks and opportunities related to Nokian Tyres' operations and the entire value chain are identified by conducting a double materiality analysis and consulting internal stakeholders.

Step 2: Strategic evaluation at company level

As part of Nokian Tyres' integrated risk management process, the company further evaluates the strategic implications of climate-related risks and opportunities at the group level, including physical and transition risks. This assessment encompasses various factors including strategic risks, market effects, reputation risks, potential for goodwill, and strategic opportunities.

Step 3: Determining impact

The strategic evaluation of climate-related risks is conducted in conjunction with all other corporate risk assessments as part of the annual enterprise risk analyses. Within these analyses, Nokian Tyres utilizes a ranking system that considers severity, likelihood of the risk occurring, and existing controls. Both the long-term strategic and financial impacts on the company are assessed, and the highest risk impacts and most beneficial opportunities are identified and prioritized.

Extreme weather events disrupting the production and logistics supply chain were identified as an important physical risk. However, in the double materiality analysis it was identified as non-material. Nokian Tyres also conducted a scenario analysis to further investigate how different acute weather events such as flooding at the production facility in Romania and the warehouse in Germany, and tropical cyclones at the US locations would affect the operations in the short (<2030), medium (2030–2040), and long term (2040–2050). In the analysis of physical risks, the SSP scenarios SSP1-2.6 and SSP5-8.5 were used. After the analysis it was concluded that the financial impact of a single flood is low or medium. Only if several floods occurred at the same time, their combined financial impact would be high in the medium and long term. Nokian Tyres has also invested in building design and insurances to mitigate such risks. For cyclones, the financial impact is considered low during the short term and medium in the medium and long term. Therefore the results of the scenario analysis are in line with the results of the double materiality assessment.

For transition risks, climate-related regulations were identified as most likely to affect Nokian Tyres' operations in several ways. Policies about deforestation may affect prices and availability of raw material while carbon pricing may affect Nokian Tyres' operational costs

and regulatory changes may lead to having to develop the product portfolio accordingly. Another analyzed transition risk is the replacement of fossil-based raw materials with more renewable materials, touching on price and availability.

For the transition risks, two of the International Energy Agency's (IEA) climate related scenarios were used; The Announced Pledges Scenario (APS) incorporates climate commitments made by governments, including Nationally Determined Contributions (NDCs) and net zero targets. The Net Zero Emissions by 2050 (NZE) Scenario aims to limit global warming to 1.5 °C and assumes aggressive gains in energy efficiency and consumer behaviour changes. The chosen scenarios are based on the most recent scientific research and align with the terms set out in the Paris Climate Agreement. The scenarios chosen are relevant to look at as they present a narrative for risks to play out in both best-case scenarios as well as worst-case scenarios. The time horizons in the analysis were short (<2030), medium (2030–2040), and long term (2040–2050).

Step 4: Responding to climate-related risks and opportunities

Responsibility for strategic responses to climate-related risks and opportunities, as determined by enterprise risk management (ERM), rests with the appropriate managers. Based on the environmental information generated by the company's sustainability specialists, the annual development targets (indicators and development actions) are set with the management responsible of each function. The management is responsible for implementing the development and the specialists follow the development and indicators, providing follow-up information at group level.

OPPORTUNITY PROCESS

Similarly, climate-related opportunities are integrated into strategy and other financial planning but are also treated by dedicated specialists in environmental and sustainability matters to reflect their strategic importance. A similar approach is applied to climate-related opportunities, which are part of annual strategic evaluations and analyses. Financial impact and likelihood of an opportunity unfolding determines the overall ranking and impact of opportunities.

OVERALL RISK MANAGEMENT PROCESS

The group's Enterprise Risk Management Policy focuses on managing both the risks pertaining to business and the risks affecting the achievement of the group's goals in the changing operating environment. The risks are classified as strategic, financial, and hazard risks. The process outlined above for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities falls under the category of strategic risks. The risk management process is presented under [GOV-2](#).

Responsibility for identifying, evaluating and, to a large extent, managing risks, is delegated to business units, business areas and functions. The process for identifying and evaluating climate risk is the task of the specialized environmental and sustainability unit. Assisted by the People and Sustainability Committee, the company's Board of Directors has the overall responsibility, and it monitors and assesses the efficiency of the company's risk management mechanisms. It also monitors the assessment and management of risks related to the company's strategy and operations. The People and Sustainability Committee monitors that the risk management actions are in line with the Enterprise Risk Management Policy.

The climate scenarios outlined in the risk management process are identical to the critical climate-related assumptions, such as the most significant risks noted in the Board of Directors' report.

The double materiality assessment identified and evaluated relevant impacts, risks, and opportunities related to pollution.

However, the assessment did not include screenings of site locations concerning Nokian Tyres' own operations and upstream and downstream value chain.

Consultations with affected communities were completed as part of the assessment's stakeholder engagement. Nokian Tyres also conducted internal environmental impact and risk assessments, chemical operation supervisors performed site visits, and the Finnish Safety and Chemicals Agency (TUKES) carried out inspections.

Nokian Tyres' double materiality assessment concluded that Nokian Tyres' key impacts regarding pollution come from tire and road wear particles (TRWP) and chemical use. TRWP are considered as micro-plastics and can degrade local air quality, water and soil, and have negative effects on both ecosystems and human health. Ensuring chemical and environmental safety in all operations is part of the continuous sustainability work.

The risk of increasing regulatory obligations related to pollution can lead to increased costs of materials and product development. There's also a risk of penalties and litigation from the use of banned or restricted substances. However, innovation in tire design and materials could give Nokian Tyres an advantageous position in introducing more durable products that result in decreased generation of TRWP.

The topic Water and marine resources was assessed but not considered material.

Water risk assessments for Nokian Tyres' production sites have been conducted using the WWF's water risks filters, and they are updated every three years. The assessments confirm that Nokian Tyres' water-related risks are minor and that the company does not operate in water-stressed areas.

As for Nokian Tyres' suppliers, less than three percent operate near areas of water stress. However, Nokian Tyres includes some disclosures on water in the Sustainability Statement's section Additional sustainability disclosures in order to provide data for corporate sustainability assessments and interested stakeholders.

The double materiality assessment identified and evaluated relevant impacts, risks, and opportunities related to biodiversity and ecosystems.

The assessment did not include the screening of site locations pertaining to Nokian Tyres' operations, however. As a tire manufacturer, Nokian Tyres is dependent on natural rubber, the cultivation of which has been identified to cause negative biodiversity impacts. In the summer 2023 shortly before the double materiality assessment process began, the biodiversity risks in Nokian Tyres' supply chain were assessed using the WWF's biodiversity risk filter. The filter includes systemic, transition, and physical risk and opportunity assessment and identification. According to this assessment that later was utilized in the double materiality analysis, the biggest and the broadest biodiversity impacts in Nokian Tyres' raw material chain come from pollution, deforestation, and land use change, and natural rubber cultivation impacts biodiversity the most. In the assessment, the most important supplier locations and industry sectors were prioritized based on how high their physical versus reputational risk scores were. 32 sites were considered most impactful on biodiversity. Of the 32 sites, 23 are natural rubber farmers and manufacturers, three metal cord manufacturers, two textile/belt manufacturers, one is an oil company, and one is a chemical manufacturer. Regarding biodiversity risks, the most important countries for Nokian Tyres are Indonesia and Malaysia. The actual biodiversity impacts of individual supplier sites have not been investigated. Any mitigation measures required have not yet been defined.

Nokian Tyres is a member of the Global Platform for Sustainable Natural Rubber (GPSNR) and is informed of the affected communities views through the GPSNR cooperation.

Natural diversity and the factors affecting have been assessed at the tire factories in Finland, the US, and Romania, as well as the test tracks and the Vianor service centers owned by the company. According to the assessments, Nokian Tyres' current operations have no direct effects on biodiversity.

Nokian Tyres' double materiality assessment identified and evaluated the use of material resources, as well as impacts, risks, and opportunities related to the circular economy. This assessment did not include the screening of site locations pertaining to Nokian Tyres' operations, however.

During the assessment process, the company engaged with stakeholders and consulted the affected communities. No further assessments concerning circular economy risks and opportunities have been conducted.

Nokian Tyres is committed to continuously improving the quality, safety, and environmental sustainability of its products, services, and processes. As the company transitions from fossil-based materials to renewable or recycled alternatives, this shift is carefully managed through the gradual substitution of these materials.

The integration of new raw materials necessitates extensive product development and rigorous testing to ensure the optimal combination of properties for tire performance. It is crucial that the adoption of renewable and recycled materials does not compromise the safety characteristics of Nokian Tyres' products.

During the double materiality analysis, Business conduct was mainly evaluated through the risk of potentially occurring misconduct or violations and therefore, received a fairly low materiality score.

Nokian Tyres has well-established, existing processes in place through which it can demonstrate and report how it mitigates potentially occurring impacts and risks. Ethical business conduct was, however, included in the scope of materiality, as it often represents a hygiene factor and foundation for sustainable business. The impacts and opportunities that received the highest score in the assessment were included in reporting.

IRO-2 Coverage of the Sustainability Statement

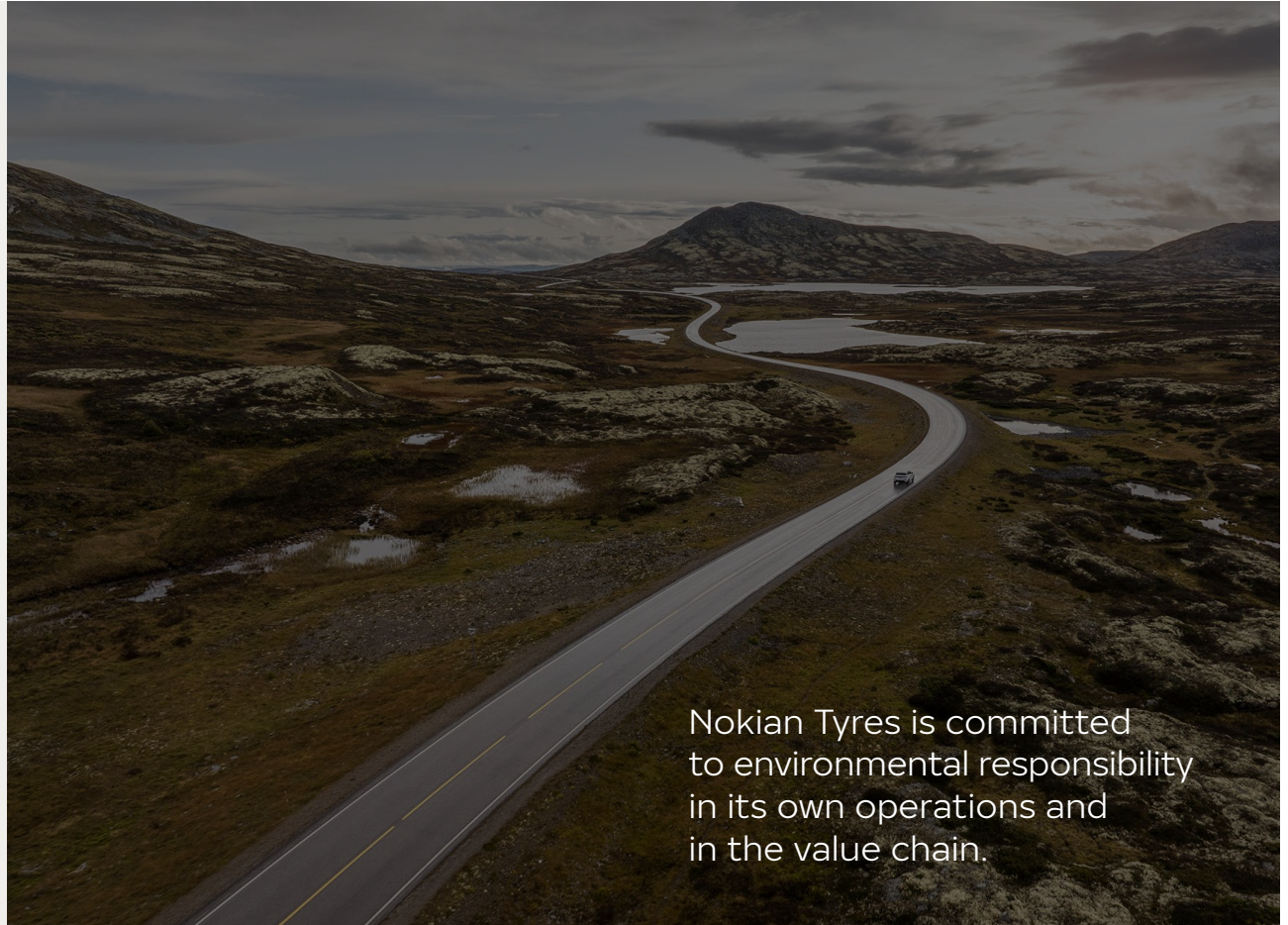
The ESRS Disclosure Requirements covered by this Sustainability Statement are presented in the ESRS Content Index on pages [127–130](#). An index of datapoints deriving from other EU legislation is presented on pages [131–136](#).

When disclosing information related to material topics, experts used their judgment to decide on which information is necessary to provide the needed understanding to stakeholders, and the members of the Management Team who are responsible for the development of the matters under their lead have reviewed and validated the disclosed information. Actions that were deemed not to provide material information regarding the material topics were not disclosed.

Environmental information

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- General information
- Environmental information**
- Social information
- Governance information



Nokian Tyres is committed to environmental responsibility in its own operations and in the value chain.



ENVIRONMENTAL INFORMATION

EU Taxonomy

The EU's Taxonomy Regulation is designed to support the transformation of the EU economy to meet its European Green Deal objectives, including the 2050 climate-neutrality target. The Taxonomy Regulation classifies economic activities, which can be potentially aligned with EU's environmental targets. At the core of the Taxonomy Regulation is the definition of a sustainable economic activity. This definition is based on two criteria. An activity must:

- Contribute to at least one of six environmental objectives listed in the Taxonomy; and
- Do no significant harm to any of the other objectives, while respecting basic human rights and labor standards.

Nokian Tyres has conducted an assessment of taxonomy eligibility and taxonomy alignment based on the best interpretation of the EU Taxonomy Regulation, the Climate Delegated Act, and the guidelines provided by the European Commission. Nokian Tyres' sustainability experts have evaluated whether the economic activities identified in the taxonomy meet the criteria for taxonomy alignment. The assessment covered the criteria for substantial contribution and do no significant harm for each economic activity to determine taxonomy alignment. Minimum safeguards were reviewed at the group level. The assessment and its results have also been externally reviewed.

Do no significant harm (DNSH)

While assessing the do no significant harm criteria, Nokian Tyres was found to be compliant. The company has reviewed the policies and procedures related to the topics below. Nokian Tyres has also conducted environmental impact assessments as part of ISO 14001 certification, and all required measures for protecting the environment are implemented based on the local regulatory requirements and included in the company's ISO 14001 certification and auditing processes.

Regarding climate change adaptation, Nokian Tyres performs regular climate risk assessments. The company has also conducted a scenario analysis. More information about the analyses and the risk and opportunity management process can be found under [ESRS 2 IRO-1](#) and [E1 SBM-3](#).

Regarding sustainable use and protection of water resources, water risk assessments for Nokian Tyres' production sites have been conducted using the WWF's water risks filters, and they are updated every three years. The assessments confirm that Nokian Tyres' water-related risks are minor and that the company does not operate in water-stressed areas.

Nokian Tyres has reviewed the criteria for pollution prevention and control. Nokian Tyres does not use any carcinogenic or SVHC chemicals. More information about chemical use and control can be found under [E2-3](#).

While transitioning to a circular economy, the company shifts from fossil-based materials to more sustainable alternatives with the target of increasing the share of renewable or recycled raw materials used in its tires to 50 percent by 2030. More information can be found under [E5-2](#).

Regarding protection and restoration of biodiversity, according to the assessments conducted by Nokian Tyres, the company's current operations have no direct effects on biodiversity. The biodiversity risks in Nokian Tyres' supply chain were assessed using the WWF's biodiversity risk filter. More information about the assessments can be found under [E4 SBM-3](#).

Minimum social safeguards

Nokian Tyres reviewed the minimum social safeguards criteria on human rights, bribery and corruption, taxation and fair competition, and found to be compliant after assessing the processes, controls, and compliance measures related to these topics. The company's key policies, such as the Code of Conduct, Supplier Code of Conduct, and Anti-Bribery and Conflict of Interest Code of Conduct outline the principles expected from the company and its employees, suppliers, and other business partners. Nokian Tyres has also defined its human rights due diligence process, and the company is committed to acting in the manner required by the UN's Guiding Principles for Business and Human Rights, and to following the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Nokian Tyres is a supporting member of the UN's Global Compact initiative, and the company follows its ethical principles.

Economic activities

The tire industry is included in the economic activity groups Manufacture of other low carbon technologies of Climate change mitigation and Remanufacturing of Transition to a circular economy in the EU Taxonomy's technical screening criteria. After investigating the EU Taxonomy's technical screening criteria, the following conclusions on Nokian Tyres' economic activities have been made:

- Tires with low rolling resistance ratings which are manufactured by Nokian Tyres have substantially lower life cycle carbon footprint than corresponding average tires.
- At this stage, Nokian Tyres has excluded all heavy off-road tires for professional use as there is no solid comparison data available of use phase CO₂ emissions for heavy off-road tires for professional use.
- Tire retreading can be included in the Remanufacturing section of the EU Taxonomy's Transition to circular economy environmental target.

Manufacture of tires with low life-cycle greenhouse gas emissions and tire retreading business activities represented 14.9 percent of Nokian Tyres' total net sales in 2024. Based on Nokian Tyres' assessment, these economic activities are eligible with the EU Taxonomy. Regarding tire retreading, reporting on taxonomy eligibility began in 2024. Share of Opex within the same scope of EU Taxonomy was 11.9 percent, and share of Capex within the same scope of EU Taxonomy was 3.8 percent.

It must be noted that the Taxonomy reporting scope and criteria may change in coming years as this is only the fourth reporting round, and therefore also the figures may not be comparable between earlier and future reporting periods.

Nokian Tyres' approach to calculate the EU Taxonomy eligibility:

Net sales

- A: Amount of eligible net sales coming from tires that have EU Tyre Labelling grade A or B in rolling resistance and from tire retreading business activities, amounting to EUR 192.5 (135.0) million. Heavy off-road tires for professional use are excluded as there is no solid data (or public benchmark) available for use phase CO₂ emissions.
- B: Total amount of net sales under EU taxonomy is equal to the net sales reported in the consolidated income statement, amounting to EUR 1,289.8 (1,173.6) million
- C: Share of net sales within the scope of EU Taxonomy
- $C = A/B\%$

Capex and Opex

- D: Eligible tire production companies' and retreading plants' Opex: Research and Development and real estate expenses deducted by depreciation and amortization, amounting to EUR 4.7 (3.8) million
- E: Group Opex: Research and Development and real estate expenses deducted by depreciation and amortization, amounting to EUR 39.2 (36.5) million
- F: Share of Opex within the scope of EU Taxonomy
- $F = C*D/E\%$

Justification: represents share of Opex used for producing low rolling resistance tires and offering retreading services with reasonable accuracy.

- G: Eligible tire production companies' and retreading plants' tangible, intangible, and right of use Capex, amounting to EUR 15.4 (18.1) million
- H: Group Capex under EU taxonomy including tangible, intangible, and right of use investments amounting to EUR 400.1 (299.7) million. Acquisitions of property, plant and equipment and intangible assets as included in the consolidated statement of cash flows amounting to EUR 350.1 (252.2) million excludes the impact from additions to right-of-use assets of EUR 50.0 (47.5) million. Additions to right-of-use assets are included in note 15 of the consolidated financial statements. The impact of additions to tangible and intangible assets are included in the note 13 and 14.
- I: Share of Capex within the scope of EU Taxonomy
- $I = C*G/H\%$

Justification: represents share of Capex used for production readiness for low rolling resistance tires and offering retreading services with reasonable accuracy.

Remark: handpicking and assessing each investment's relation to EU Taxonomy separately is regarded not to give much additional accuracy.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Economic Activities (1)	Financial year 2024			Substantial contribution criteria						DNSH criteria (“Does Not Significantly Harm”)							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Turnover (3) EUR million	Proportion of turnover, year 2024 (4) %	Climate Change Mitigation (5) Y; N; N/EL	Climate Change Adaptation (6) Y; N; N/EL	Water (7) Y; N; N/EL	Pollution (8) Y; N; N/EL	Circular Economy (9) Y; N; N/EL	Biodiversity (10) Y; N; N/EL	Climate Change Mitigation (11) Y/N	Climate Change Adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular Economy (15) Y/N	Biodiversity (16) Y/N	Minimum Safeguards (17) Y/N			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacturing of other low carbon technologies	3.6.	174.9	13.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	11.5%*	E	
Repair, refurbishment and remanufacturing	5.1.	17.6	1.4%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y		Y	Y		-		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		192.5	14.9%	91%	0%	0%	0%	9%	0%		Y	Y	Y		Y	Y	11.5%*		
Of which enabling		192.5	14.9%	91%	0%	0%	0%	9%	0%		Y	Y	Y		Y	Y	11.5%*	E	
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	-	-	-	-	-	-	-								1.4%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		192.5	14.9%														12.9%*		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1,097.3	85.1%																
TOTAL		1,289.8	100%																

*Year 2023 restated

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Economic Activities (1)	Financial year 2024			Substantial contribution criteria						DNSH criteria (“Does Not Significantly Harm”)							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	CapEx (3) EUR million	Proportion of CapEx, year 2024 (4) %	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
				Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacturing of other low carbon technologies	3.6.	14.9	3.7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	6.0%*	E	
Repair, refurbishment and remanufacturing	5.1.	0.4	0.1%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y			Y	Y	-		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		15.4	3.8%	97%	0%	0%	0%	3%	0%		Y	Y	Y		Y	Y	6.0%*		
Of which enabling		15.4	3.8%	97%	0%	0%	0%	3%	0%		Y	Y	Y		Y	Y	6.0%*	E	
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	-	-	-	-	-	-	-								0.0%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		15.4	3.8%														6.0%*		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		384.7	96.2%																
TOTAL		400.1	100%																

*Year 2023 restated

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Economic Activities (1)	Financial year 2024			Substantial contribution criteria						DNSH criteria (“Does Not Significantly Harm”)							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	OpEx (3) EUR million	Proportion of OpEx, year 2024 (4) %	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
				Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacturing of other low carbon technologies	3.6.	4.7	11.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	10.3%*	E	
Repair, refurbishment and remanufacturing	5.1.	-	0.0%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y			Y	Y	-		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		4.7	11.9%	100%	0%	0%	0%	0%	0%		Y	Y	Y		Y	Y	10.3%*		
Of which enabling		4.7	11.9%	100%	0%	0%	0%	0%	0%		Y	Y	Y		Y	Y	10.3%*	E	
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	-	-	-	-	-	-	-								0.0%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		4.7	11.9%														10.3%*		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		34.6	88.1%																
TOTAL		39.2	100%																

*Year 2023 restated

Nuclear and fossil gas related activities

Nuclear energy related activities	YES/NO
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities	YES/NO
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No



ENVIRONMENTAL INFORMATION

E1 Climate change

Material topic in Nokian Tyres' context	Impact, risk, opportunity	Policy or work instruction	Management
Emissions and energy	<ul style="list-style-type: none"> • Negative impacts due to greenhouse gas emissions from own operations (Scope 1 and 2) • Negative impacts due to greenhouse gas emissions in the value chain (Scope 3) • Opportunity of increased revenue and/or cost savings due to climate-friendly technologies • Opportunity of increased revenue from competitive product portfolio • Opportunity of increased revenue due to innovative and low-carbon raw materials • Risk of increasing costs related to tire raw materials • Risk of further environmental fees (e.g. additional taxes, certification costs) 	Environmental, Safety, and Quality Guideline, Code of Conduct, Supplier Code of Conduct, Sustainable Natural Rubber Policy	<p>Nokian Tyres is committed to environmental responsibility, focusing on reducing greenhouse gas emissions, improving energy efficiency, and prioritizing renewable energy.</p> <p>The company continuously improves the quality, safety and environmental friendliness of its products, services, and processes.</p> <p>Nokian Tyres prioritizes long-term relationships with its suppliers while continually seeking more competitive sources of supply.</p> <p>The company requires suppliers to identify, monitor, manage, and reduce air emissions, aiming for low-carbon solutions where possible.</p> <p>Additionally, Nokian Tyres conducts regular internal audits to ensure compliance with customer and legislative requirements, regulations, and instructions, as well as to evaluate the efficiency of its operational systems.</p>

E1-1 Transition strategy for climate change mitigation

Nokian Tyres is currently creating its transition plan in line with the EU's Corporate Sustainability Due Diligence Directive and will finalize it in spring 2025. The foundation of the plan already exists, as in 2024 the company's new, more ambitious emissions reduction targets were approved by the Science Based Targets initiative (SBTI) and confirmed by Nokian Tyres' Board of Directors. Nokian Tyres' new Scope 1 and 2 targets align with the 1.5-degree pathway, and the company also has new Scope 3 targets. The approval process involved adjusting the operational units included in the scope and refining calculation methods for tracking progress.

Key actions include changes to Nokian Tyres' product and service portfolio, as well as the adoption of new technologies across operations and the value chain:

- The new Oradea factory in Romania is the world's first tire factory with zero CO₂e emissions (Scope 1 and 2). All energy used at the factory comes from zero-emission sources such as wind, hydro, biomass, solar energy, or a mix of these. Steam for tire manufacturing is produced without fossil fuels. Once fully operational, the factory will have an annual production capacity of six million tires, with potential for future expansion.
- Study for replacing fossil fuels is ongoing. Nokian Tyres will transition to zero-emission energy sources, particularly in the US factory.

SBM-3 Aiming for leadership in addressing climate change

Nokian Tyres aims to demonstrate leadership in addressing climate change by setting ambitious climate targets. The company seeks to reduce emissions across the company's operations and supply chain, as well as tire usage. Around 90 percent of the carbon footprint of a tire from Nokian Tyres is generated during its use, with fuel or energy consumption being the most significant environmental impact over the tire's lifespan. Tires with low rolling resistance help save fuel and reduce CO₂e emissions.

Analyzing material climate risks

The tire industry faces various climate-related risks, including shifting consumer preferences, regulatory changes, and the effects of extreme weather on natural rubber production. After identifying the most material physical and transition risks, Nokian Tyres carried out a scenario analysis between December 2023 and February 2024 to increase understanding of the resiliency of the company and how certain scenarios in the short (<2030), medium (2030–2040), and long term (2040–2050) may impact the company financially moving forward. The scenario analysis examined the resilience of the entire Nokian Tyres organization.

The results of the analysis of material transition risks showed that both price and availability of more renewable materials can be expected to be vulnerable. As the development of alternatives is still on-going the likelihood of this risk affecting Nokian Tyres short-term can be expected to be high, and medium in medium and long term. As this transition requires high resources for R&D and a shortage of the material can entail a high loss of income, the potential financial risk is considered high in the short term and medium in the medium-, and long-term. To mitigate these risks, Nokian Tyres plans to keep investing in R&D regarding both natural rubber and other alternatives to fossil-based materials. By investing in early research regarding both Nokian Tyres can create itself the opportunity to stay ahead of the curve and avoid being affected by potential supply shortages and price spikes.

The results also showed that carbon taxes are expected to rise significantly. Based on the analysis, the likelihood of carbon prices affecting the company in the short, medium and long term is considered high and thus it having the potential to cause a medium financial impact. Nokian Tyres increases the use of non-fossil materials, which decreases the risk. The company also participates in industry sector working groups and closely monitors emerging regulation.

E1-2 Policies related to climate change mitigation and adaptation

Nokian Tyres Code of Conduct states that the company is committed to reducing greenhouse gas emissions. The Environmental, Safety, and Quality Guideline elaborates the matter further by stating Nokian Tyres' commitment to environmental responsibility, which includes but is not limited to reducing greenhouse gas emissions, improving energy efficiency, and preferring renewable energy. The guideline also pledges to set targets to reduce environmental impacts. The President and CEO is accountable for its implementation.

The Environmental, Safety, and Quality Guideline can be found on the company website. Nokian Tyres is committed to consulting with stakeholders on environmental matters and reporting on them regularly. Customer requirements were taken into account when updating the guideline in 2024. In previous updates, the views of other stakeholders had also been considered.

According to Nokian Tyres Supplier Code of Conduct, the supplier shall identify, monitor, manage, and reduce emissions to air from its operations. The supplier shall seek for low carbon solutions, when possible.

Nokian Tyres Sustainable Natural Rubber Policy expects natural rubber suppliers to join in the combat against climate change. Suppliers are, for example, expected to manage their operations in a manner that minimizes and mitigates greenhouse gas emissions (including carbon emissions) and to actively seek for low carbon solutions, when possible.

The company's Senior Vice President, Operation Excellence, who is a member of the Management Team, is the most senior executive accountable for the implementation of the Supplier Code of Conduct and Sustainable Natural Rubber Policy. Both policies are available on the company website.

Greenhouse gas emissions

Nokian Tyres is committed to reducing greenhouse gas emissions from its operations in order to combat climate change. The greenhouse gas emissions from the operations are calculated annually and reduced systematically. Nokian Tyres monitors and reports its greenhouse gas emissions through the calculation of the CO₂ equivalent unit, CO₂e. Nokian Tyres' tire production's greenhouse gas (GHG) emissions from raw material purchasing to the disposal of the product are calculated in compliance with the ISO 14064 standard and the GHG protocol.

In May 2018, the company joined the Science Based Targets initiative (SBTi) with the aim of setting more precise climate targets that are assessed and validated by an external organization. The company's science-based greenhouse gas emissions reduction targets were published in May 2020, and Nokian Tyres was the first company in the tire industry to have its targets officially approved by the Science Based Targets initiative.

In 2023 Nokian Tyres committed to setting targets to reach science-based net-zero greenhouse gas emissions by 2050. The SBTi approved Nokian Tyres' new and more ambitious emission reduction targets in 2024, and these updated Scope 1 and 2 targets align with the 1.5-degree pathway. The approval process involved adjusting the operational units included in the scope and refining calculation methods for tracking progress.

E1-3 Actions and resources in relation to climate change policies

Reducing greenhouse gas emissions

Nokian Tyres will continue purchasing zero CO₂e and renewable energy certificates for the factories in Finland and in the US and for Vianor. This approach will cover Scope 2 emissions for both the reporting year and future periods. The company estimates electricity use for both factories and assesses how these certificates reduce GHG emissions both now and in the future.

Additionally, the construction of the factory in Romania is another critical action, impacting both the reporting year and future. Since the Romanian factory is a zero CO₂e factory, it is important for Nokian Tyres to evaluate how much less emissions are created by producing tires there compared to production in Finland or in the US. Nokian Tyres estimates that emissions reductions are significant.

In the coming years, Nokian Tyres will concentrate on actions that are to be defined in the transition plan.

Tires' rolling resistance affects emissions from driving

The use of fossil fuels accounts for most of human-generated carbon emissions. Carbon dioxide is the most significant greenhouse gas generated by traffic. When a tire rolls against the road surface, energy is lost mainly due to heat build-up; this is referred to as the rolling resistance. The higher the rolling resistance is, the higher the fuel consumption and CO₂ emissions will be.

Fuel consumption during driving is the single most significant environmental impact over a tire's service life. Tires with low rolling resistance may save more than 0.5 liters of fuel per 100 kilometers, and thus reduce CO₂ emissions.

The level of lower rolling resistance tires (class A, B, and C tires) manufactured by Nokian Tyres is over 90 percent, and the company continues to invest in the development of new low rolling resistance tires. The EU Tyre Label categorizes fuel efficiency on a scale from A to E. More information about the label categories is presented in the topic **“Consumers and end users”**. At the moment, class C is the most common fuel economy rating for Nokian Tyres' passenger car tires.

Approximately 90 percent of a Nokian Tyres' tire's carbon footprint is created during its use. A wise choice of tires, the right tire pressure, and a careful driving style significantly reduce the CO₂ emissions from driving.

E1-4 Targeting to reduce emissions across the value chain

Science-based targets

Nokian Tyres' four science-based emissions reduction targets are in line with the Paris Agreement and the 1.5 degrees pathway. The base year for the targets is 2022. The two near term targets should be achieved by 2030 and the two long term targets by 2050. The Science Based Targets initiative (SBTi) has validated the targets, and Nokian Tyres Board of Directors has confirmed them.

The consistency of greenhouse gas (GHG) emission reduction targets with GHG inventory boundaries was ensured through approval by the SBTi. Nokian Tyres selected 2022 as the base year to ensure that the baseline value accurately represents the activities covered and accounts for external influences, making the data as current and relevant as possible. The base year values are available in the table **Greenhouse gas emissions**.

SHORT-TERM TARGETS, BY 2030:

Absolute Scope 1 and 2 GHG emissions:

- Reduce by 42 percent from the 2022 base year.

Scope 3 GHG emissions:

- Reduce by 51.6 percent per ton of product purchased.
- Targets include emissions from purchased goods and services, and upstream transportation and distribution.

LONG-TERM TARGETS, BY 2050:

Absolute Scope 1 and 2 GHG emissions:

- Reduce by 90 percent from the 2022 base year.

Scope 3 GHG emissions:

- Reduce by 97 percent per ton of product purchased.
- Targets include emissions from purchased goods and services, capital goods, and upstream transportation and distribution.

Reducing emissions from traffic

To reduce emissions from traffic, the company aims to have at least 60 products in the best rolling resistance A class by 2028. It's good to note that the number of A class tires does not increase linearly but is dependent on new product launches as well as discontinued products. During 2024, no new products were included in the rolling resistance class A of EU Tyre Labelling.

Nokian Tyres products in the rolling resistance A class*

Status in 2024	Goal for 2028
10	min. 60

*Tires included in the EU Tyre Labelling.

E1-5 Energy consumption and mix

Nokian Tyres purchases energy for the factories from external suppliers, and the company also generates some of the electricity and steam that it uses. In 2024, 66.3 percent of all energy used in the tire factories was produced from renewable energy sources.

The high climate impact sectors used to determine the energy intensity are *Manufacture of rubber and plastic products* NACE code C22.11 for Nokian Tyres and *Sale of motor vehicle parts and accessories* NACE code G45.3 for Vianor.

Energy consumption and mix

	2024	2023
(1) Fuel consumption from coal and coal products (MWh)	-	-
(2) Fuel consumption from crude oil and petroleum products (MWh)	4,483	4,513
(3) Fuel consumption from natural gas (MWh)	71,140	58,114
(4) Fuel consumption from other fossil sources (MWh)	-	-
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	37,974	68,799
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	113,596	131,426
Share of fossil sources in total energy consumption (%)	29.9%	36.2%
(7) Consumption from nuclear sources (MWh)	55,280	90,000
Share of consumption from nuclear sources in total energy consumption (%)	14.5%	24.8%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	338	308
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	207,534	138,441
(10) The consumption of self-generated non-fuel renewable energy (MWh)	3,217	2,911
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	211,089	141,661
Share of renewable sources in total energy consumption (%)	55.6%	39.0%
Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)	379,966	363,087

Energy intensity per net sales

	2024	2023	% 2024/ 2023
Total energy consumption from activities in high climate impact sectors per net sales from activities in high climate impact sectors (MWh/€)	0.0003	0.0003	95%
Net sales from activities in high climate impact sectors used to calculate energy intensity (EUR million)"	1,289.8	1,173.6	
Net sales (other) (EUR million)	-	-	
Total net sales (Financial Statements) (EUR million)	1,289.8	1,173.6	

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Nokian Tyres' Scope 1 emissions include emissions from self-generated energy and from vehicles. The emissions are calculated using Defra emissions factors and emissions data from the fleet management company. Scope 2 location-based emissions calculation is based on the average emissions intensity of power grids in the operations countries, using emissions factors from the IEA (International Energy Agency). In Scope 2 market-based emissions calculation, supplier-based emissions factors are used where available and in other cases the calculation is based on country-level residual mix emissions factors from the AIB (Association of Issuing Bodies). The emissions factors for district heating are from Defra.

Scope 3 categories exclude those that are not related to Nokian Tyres' business (e.g. category 15) and those that account for less than one percent of the group's total emissions (e.g. category 6). Calculation principles for Scope 3 emissions are described below:

Category 1: Purchased goods and services

Raw material emissions were calculated by multiplying the mass of received raw materials with emissions factors from suppliers or from sustainability software libraries representing the industry average values. For other purchased products for which data on quantity was available, the emissions factors were estimated using Nokian Tyres' own production data. For purchased steel, emissions factors were received from steel producer. The emission of all other goods and services were calculated using spend-data and multiplied with Defra monetary emissions factors. The Nokian Tyres spend categories do not completely match with Defra emissions factors, and therefore the most suitable emissions factor was selected for each spend category.

Primary data: 80 percent. Secondary data: 20 percent.

Category 2: Capital goods

CO₂e emissions were calculated using the spend data multiplied with Defra emissions factors. Nokian Tyres' spend categories do not com-

Greenhouse gas emissions

	Retrospective				Milestones and target years			
	Base year	2023	2024	% 2024/ 2023	2025	2030	(2050)	Annual % target/ Base year ²
Scope 1 GHG emissions	2022							
Gross Scope 1 GHG emissions (tCO ₂ e)	10,978	13,151	15,195	116%	12,000	10,000	2,000	1.1%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0					
Scope 2 GHG emissions	2022							
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	26,562	28,566	28,840	101%				
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	21,390	17,340	7,803	45%	15,250	8,750	1,250	7.4%
Significant scope 3 GHG emissions	2022							
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	7,151,790	8,072,798	7,642,987	95%				
1) Purchased goods and services	589,545	579,360	647,242	112%	409,924	409,885	64,852	3.8%
2) Capital goods	54,206	96,545	135,476	140%	49,704	66,805	5,545	-2.9%
3) Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	13,925	15,211	16,321	107%				
4) Upstream transportation and distribution	53,124	45,515	57,603	127%	44,202	44,183	5,477	2.1%
5) Waste generated in operations	280	303	267	88%				
7) Employee commuting ¹	1,059	1,239	1,368	110%				
8) Upstream leased assets	12,708	11,139	8,323	75%				
9) Downstream transportation	446	325	241	74%				
11) Use of sold products	6,422,428	7,318,256	6,770,121	93%				
12) End-of-life treatment of sold products	4,070	4,904	6,025	123%				
Total GHG emissions								
Total GHG emissions (location-based) (tCO ₂ e)	7,189,330	8,114,515	7,687,022	95%				
Total GHG emissions (market-based) (tCO ₂ e)	7,184,158	8,103,289	7,665,985	95%				

¹Includes the tire factories in Finland and in the US.

²2030 target used in calculation.

pletely match with Defra emissions factors, and therefore the most suitable emissions factor was selected for each spend category.

Primary data: 0 percent. Secondary data: 100 percent.

Category 3: Fuel- and energy-related activities (not included in Scopes 1 and 2)

The main sources for energy consumption figures were Nokian Tyres' own systems and meters and energy supplier invoices or portals. The source for some of Vianor's electricity figures were centralized portals or electricity provider portals, and energy consumption for service centers which were not included in the portals were calculated using the average electricity consumption per service center. Vianor's heat energy consumption was estimated based on the average energy consumption of Vianor Finland, for which the data source was Vianor Finland invoices.

Primary data: 100 percent. Secondary data: 0 percent.

Category 4: Upstream transportation and distribution

Some transportation suppliers report the CO₂e data related to raw material and tire transportations, covering approximately 20 percent of upstream transportation and distribution emissions in 2024. For the remaining share, the emissions were calculated using the mass of received goods per country of origin and estimated distances covered per each transportation mode. Country of origin distances per transportation mode were estimated per each destination (Nokian Tyres' location).

In wheel manufacturing operations, the three biggest suppliers (by mass) were identified, and their haulages were calculated. Haulage means multiplying the mass with the distance, and its unit is tonne-kilometer, tkm. The haulages were summarized and then extrapolated to represent 100 percent of transportation of purchased materials. A similar approach was used for final goods transportation.

Primary data: 30 percent. Secondary data: 70 percent.

GHG intensity per net sales

	2024	2023	% 2024/ 2023
Total GHG emissions (location-based) per net sales (tCO ₂ e/€)	0.006	0.007	86%
Total GHG emissions (market-based) per net sales (tCO ₂ e/€)	0.006	0.007	86%
Net sales used to calculate GHG intensity (EUR million)	1,289.8	1,173.6	
Net sales (other) (EUR million)	-	-	
Total net sales (in Financial Statements) (EUR million)	1,289.8	1,173.6	

Category 5: Waste generated in operations

Nokian Tyres received activity data from waste management suppliers' portals and reports. Waste was classified according to waste type and waste treatment type, and multiplied with the corresponding Defra emissions factor.

Warehouses, sales companies and test centers' waste was excluded due to lack of precise data. However, the share is small (0.001% of total Scope 3 emissions).

Primary data: 100 percent. Secondary data: 0 percent.

Category 6: Business travel

This category is excluded from Nokian Tyres' GHG inventory, as its share of total Scope 3 emissions is small (0.01%). Additionally, the GHG emissions data is only partly available from travel agencies, and therefore the rest of the data is fully estimated.

Category 7: Employee commuting

Employee commuting includes only tire factories in Finland and in the US. The CO₂e emissions were calculated by multiplying the quantity of employees with average commuting days and average commuting distance. The headcount figures are actual from Nokian Tyres' HR system, and the average commuting days and distances are estimates.

The total distances received from the calculations were split per transportation mode. The shares of transportation modes are estimates. Total kilometers per transportation mode are linked to related emissions factor from Defra.

Primary data: 0 percent. Secondary data: 100 percent.

Category 8: Upstream leased assets

Nokian Tyres' upstream leased assets include leased warehouses, leased offices, and leased vehicles. The average energy consumption of warehouses was calculated by using the energy data from warehouses where the energy consumption and storage capacity and storage area were known. The warehouses' energy consumption was estimated by using the previously mentioned average and storage area of all warehouses.

Average energy consumption per office employee was calculated from energy consumption and headcount data. The total energy consumption per office was calculated by multiplying the average energy consumption per employee with the quantity of employees for each office.

For warehouses and offices, CO₂ emissions were calculated with Defra emissions factors.

The vehicle fleet management company estimates the annual emissions per vehicle. Nokian Tyres' average fleet emission factor kg CO₂e/vehicle was calculated from the total fleet report. The total leased vehicles' CO₂e emissions were calculated by multiplying the quantity of vehicles with the average fleet emission factor.

Primary data: 40 percent. Secondary data 60 percent.

Category 9: Downstream transportation and distribution

Less than one percent of tire deliveries was paid for by the customers. Calculation was distance-based, using the country level average estimated distances and the average weight and quantity of the products transported.

From wheel manufacturing, roughly 25 percent of final goods deliveries are paid for by the customers. In the haulage calculation, top 3–5 highest quantity customers (by mass) haulages were calculated. This was extrapolated to 100 percent of final product transportation. Total wheel transportation and distribution emissions were then calculated, and the 25 percent share of customer paid transportation was calculated and reported as downstream transportation and distribution.

Primary data: 0 percent. Secondary data: 100 percent.

Category 10: Processing of sold products

Most tires were installed in Vianor service centers, and therefore the energy consumption of installation is already included in Nokian Tyres' GHG inventory (Scope 1 and 2). Thus, Nokian Tyres considers category 10 as not applicable.

Category 11: Use of sold products

For all passenger car tires, an average use phase emissions factor was calculated according to formulas stated in the Product Category Rules for Tires.

For all other tires, an average use phase emissions factor was calculated with Nokian Tyres' own formula, which considers machinery's estimated fuel consumption, quantity of tires per machine, estimated tire life cycle, estimated share of machinery fuel consumption related to tires, and diesel emission factor in Finland.

Nokian Tyres opted to leave out the purchased and produced wheels (rims), because according to the GHG protocol, this is an optional category if emissions are indirect. Wheels do not consume energy or produce emissions, but they indirectly affect vehicle fuel consumption negatively due to rolling resistance.

Primary data: 0 percent. Secondary data: 100 percent.

Category 12: End-of-life treatment of sold products

The average tire masses were multiplied with the quantity of produced and purchased tires per tire classes (passenger car, truck and bus, heavy tires).

Each country has its own distribution of how end-of-life tires are treated. For Finland, Sweden and Norway, the distributions are received from the tire recycling companies. For other countries, average values per region from Product Category Rules for Tires are used.

The total masses of wheels are separated into recycled and landfilled (OECD: 85 percent recycled, so the remaining 15 percent is considered to be landfilled).

The total masses per disposal method were linked to corresponding emissions factor from Defra to calculate the related emissions. All reused and recycled end-of-life products were considered with zero CO₂ emission for Nokian Tyres GHG inventory.

Primary data: 0 percent. Secondary data 100 percent.

Category 13: Downstream leased assets

Nokian Tyres does not have downstream leased assets, and therefore this category is not applicable.

Category 14: Franchises

Nokian Tyres does not have franchises, and therefore this category is not applicable.

Category 15: Investments

Nokian Tyres does not operate in the investment business, and therefore this category is not applicable.

The amount of biogenic emissions from the Finnish tire factory in Scope 2 was 40,506 tons CO₂e. Scope 2 data is not available from other sites or operations. For Scope 1 and 3, data is not available.



ENVIRONMENTAL INFORMATION

E2 Pollution

Material topic in Nokian Tyres' context	Impact, risk, opportunity	Policy or work instruction	Management
Pollution	<ul style="list-style-type: none"> Negative impacts in terms of pollution of air, water and soil Adverse health and environmental impacts from the use of chemicals Opportunity to develop more environmentally sustainable products (more durable products and safer chemicals) Risk of increasing regulatory obligations related to pollution 	Environmental, Safety and Quality Guideline, Code of Conduct, Supplier Code of Conduct, Sustainable Natural Rubber Policy	<p>Nokian Tyres continuously improves the quality, safety and environmental friendliness of its products, services, and processes.</p> <p>Nokian Tyres commits to complying with laws and regulations, and to environmental responsibility, which includes but is not limited to preserving air and soil quality.</p> <p>Nokian Tyres is committed to creating healthy and safe working conditions for all individuals under the company's supervision. Responsible chemical management is also part of this work, including the pledge to reduce or phase out hazardous substances.</p> <p>Suppliers are expected, at the minimum, to comply with all the applicable environmental laws, regulations and environmental permits and licenses in the countries where they operate.</p> <p>Nokian Tyres is committed to and expects its suppliers to prevent air, water, and soil contamination.</p>

E2-1 Pollution-management policies

Nokian Tyres is committed to environmental responsibility in its own operations and in the value chain.

Nokian Tyres' Code of Conduct reflects the company's commitment to continuously enhancing its products, functions, and production facilities to minimize environmental impact. This includes preventing pollution of the air, water, and soil and addressing environmental effects throughout Nokian Tyres' supply chain.

The Environmental, Safety, and Quality Guideline underscores Nokian Tyres' pledge to continually improve the quality, safety, and environmental sustainability of its products, services, and processes, considering the entire lifecycle of its products. The company aims for efficiency, zero errors, and zero accidents across all operations to safeguard both employees and the environment.

Nokian Tyres prioritizes stakeholder interests when setting and updating policies. The Environmental, Safety, and Quality Guideline received minor updates in the spring of 2024, consisting of small additions and wording adjustments based on customer needs.

To uphold the guideline, Nokian Tyres commits to environmental responsibility, which includes not only adhering to laws and regulations but also preserving biodiversity and maintaining air and soil quality. Responsible chemical management is a key part of this commitment, with efforts to reduce or phase out hazardous substances. Moreover, Nokian Tyres has numerous emergency plans in place to control and mitigate impacts on people and the environment during unexpected situations. The President and CEO is the most senior executive accountable for the implementation of both the Code of Conduct and the Environmental, Safety, and Quality guideline.

The Supplier Code of Conduct extends these responsibilities across the value chain. Nokian Tyres expects its suppliers to minimize negative impacts on local and surrounding communities, adopt a precautionary approach to environmental challenges, and proactively prevent environmental incidents. Suppliers must comply with all relevant environmental laws, regulations, and permits in their operating countries. The Supplier Code of Conduct also emphasizes continuous improvement in environmental performance, including proper handling, storage, and disposal of chemicals to protect employees and the environment.

Nokian Tyres expects its suppliers to implement proper processes and technologies to protect water quantity and quality, prevent contamination from chemicals, and safeguard soil quality. Suppliers are required to prepare for and respond to emergencies such as fires, natural disasters, and chemical spills, with appropriate emergency plans, evacuation procedures, hazard detection equipment, training, and drills.

Nokian Tyres' Sustainable Natural Rubber Policy addresses pollution by committing to prevent air, water, and soil contamination. The policy's framework aligns with that of the Global Platform for Sustainable Natural Rubber (GPSNR), an industry initiative focused on promoting sustainability in the natural rubber supply chain.

The company's Senior Vice President, Operation Excellence, who is a member of the Management Team, is the most senior executive accountable for the implementation of the Supplier Code of Conduct and Sustainable Natural Rubber Policy.

All listed policies are available for the public on the Nokian Tyres website.

Upholding international standards

Through the implementation of its Code of Conduct, Supplier Code of Conduct, and Environmental, Safety, and Quality Guideline, Nokian Tyres commits to the ten principles of the UN Global Compact.

Nokian Tyres' Environmental, Safety, and Quality Guideline states that Nokian Tyres' operations are based on and fulfill the requirements of the ISO 14001 standard.

E2-2 Safeguarding chemical and environmental safety

Nokian Tyres is committed to reducing pollution of air, water, and soil, which includes the minimization of tire and road wear particles (TRWP).

Ensuring chemical and environmental safety across all operations is a key aspect of continuous sustainability efforts at the company. The R&D department focuses on developing more sustainable products.

Environmental representatives and local working groups are dedicated to enhancing daily sustainability practices. In Finland and the US, environmental experts handle practical coordination and training, covering areas such as chemical safety, emissions control, and waste management.

Nokian Tyres documents the annual environmental impacts of its tire factories and reports them to local authorities, as required in each country. Feedback from, for example, affected communities and own workforce is recorded in the company's internal register, KETO, and corrective actions are taken when necessary. Environmental experts in Finland and the US are responsible for maintaining these records, ensuring feedback on environmental aspects is addressed and stakeholder concerns are considered.

Annual environmental programs

The primary document guiding environmental protection efforts at Nokian Tyres is the Integrated Management System Manual. In collaboration with environmental experts, the Senior Manager of Sustainability prepares an annual environmental program that sets targets for the entire company. In addition, the program includes specific targets for each tire factory with regard to pollutants, such as volatile organic compounds (VOCs), for instance. The program outlines detailed targets, actions, schedules, and assigned responsibilities to achieve the strategic goals. In addition, individual units undertake their own projects to develop operations and processes further.

Managing dust, odor, and VOC emissions

Particle emissions result from processing powdery chemicals in the compound mixing department. The mixing equipment is equipped with effective ventilation and dust collection systems, and water cleaners achieve separation rates exceeding 99 percent. At the Finnish factory, particle emissions are measured using concentration and pressure gauges, and external experts conduct regular concentration measurements. At the tire factory in the US, air emissions are calculated from the amount of raw materials used.

Particle concentrations at both factories have consistently remained within permit limits. Dust that escapes the filter system primarily causes aesthetic inconvenience and poses no significant environmental or health risks. The amount of dust emissions was approximately 1.5 tons in the tire factory in Finland and 58.5 tons in the tire factory in the US in 2024.

Surveys commissioned by Nokian Tyres indicate that odor emissions are temporary. Droplet separators are used to reduce odors from mastication, and the number of separate mastication processes has been decreased to further minimize odors. The factories have also implemented new odor control equipment that represents the best available technology (BAT).

Solvents, or volatile organic compounds (VOCs) represent the company's most significant air emissions at the factory in Finland. However, a 2022 spread modeling study estimated that VOC concentrations and their environmental effects are minimal.

Chemical operation supervisors' audits

Each year, two audits are conducted by chemical specialists focusing on the use and storage of chemicals in Nokian Tyres' factories. Chemical operation supervisors visit the factory to inspect the storage and handling of chemicals. The inspection is used to verify compliance with legislation. For example, whether the labels on chemical packages are correct, storage locations are clean, leak control has been arranged, potentially explosive atmospheres are appropriate, and so on. A report is drawn up on the inspection and the production departments define corrective actions for the deficiencies found.

Continuous R&D efforts for safer and more sustainable raw materials

Product Development aims to create safer and more sustainable products. Nokian Tyres is committed to reducing the use of harmful substances to enhance occupational safety in production. The company was the first in the industry to eliminate high-aromatic oils.

No auxiliary chemicals are used in Nokian Tyres' factories without a department-specific usage permit issued by the company's chemical control team. This practice ensures the consistent use of chemicals throughout the company and prioritizes replacing harmful chemicals with safer alternatives. Several ongoing projects are focused on finding alternative raw materials to reduce harmful chemicals.

TRWP work and R&D

Tire and road wear particle (TRWP) generation and levels in the environment are influenced not only by tire design but also by external factors such as driving behavior, road and vehicle characteristics, and weather. Addressing TRWP requires a holistic, science-based, and stakeholder-driven approach.

The United Nations Economic Commission for Europe (UNECE) is developing a test method to measure tire abrasion. Nokian Tyres, as a full member of the European Tyre and Rim Technical Organisation (ETRTO), is actively involved in global standardization efforts. ETRTO is contributing to UNECE's development of a tire abrasion test method with the goal of creating a test that is repeatable, reproducible, cost-effective, practical, and representative of real driving conditions. This method will be open to worldwide use and suitable for regulatory purposes.

In parallel with regulatory developments, Nokian Tyres is advancing in-house testing capabilities to meet future requirements for durable tires. The European Tyre and Rubber Manufacturers' Association (ETRMA) launched the multi-sectorial TRWP Platform in July 2018 to build scientific knowledge and develop practical solutions for reducing environmental particle levels. Nokian Tyres actively contributes to this initiative as a member of ETRMA.

Supplier requirements

Nokian Tyres mandates compliance from its suppliers through the Supplier Code of Conduct and the Sustainable Natural Rubber Sourcing Policy. For more information on policy-related actions in the value chain, see the section Pollution-management policies.

Additionally, Nokian Tyres requires all chemical suppliers to provide safety data sheets (SDS) that comply with current legislation before chemicals are purchased. These SDSs are registered in a database that is accessible to all employees.

E2-3 Targets related to pollution

In addressing pollution, prioritizing safety means using chemicals responsibly and reducing tire and road wear particles, which are classified as microplastics.

Nokian Tyres has demonstrated industry leadership as the first tire company to eliminate harmful high aromatic (HA) oils from its tire compounds and the first to fully adopt low PAH content oils in production. Polycyclic aromatic hydrocarbons (PAH) are a group of chemicals that form during the incomplete burning of organic substances. In tire manufacturing, PAHs can be found in certain oils used as plasticizers or softeners in rubber compounds.

Microplastics

While no specific target exists for microplastics, the EU aims to reduce microplastic releases by 30 percent by 2030. Euro 7, a new emission standard expected in 2025, will set additional limits for particulate emissions from brakes and tire wear, contributing to the European Green Deal's zero-pollution ambition. Nokian Tyres is closely monitoring regulatory developments related to microplastics and tire and road wear particles (TRWP).

Chemical use and control

Nokian Tyres aims to avoid the use of carcinogenic chemicals or Substances of Very High Concern (SVHC) as defined by the EU's REACH regulation in tire production. The target is voluntary but monitored monthly. In 2024, Nokian Tyres' tires once again did not contain any carcinogenic or SVHC chemicals.

There is no specific target for other substances of concern. However, Nokian Tyres continuously works to improve the environmental sustainability of its products, and finding alternatives for chemicals is part of that work.

The control of chemicals ensures their safest possible use for employees, the environment, and end users. Nokian Tyres complies with European regulations – namely REACH and CLP – and local legislation. No auxiliary chemicals are used at Nokian Tyres factories without approval from the company's chemical control team, which issues usage permits for each department. This practice aims to standardize chemical use across the company and replace harmful chemicals with safer alternatives when possible.

Regarding chemicals, Nokian Tyres' mid to long-term target is to ensure chemical and environmental safety across all operations. The ongoing target is to conduct two audits per year by chemical specialists, focusing on the use and storage of chemicals at Nokian Tyres' factories. In 2024, these audits were completed. Additionally, the company met its target to ensure chemical and environmental safety during the ramp-up phase of the factory in Romania during the year.

VOC and particle emissions from chemical use

Solvents, or volatile organic compounds (VOCs), are among Nokian Tyres' most significant air emissions. Since VOC regulations are country-specific, the calculation and reporting of VOC emissions vary by location.

In Finland, VOC emissions are calculated according to the EU's VOC directive, which is based on the used solvents. Nokian Tyres' ongoing air pollution target is to reduce VOC emissions to less than 60 percent of the solvents used at its Finnish tire factory. The target is mandatory, as the Finnish factory's environmental permit limits the total solvent emissions to 60 percent of the solvents used. VOCs come from heavy tire assembly at the Finnish factory, and they are collected and processed at a catalytic incineration plant. However, capturing all solvent emissions from heavy tire production remains challenging because the sources cannot be completely sealed to ensure full collection and incineration. In 2024, the amount of VOC emissions was approximately 40.6 tons (72% of the solvents used) in the tire factory in Finland. Thus, the VOC-related target was not achieved as the VOC emissions were not within environmental permit limits.

In the US, VOC emissions are calculated, in accordance with local legislation and the State-issued minor source air permit, using established emission factors based on the quantity of raw materials processed. There is no specific facility-wide VOC limit; rather, limits are set for individual processes within the facility. In 2024, Nokian Tyres discovered that all VOCs were not accounted for in the established emission factors and self-reported this error to authorities. After recalculations with the new calculation method, the total VOC emissions in 2024 were 34.7 tons, exceeding the air permit limit. The recalculations also showed that the air permit limit had been exceeded since 2021. In December, Nokian Tyres was issued a technical Notice of Violation for the unaccounted VOC emissions. The company has been cooperating with the local authorities to update the calculation methods and applied for an updated minor source air permit of the US factory.

For particle emissions from the Finnish factory, the target is a maximum of 5 mg/m³ after filters and droplet separators. At the US factory, the goal is to operate within the limits set by air permits. Both targets were achieved.

Water and soil emissions

Under normal operations, Nokian Tyres' production does not cause emissions to water or soil. However, emissions could occur during incidents, such as chemical spills, which could significantly impact the surrounding environment. Proactive measures are in place to prevent such accidents. In 2024, no such incidents occurred, and the ongoing goal is to prevent any accidental discharges from Nokian Tyres' factories into water or soil.

E2-4 Pollution of air, water and soil

Tire and road wear particles

While it is not possible to measure microplastics directly, tire and road wear particles (TRWP) are a significant concern. The friction between tires and the road, essential for driver safety, causes the abrasion of both surfaces. This friction generates particles, a combination of tire tread fragments and road surface elements, commonly classified as microplastics due to their size and composition.

TRWP levels in the environment are influenced not only by tire design but also by external factors, such as driving behavior, road conditions, vehicle characteristics, and weather. These combined factors often have a greater impact on TRWP generation than tire design alone. As a result, addressing TRWP requires a holistic, science-based, and stakeholder-driven approach.

Currently, it is not possible to report tire abrasion for new type-approved tires until 2028, as there is no valid and official method in place. However, measurement methods are under development at both the United Nations Economic Commission for Europe (UNECE) and ISO standardization levels. UNECE is a UN body that develops international regulations for vehicle safety and environmental standards, including those related to tire wear and emissions.

At the UNECE level, a new test method is being designed for type-approval of tires, likely using a unit of measurement expressed as mg/km/t, which indicates the amount of tire emissions (in milligrams) per kilometer, per tire, normalized by the mass of the vehicle. From this measurement, an index will be calculated for the reference tire in the test, serving as the basis for type-approval.

This upcoming regulation will apply to new type approvals for C1 (passenger car) tires in 2028, expanding to all C1 tires on the market by 2030. For C2 (van) tires, the timeline is 2030 and 2032, and for C3 (truck and bus) tires, it extends to 2032 and 2034. The same schedule applies to the Euro 7 approval for vehicle tires.

Chemicals

In 2024, the tire factories used 116,687 tons of raw materials, and released approximately 60 tons of particle emissions, primarily composed of dust from used chemicals. The emissions are equivalent to about 0.05 percent of the total raw materials used, making particle emissions minimal.

E2-5 Substances of concern and substances of very high concern

Nokian Tyres does not use carcinogenic chemicals or Substances of Very High Concern (SVHC) as per the EU's REACH regulation in tire production. All Nokian Tyres' products also meet the EU REACH requirements concerning Polycyclic aromatic hydrocarbons (PAH). The company is committed to ensuring that the products sold in Vianor service centers, both now and in the future, are free from harmful chemicals. Nokian Tyres' products do not contain any conflict minerals.

Nokian Tyres uses chemicals that are classified as hazardous to health and chemicals classified as hazardous to both health and the environment. Their amounts are presented in the following table.

It must be noted that during the vulcanization of tires chemical reactions take place, and, consequently, some substances of concern turn into other substances. Thus, in finished products the amount of substances of concern is not as high as presented in the table. In the future, the calculation method will be developed to take the chemical reactions and their impact on the quantities of different substances into consideration as well.

Substances of concern in 2024, main hazard classes

T	Health hazards	Health and environmental hazards
Total amount of substances of concern that are generated or used during production or that are procured	59.0	1,870.8
Total amount of substances of concern that leave facilities as emissions, as products, or as part of products or services	59.0	1,870.8
Leave facilities as air emissions	0.2	7.6
Leave facilities as products	58.8	1,863.2

E2-6 Financial effects from material pollution-related impacts, risks and opportunities

There were no significant operational expenditures or capital expenditures related to major incidents or deposits in 2024.



ENVIRONMENTAL INFORMATION

E4 Biodiversity and ecosystems

Material topic in Nokian Tyres' context	Impact, risk, opportunity	Policy or work instruction	Management
Biodiversity and ecosystems	<ul style="list-style-type: none"> Negative biodiversity impacts in raw material sourcing Risk of increasing regulation related to deforestation and other biodiversity-related issues 	Environmental, Safety and Quality Guideline, Code of Conduct, Supplier Code of Conduct, Sustainable Natural Rubber Policy	<p>Nokian Tyres commits to complying with laws and regulations, and to environmental responsibility, which includes but is not limited to preserving biodiversity as well as air and soil quality and to causing no deforestation in our own operations.</p> <p>Suppliers shall, at minimum, comply with all the applicable environmental laws, regulations and environmental permits and licenses in the countries in which they operate.</p> <p>Nokian Tyres is committed to and expects its suppliers to understand its impacts on biodiversity and, as relevant, act to safeguard biodiversity and surrounding ecosystems.</p>

E4-1 Tire manufacturing is dependent on natural rubber

As a tire manufacturer, Nokian Tyres purchases significant amounts of natural rubber, which is one of the main ingredients in tires and thus an integral part of the company's business. Nokian Tyres material biodiversity impacts are indirect, as they occur in the beginning of the value chain. There are biodiversity risks caused by deforestation and land use change that mainly come from cultivation of natural rubber.

As one of the cornerstones of Nokian Tyres' strategy is to be a leader in sustainability, the company is generally well prepared to address sustainability-related material impacts, risks, and opportunities, including those related to biodiversity. In 2023 and 2024 the company worked toward being compliant with the new EU Regulation on Deforestation-free Products EUDR. Local and indigenous knowledge and nature-based solutions have been incorporated into the EUDR framework.

A separate assessment of the resilience of the current business model and strategy to biodiversity and ecosystems-related physical, transition and systemic risks has not been conducted yet.

SBM-3 Considering biodiversity-sensitive areas

The examination of natural diversity and the factors affecting it started at the Finnish tire factory site and has since been extended to the factory in the US and Romania, the test tracks, and the Vianor service centers that are owned by Nokian Tyres. According to the assessments, Nokian Tyres' current operations have practically no direct effects on biodiversity.

However, the start of operations, such as construction of factories and other establishments in a certain area, has long-term effects on the area's original biodiversity. That is why the species, especially endangered or otherwise protected species living in the operating areas have been mapped.

Nokian Tyres has taken into account the requirements of the species living in the vicinity of the company's operating environments, and the aim is to develop the company's operations considering these requirements. Potential affected threatened species nearby the tire factory in Finland are the red-throated diver, asp and freshwater pearl mussel.

During summer 2023, biodiversity risks in Nokian Tyres' current supply chain were assessed using the WWF's biodiversity risk filter. According to the assessment, the biggest and the broadest biodiversity impacts in the raw material chain come from pollution, deforestation, and land use change. In Nokian Tyres' raw material chain, natural rubber cultivation impacts biodiversity the most, as the biodiversity risks caused by deforestation and land use change mainly come from the cultivation of natural rubber.

In the assessment, the most important supplier locations and industry sectors were prioritized based on how high their physical versus reputational risk scores were. 32 sites were considered to be most impactful on biodiversity. Of the 32 sites, 23 are natural rubber farmers and manufacturers, three metal cord manufacturers, two textile/belt manufacturers, one is an oil company, and one is a chemical manufacturer. Regarding biodiversity risks, the most important countries for Nokian Tyres are Indonesia and Malaysia. Other stakeholders were not involved in the assessment. Nokian Tyres performs sustainability on-site audits at high sustainability risk suppliers' sites. During the audits it is evaluated, among other topics, whether the suppliers have performed biodiversity assessments in their own operations and in their supply chains. If any shortcomings are identified, Nokian Tyres requests mitigation actions from the suppliers.

E4-2 Policies that address the preservation of biodiversity

Nokian Tyres is committed to environmental responsibility in its own operations and in the value chain. Nokian Tyres' Code of Conduct reflects the company's commitment to continuously enhancing its products, functions, and production facilities to minimize environmental impact. This includes addressing environmental effects throughout Nokian Tyres' supply chain.

The Environmental, Safety, and Quality Guideline underscores Nokian Tyres' pledge to continually improve the quality, safety, and environmental sustainability of its products, services, and processes. Nokian Tyres is committed to preserving biodiversity as well as air and soil quality and to causing no deforestation in its own operations, and to setting targets to reduce environmental impacts. The Environmental, Safety, and Quality Guideline received minor updates in the spring of 2024, consisting of small additions and wording adjustments based on customer needs.

To uphold the guideline, Nokian Tyres commits to environmental responsibility, which includes not only adhering to laws and regulations but also preserving biodiversity and maintaining air and soil quality. The President and CEO is the most senior executive accountable for the implementation of both the Code of Conduct and the Environmental, Safety, and Quality Guideline.

The Supplier Code of Conduct extends these responsibilities across the value chain. Nokian Tyres expects its suppliers to minimize negative impacts on local and surrounding communities, adopt a precautionary approach to environmental challenges, and proactively prevent environmental incidents. Suppliers must comply with all relevant environmental laws, regulations, and permits in their operating countries. The Supplier Code also emphasizes continuous improvement in environmental performance, including understanding its impacts on biodiversity and, as relevant, act to safeguard biodiversity and surrounding ecosystems.

Nokian Tyres expects its suppliers to implement proper processes and technologies to protect water quantity and quality, prevent contamination from chemicals, and safeguard soil quality. Suppliers are required to prepare for and respond to emergencies such as fires, natural disasters, and chemical spills, with appropriate emergency plans, evacuation procedures, hazard detection equipment, training, and drills.

Protecting and improving biodiversity is an essential condition for sustainable economic and human development. Nokian Tyres' Sustainable Natural Rubber Policy expects its suppliers to share its strive toward a natural rubber value chain that takes biodiversity and healthy and functioning ecosystems into account. The policy's framework aligns with that of the Global Platform for Sustainable Natural Rubber (GPSNR), an industry initiative focused on promoting sustainability in the natural rubber supply chain.

The Sustainable Natural Rubber Policy includes eight major components:

- Commitment to legal compliance
- Healthy functioning ecosystems
- Respecting human rights
- Community livelihoods
- Increased production efficiency
- Supply chain assessment and traceability
- Monitoring and reporting, and
- Driving effective implementation of all these components.

The company's Senior Vice President, Operation Excellence, who is a member of the Management Team, is the most senior executive accountable for the implementation of the Supplier Code of Conduct and Sustainable Natural Rubber Policy.

The policies do not address the social consequences of biodiversity and ecosystems-related impacts.

Together these policies cover the biodiversity and ecosystem protection at operational sites owned, leased, or managed, and sustainable land practices. They also address deforestation. All listed policies are available for the public on the Nokian Tyres website.

To reduce the environmental burden of sea transport in its supply chain, Nokian Tyres gave the Baltic Sea Action Group (BSAG) a Baltic Sea commitment for the years 2023–2026. The commitment is focused on cooperation in the BSAG's Ship Waste Action initiative. With the commitment, Nokian Tyres requires that the cargo ships under direct shipping company contracts discharge wastewaters in the reception facilities in Finnish ports. Nokian Tyres also advises the forwarding agents to follow the same principle when handling the company's cargo. Ship Waste Action is one of the criteria influencing the selection of freight carriers in freight tenders.

E4-3 Ensuring EUDR compliance to avoid deforestation and increase traceability

The EU regulation 2023/1115, also known as the "Deforestation regulation" or the "EUDR" intends to stop deforestation linked to certain commodities that are imported to and produced or further processed in the EU. The products are cattle, coffee, cocoa, oil palm soy, wood and rubber, of which natural rubber is very relevant for Nokian Tyres as it is one of main ingredients of tires.

In short, the regulation, among other things, obliges manufacturers of tires such as Nokian Tyres to assure that tires shall not be placed or made available on the market or exported, unless all the following conditions are fulfilled:

- they are deforestation-free;
- they have been produced in accordance with the relevant legislation of the country of production; and
- they are covered by a due diligence statement.

Ensuring EUDR compliance is complicated and requires a substantial effort from Nokian Tyres, its suppliers, and customers. Since the regulation entered into force in June of 2023, Nokian Tyres has, for example:

- Started an internal task force project in fall 2023
- Reviewed its products that contain natural rubber
- Actively collaborated with its suppliers to ensure that the EUDR requirements will be met
- Mapped the availability of EUDR-compliant natural rubber and segregated those by assigning an EUDR code for them
- Reviewed its supply chain and production setup.

Nokian Tyres continues the work to ensure compliance with the EUDR regulation.

No biodiversity offsets were used in Nokian Tyres' action plans. Local and indigenous knowledge and nature-based solutions have been incorporated into the EUDR framework.

Researching guayule, the European source of natural rubber

Guayule-based natural rubber is one of the active initiatives that Nokian Tyres has been working on for several years, targeting to find an alternative for the natural rubber that the company uses. As guayule originates from the desert, it can survive in very dry and poor soil conditions. It is a plant that does not exploit areas of any other vegetation or food production; on the contrary, it makes use of wastelands. Currently Nokian Tyres participates in the MIDAS research project that is related to the topic. There is more information about Nokian Tyres' work on guayule on the company website.

E4-4 Targeting for compliant suppliers and a sustainable supply chain

In addition to working toward being compliant with the EUDR, Nokian Tyres mitigates and prevents negative impacts on biodiversity with the target that 100 percent of its natural rubber processor suppliers are either GPSNR members or signed Nokian Tyres sustainability commitment. This target serves as a mitigation and prevention measure for negative biodiversity impacts, because the GPSNR membership and signing Nokian Tyres sustainability commitment both mean that the natural rubber processor is committed to preserving biodiversity and operates in alignment with Nokian Tyres' policies. The target is not based on scientific evidence, but instead focuses on confirming that suppliers follow the policies related to biodiversity impacts.

In 2024, the target was achieved as 100 percent of the natural rubber processor suppliers are either GPSNR members or signed Nokian Tyres sustainability commitment.

The most important countries for Nokian Tyres are Indonesia and Malaysia. Mitigation hierarchy is avoidance. No ecological thresholds were applied, and Nokian Tyres did not use biodiversity offsets in setting its targets. Stakeholders were not directly involved in setting the target, but the GPSNR members comprise several different natural rubber stakeholders and thus their views are incorporated in the GPSNR alignment as well.

Nokian Tyres sustainability audit model evaluates the suppliers' alignment with Nokian Tyres Sustainable Natural Rubber Policy. The follow-up audits are performed every third year at high sustainability risk suppliers' sites. The audit model tracks the effectiveness of the company's Sustainable Natural Rubber Policy.

Supply chain traceability remains a challenging topic in natural rubber supply chains globally. As Nokian Tyres does not own any plantations, the company needs to rely on its suppliers to trace the origins of the rubber, and requiring a commitment from the suppliers to do so has been possible. All sustainability critical raw material suppliers and manufacturing partners need to adhere to Nokian Tyres' Supplier Code of Conduct, which includes safeguarding biodiversity and surrounding ecosystems. Natural rubber suppliers additionally need to commit to Nokian Tyres' Sustainable Natural Rubber Policy or be members of the GPSNR.

The new EUDR regulation forces many natural rubber supply chain stakeholders to have traceability systems and traceability verification systems in place. Nokian Tyres has two factories in Europe that are affected by the EU Deforestation Regulation, and thus the company is obligated to know the origins of its rubber that is imported into the EU and to ensure the no-deforestation status of the sourced rubber.

Nokian Tyres has screened the EU's Biodiversity Strategy to inform its targets.



ENVIRONMENTAL INFORMATION

E5 Resource use and circular economy

Material topic in Nokian Tyres' context	Impact, risk, opportunity	Policy or work instruction	Management
Resource inflows, including resource use	<ul style="list-style-type: none"> Negative impacts through the use of virgin resources Risk of increasing regulation on materials (e.g. traceability) 	Supplier Code of Conduct, Sustainable Natural Rubber Policy, Procurement Guideline, Environmental, Safety, and Quality Guideline	<p>Nokian Tyres maintains its commitment to increasing the share of renewable or recycled materials in its tires to 50% by 2030.</p> <p>Nokian Tyres is gradually integrating renewable and recyclable raw materials into its products while implementing extensive product development and testing to ensure the optimal combination of properties for tire performance.</p> <p>The company is committed to legal compliance, community livelihoods, healthy, functioning ecosystems, and respect for human rights in natural rubber procurement and production, aligning with the Global Platform for Sustainable Natural Rubber (GPSNR).</p>
Resource outflows related to products and services	<ul style="list-style-type: none"> Negative impacts caused by improper management of end-of-life tires 	Environmental, Safety, and Quality Guideline, Sustainable Natural Rubber Policy, Procurement Guideline	<p>Nokian Tyres takes into account the product's entire life cycle and continues to promote the collection and utilization of end-of-life tires.</p> <p>As one of the original founders of Finnish Tire Recycling Ltd and as a member the U.S. Tire Manufacturers Association Nokian Tyres is involved in their work of looking for new ways to recycle and utilize tires. All Nokian Tyres' products (tires and wheels) are recyclable.</p>

E5-1 Driving responsible resource use and circular economy

Nokian Tyres' Environmental, Safety, and Quality Guideline states the company's promise to continuously improve the quality, safety and environmental sustainability of its products, services, and processes, considering the products' entire life cycle. To fulfill that promise, Nokian Tyres commits to environmental responsibility, which among other things includes consuming and managing resources sustainably and reducing waste. The company's President and CEO has approved the Environmental, Safety, and Quality Guideline and is accountable for its implementation.

Even though waste is not a material topic, waste management is part of circular economy. Effective waste utilization reduces the need for virgin raw materials. Although Nokian Tyres' policies do not explicitly mention the waste hierarchy, its production processes adhere to it, supported by comprehensive training materials and a detailed waste flow diagram. For example, operations at the factories are focused on increasing internal waste utilization.

Nokian Tyres is committed to increasing the share of renewable or recycled raw materials in its tires to 50 percent by 2030. Nokian Tyres' internal principles for environmental stewardship, safety, and quality – including chemical safety – are aligned with this target.

Furthermore, the company has introduced sustainability-related goal setting in the product lifecycle process, which covers work instructions for the new product development process.

Nokian Tyres is an active member of the U.S. Tire Manufacturers Association (USTMA), participating in several working groups focused on environmental protection, tire safety, chemical safety, and future legislation. Through the company's membership in the European Tyre and Rubber Manufacturers' Association (ETRMA), Nokian Tyres is involved in working groups that address similar themes.

As a member of the Global Platform for Sustainable Natural Rubber (GPSNR), Nokian Tyres is committed to legal compliance, community livelihoods, healthy, functioning ecosystems – including no deforestation – and respecting all human rights in natural rubber procurement and production. This is reflected in Nokian Tyres Sustainable Natural Rubber Policy, which is aligned with the GPSNR's policy framework. In Nokian Tyres Management Team, the Senior Vice President, Operation Excellence is accountable for the implementation of the policy.

E5-2 Optimizing the use of raw materials

Nokian Tyres utilizes high-quality raw materials that enhance both the safety and performance of its tires. The technical quality and safety of each product is ensured through rigorous testing and analysis of every raw material used in manufacturing, along with continuous improvements to rubber compounds.

Tires are made from approximately hundred different raw materials, and sustainability is a key consideration in assessing their environmental impact. Recycled and renewable materials are particularly valued for their sustainability.

Nokian Tyres' tire materials and their alternatives

Material	% of a tire (approximately)	Sources	Replacements and alternatives
Synthetic rubber	23	Crude oil	<ul style="list-style-type: none"> Polymers from renewable sources Mass-balance approach Recycled rubber crumbs
Natural rubber	22	Natural rubber	<ul style="list-style-type: none"> Guayule as an alternative for natural rubber Recycled rubber crumbs
Fillers	28	Silica, carbon black	<ul style="list-style-type: none"> More extensive use of recycled carbon black is under investigation Active research of different renewable fillers, for instance forest industry's side stream-based materials
Reinforcement materials	15	Steel, textile	<ul style="list-style-type: none"> Increasing the share of recycled steel in reinforcement materials is being researched Researching the use of renewable or recycled sources for textiles
Chemicals	12	Several sources	<ul style="list-style-type: none"> Increasing renewable or recycled oil and resin content in tires Reduction and elimination of harmful chemicals and search of alternative options from either recycled or renewable resources

Factory in Finland gained ISCC PLUS Certification

As a step toward the long-term target of increasing the share of renewable or recycled raw materials in Nokian Tyres' products to 50 percent by 2030, the factory in Nokia, Finland, obtained the International Sustainability and Carbon Certification (ISCC) PLUS in 2024. Through the certification, Nokian Tyres is able to introduce new ISCC PLUS-certified raw materials in its tires. The company will introduce the certified raw materials when new flagship products are launched.

The certification that Nokian Tyres received applies to the manufacturing of passenger car tires at the factory in Finland, and the company is planning to get also other production sites certified in the coming years. Using the certified materials is an important step for Nokian Tyres in reaching one of its key sustainability goals. Additionally, the certification makes it possible to trace the use of certified raw materials from sustainable sources.

Researching recycled or renewable alternatives and creating partnerships

Nokian Tyres already uses several raw materials either from recycled or renewable resources in its tires. The use of new raw materials requires a great deal of product development efforts and testing to find the best combination of properties for a tire, as new raw materials can modify the properties of compounds. All new alternative raw materials from recycled and renewable sources used in commercial products are purchased according to the Procurement Guideline, and suppliers fulfill the Supplier Code of Conduct requirements.

There are several research programs ongoing for each tire material category. New raw materials are primarily introduced through new product launches, although not exclusively. The development of high-performance and sustainable tires requires active collaboration with raw material suppliers, research institutes, and other stakeholders.

Fillers, primarily carbon black and silica, constitute around 28 percent of the raw materials in a tire. This suggests a significant potential to increase the use of recycled or renewable materials by replacing fossil-based fillers with those from recycled or renewable sources.

One example of a recycled filler is rubber retrieved from used tires. Additionally, Nokian Tyres has extensively researched the use of recycled carbon black in tire production. While securing and researching various grades of recycled carbon black has been challenging, more raw material providers have entered the market. Nokian Tyres is actively pursuing multiple projects in this area.

To support in-house research activities, Nokian Tyres currently participates in several other research projects. Among these is MIDAS, a Horizon Europe Innovation Action that develops innovative solutions to grow industrial crops on marginal agricultural land and build sustainable value chains for bio-based products. Additionally, the Polestar 0 project that Nokian Tyres participates in aims to eliminate all greenhouse gas emissions from every aspect of the automotive supply chain and production. Nokian Tyres continues actively searching for new collaboration opportunities for the coming years.

In 2024, as part of varied efforts to increase the share of recycled and renewable raw materials in its tires to 50 percent by 2030, Nokian Tyres signed a long-term purchasing agreement with a tire recycling joint venture. Formed by Antin Infrastructure Partners and Scandinavian Enviro Systems, among others, the venture plans to establish end-of-life tire recycling plants across Europe. The first facility is expected to be fully operational in 2025, and the joint venture's deliveries of recycled carbon black to Nokian Tyres are scheduled to begin in 2026.

The emissions from manufacturing recovered carbon black are potentially over 90 percent lower than those from virgin carbon blacks. On a larger scale, use of recovered carbon black also increases circularity and sustainability in the tire industry.

Nokian Tyres' development agreement with the Swedish biomaterial science company Reselo AB seeks to further develop the renewable material Reselo Rubber as a potential new raw material for tires. Reselo Rubber is a completely renewable material made from birch bark sourced from the residue of the global pulp, paper, and plywood industry. Initial lab tests indicate that Reselo Rubber has strong potential to replace traditional fossil-based materials in tires.

Nokian Tyres Green Step Ligna uses renewable alternative to carbon black

In 2024, Nokian Tyres partnered with UPM, a leading biomaterials production expert, to introduce Nokian Tyres Green Step Ligna, the first concept tire made with a new renewable material with the potential to replace a significant part of the fossil-based carbon black currently used in tire production. The collaboration aims to further increase sustainability in the tire industry.

Nokian Tyres Green Step Ligna uses an innovative material called UPM BioMotion™ RFF, which offers a promising lignin-based alternative for traditional carbon black, reducing the need for fossil-based materials. As a fully renewable material, it lowers carbon emissions in tire manufacturing.

Nokian Tyres is carefully evaluating the material's performance, safety, and environmental impact compared to traditional carbon black.

Tire retreading lowers tires' carbon footprint

Nokian Tyres' retreading units provide services for trucks, buses, and heavy machinery. Retreading tires offers fleet operators significant savings in costs, resources, and environmental impact, and a quality tire carcass can be retreaded two to four times, reducing tire costs by around 30 percent. This process also dramatically lowers the carbon footprint: producing a new truck tire generates approximately 220 kilograms of CO₂e emissions, while retreading produces only about 40 kilograms. Furthermore, each retread saves 40 kilograms of rubber and 70 liters of oil per tire, compared to manufacturing new ones.

Advancing tire recycling

In Finland, tire recycling has reached 100 percent, ensuring that a plentiful supply of raw materials is available for diverse recycled material applications. Nokian Tyres is a founding member of the Finnish Tyre Recycling initiative, whose new-generation circular economy facility, inaugurated in Loppi, Finland, in 2023, enables the collection and refinement of recycled materials for industrial use.

In mainland Europe, the recycling rate has been approximately 92 percent in recent years and in the US around 79 percent.

In 2024, Nokian Tyres achieved a 92 percent recycling rate for the passenger car tires it sold. Fortunately for the environment, discarded tires still retain value and can be utilized through reuse or recycling. In alignment with the EU's sustainable development goals, efforts are underway to increase the material recovery of used tires.

Nokian Tyres actively supports these initiatives as a member of Finnish Tyre Recycling Ltd and the U.S. Tire Manufacturers Association (USTMA), promoting the centralized collection and efficient reuse of tires nationwide.

Managing waste

Nokian Tyres' tire production and the company's support functions both generate waste. All production waste is weighed, and the department-specific volumes are recorded on a daily basis. For other types of waste, the volumes are monitored monthly.

All waste generated at the factories is sorted according to separate waste management instructions. Scrap tires, or tires that do not meet Nokian Tyres' high standards of quality, are taken to recycling. Non-vulcanized scrap rubber is generated in the production stages preceding vulcanization or curing. Nokian Tyres' production units have action plans to reduce the amount of non-vulcanised scrap rubber and scrap tire generation. As the amounts of production waste are monitored daily, the action plans are updated when needed.

Waste is sorted and delivered for reuse whenever technologically and economically feasible. The utilization rate of Nokian Tyres' production waste has been growing for years, and 2022 was the first year when 100 percent of the tire factories' production waste was utilized and there was no waste to landfill from tire production. The information on waste disposal methods and quantities is provided by the waste disposal contractors.

E5-3 Targeting to increase the share of recycled or renewable raw materials and maximize waste diversion

Nokian Tyres is committed to a voluntary target of increasing the share of renewable or recycled raw materials used in its tires to 50 percent by 2030. The company has systematically followed its roadmap toward these targets through monthly reporting. Key sustainability KPIs are reported to the Management Team.

By supporting a circular economy, the use of recycled materials not only conserves natural resources but also reduces the strain on landfills. Increasing the share of renewable or recycled raw materials further lessens the demand for primary raw materials in production.

For the year 2024, the company's target was to introduce at least one new raw material from the renewable and recycled category as well as introduce at least one new ISCC PLUS-certified material into use. Both of these targets were achieved when a new material from renewable resources as well as ISCC PLUS-certified material was taken into use in production during the year 2024.

To further support circular economy, Nokian Tyres aims to ensure that 100 percent of tire production waste continues to be utilized, with zero waste sent to landfill. This means that as a voluntary target that exceeds legal requirements, the company strives to divert all tire production waste away from landfills, either through prevention, reuse, recycling, or recovery. In 2024, the target was again achieved.

E5-4 Resource inflows

Respect for the environment is part of the company's product development philosophy.

In 2024, Nokian Tyres used a total of 145,835 tons of technical and biological materials. When reporting biological materials, Nokian Tyres refers to them as renewable materials.

Additionally, Nokian Tyres' target of increasing the share of renewable and recycled raw materials to 50 percent by 2030 focuses on external renewable or recycled feedstock, and not internal waste. In 2024, the share of recycled materials was 0.8 percent and renewable raw materials was 24.2 percent in the company's own-produced tires.

Nokian Tyres uses direct measurements of the raw materials used in product manufacturing to accurately calculate data on resource inflows. Double counting is avoided by specified coding of each material. Furthermore, the company aims to pay increasing attention to environmental issues in the design of new products, starting from ethical raw material procurement and extending to a well-functioning recycling system.

E5-5 Closely monitoring resource outflows

Nokian Tyres closely monitors resource outflows in order to calculate precise data on the key products and materials resulting from its production processes. Monitoring includes actively tracking production volumes by factory, in addition to any waste resulting from manufacturing processes. As a result, all outflow data has been sourced from direct measurements from the production units. All Nokian Tyres products – tires and retreading materials, disc wheel rims, and steel structures – are recyclable.

There is no source for industry average values related to mileage and other factors related to expected durability of products. A test method for measuring tire abrasion is currently being developed at both the United Nations Economic Commission for Europe (UNECE) and ISO standardization levels (see topic "Pollution"). Because it is not possible to compare the expected durability of Nokian Tyres products to the industry average for each product group, such comparisons are not reported.

Repairability and remanufacturability of Nokian Tyres products

Punctures in tires' tread can be repaired under certain conditions, depending on damage location, its size, and the overall condition of the tire. However, tire safety must remain top priority, and it must be ensured after the repair.

Retreading tires is a common practice for heavy machinery, including bus and truck tires, helping to prolong the tire's service life while saving costs and the environment. In Nordic countries, the majority of truck and bus tires are retreaded after they have been worn in use. Therefore, tire retreading is an integral part of the whole tire management process and a smart way to give a new tread life to worn tires.

With carefully developed and optimized tire retreading processes and materials, bus and truck tires can be given a second, a third, or even a fourth lease on life. Retreaded tires are also a safe alternative for buying new tires, as the whole process is strictly controlled by legislation and the authorities. Therefore, a retreaded tire is comparable to a brand-new one.

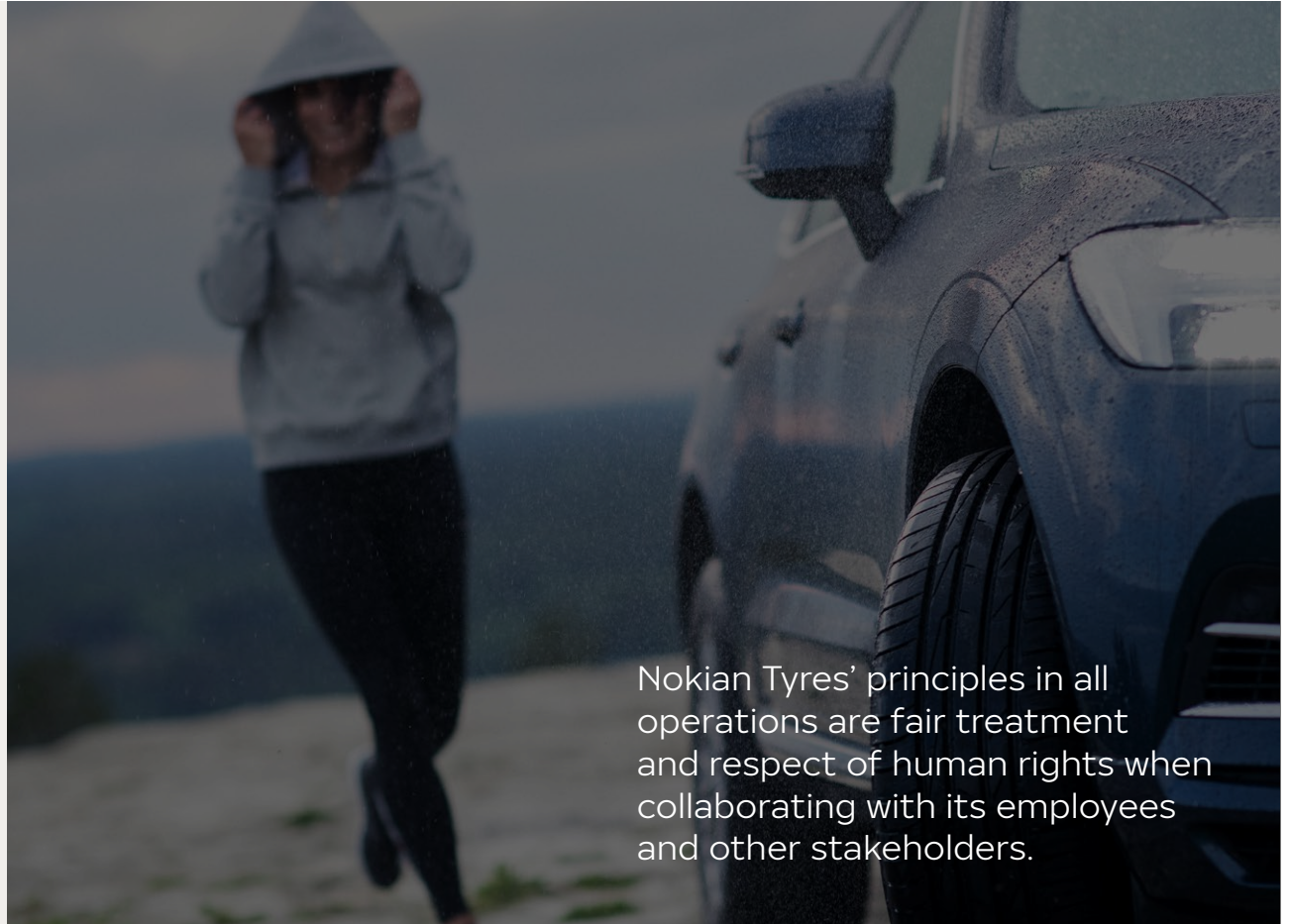
In tire retreading, the tread of an old tire is removed, after which a new, safe tread is attached to the tire, which will again last for its next service life. The tire frame gives the tire its shape and makes it sturdy and suitably flexible. The old tire frame can be retreaded, even if its tread has worn out.

Tire retreading requires high-quality tires so that the tread of the old tire can be replaced with a new one. Thanks to high-quality tire frames, the same tires can be covered several times during their use. By retreading the same tire several times, it can be driven up to a million kilometers.

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- General information
- Environmental information
- Social information
- Governance information



Nokian Tyres' principles in all operations are fair treatment and respect of human rights when collaborating with its employees and other stakeholders.



SOCIAL INFORMATION

S1 Own workforce

Material topic in Nokian Tyres' context	Impact, risk, opportunity	Policy or work instruction	Management
Health, safety and well-being	<ul style="list-style-type: none"> • Positive impacts through improved employee health, well-being, and motivation • Adverse impacts on employee health, well-being and motivation • Adverse impacts on employee safety • Opportunity of an attractive employer brand through outstanding employee well-being and working environment 	Code of Conduct, Nokian Tyres' Safety Management Model, Environmental, Safety, and Quality Guideline	<p>Nokian Tyres' goal is to ensure a safe working environment and create working conditions that preserve physical and mental health and promote workplace well-being.</p> <p>Occupational health, safety, and well-being are integral parts of the company's daily management.</p> <p>Everyone at Nokian Tyres is responsible for making sure employees and others affected by the company's work are safe.</p> <p>Nokian Tyres' activities emphasize the prevention of occupational accidents in order to avoid hazardous situations.</p> <p>All employees are entitled to family-related leave through social policy and/or collective bargaining agreements.</p> <p>Nokian Tyres' Code of Conduct gives guidance on matters that affect employee well-being, including equality, working conditions, participation, and terms of employment.</p>

Material topic in Nokian Tyres' context	Impact, risk, opportunity	Policy or work instruction	Management
Working conditions	<ul style="list-style-type: none"> Positive impacts by offering secure work and fair working conditions 	Code of Conduct, Total Rewards Philosophy and Guideline	<p>Nokian Tyres respects the freedom of association and the freedom of workers to organize.</p> <p>Active participation at different levels of the organization and respecting the right of participation is part of the company's working culture.</p> <p>The company complies with local legislation and regulations relating to working hours and overtime work. Contracts of employment are drawn up in writing and in adherence with the local legislation.</p> <p>Nokian Tyres will never pay anyone less than the minimum wage defined in the local legislation.</p>
Training and equal opportunities	<ul style="list-style-type: none"> Opportunity of a competitive advantage and improved innovation capabilities through competent workforce Positive impacts from improved skills and career development of employees Positive impacts from improved health, well-being and motivation, improved company culture and employer reputation through inclusivity and equality 	People Review, Code of Conduct, Total Rewards Philosophy and Guideline	<p>Employees own their development and career, while managers support them by providing resources and learning opportunities where possible.</p> <p>Development planning, as part of the People Review process, can occur with goal-setting discussions or separately.</p> <p>The manager and employee review future competence needs, current strengths, and career aspirations. Together, they define development actions using the 70–20–10 model.</p> <p>Nokian Tyres respects human rights, treats all individuals equally, and values diversity. The company does not tolerate any form of discrimination, harassment, or bullying in the workplace.</p> <p>Everyone is responsible for acting fairly and fostering a positive, inspiring work environment. While every individual has the freedom of expression, they are also accountable for how they express themselves.</p>

SBM-3 A committed team enables strategy execution

Nokian Tyres' goal is to be a globally attractive employer known for its sustainability, leadership, and international working community. At the end of 2024, the company employed a total of 3,810 (+11%) employees with different skills and backgrounds. These included employees on extended leaves of absence. Nokian Tyres' workforce is located primarily in Finland, the US, Norway, and Sweden.

Nokian Tyres manufactures tires in Nokia, Finland, Dayton, US, and Oradea, Romania. It also operates sales organizations in key markets across the Nordic countries, Central Europe, and North America. The execution of the company's growth strategy includes the commissioning of the new production facility in Romania. The recruitment of some 550 employees for the tire factory moved forward in 2024, and the factory, which combines people and automatic processes, was inaugurated during the year. Tire deliveries will begin in 2025. At the end of 2024, the company employed a total of 274 employees in Romania. In 2024, Nokian Tyres also completed the ramp-up of the US factory and a new finished goods warehouse was opened there. Nokian Tyres began tire production at the US factory in 2020 and has since expanded the operations by increasing production capacity, growing the team to approximately 500 employees.

Nokian Tyres' products are sold via tire stores, car dealerships, and Vianor, Nokian Tyres' tire and car service chain. There are two tire changing seasons in a year when the headcount increases temporarily by approximately 500–700 employees. During 2024, a total of 1,350 seasonal employees were employed in the Nordics at Vianor.

By the end of 2024, there were 342 non-employees, the majority of whom (225) were employed through private employment agencies in production roles at the Finnish tire factory. The term non-employees refers to individuals who are not direct employees of the organization but whose work is managed and overseen by the company.

People topics are integral to Nokian Tyres' strategy

People-related topics are integral to the planning and implementation of Nokian Tyres' strategy. One of the five cornerstones of the company's strategy is the Nokian Tyres Team, reflecting a strong commitment to the workforce. For that reason, material impacts and opportunities are closely aligned with the company's strategy.

Nokian Tyres relies on the competence, motivation, and well-being of its employees to succeed. Global people processes are designed to support the company's strategic goals, with a strong Nokian Tyres Team serving as a cornerstone of that strategy. This applies to all impacts, risks, and opportunities related to its own workforce.

Nokian Tyres' adverse impacts on employee health, well-being, motivation, and safety are not widespread or systemic. Instead, they are limited to individual cases, such as accidents. Factory operators and Vianor service center mechanics may be at greater risk of harm in these cases.

In contrast, the company's positive impacts – such as secure employment, fair working conditions, improved employee health and motivation, skills development, career growth, and a strong company culture – primarily benefit its own employees but may also positively affect non-employees.

Opportunities like building an attractive employer brand through exceptional employee well-being and a supportive working environment, as well as gaining a competitive edge and enhanced innovation through a highly skilled workforce, stem from these positive impacts.

These opportunities are generally tied to the company's own workforce. No specific groups of employees were found to be at heightened risk of harm in the double materiality assessment, and neither the impacts nor opportunities are related to any particular groups. Nokian Tyres has not identified any material impacts on workers arising from its transition plans aimed at reducing negative environmental impacts and achieving greener, climate-neutral operations.

S1-1 Policies related to own workforce

Among Nokian Tyres' key sustainability initiatives are advancing the safety and well-being of employees and protecting human rights in the supply chain. In addition to honoring the ethical principles presented in Nokian Tyres Code of Conduct, the company is committed to acting in the manner required by the UN's Guiding Principles for Business and Human Rights, and to following the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Nokian Tyres is a supporting member of the UN's Global Compact initiative, and the company follows its ethical principles.

In 2023, Nokian Tyres carried out a human rights impact assessment where the main focus was on its own personnel and planned measures to minimize risks and impacts. Also, Nokian Tyres has defined a human rights due diligence (HRDD) process. If any impacts are identified, they are measured and needed actions are taken.

In addition to respecting human rights, the organization commits to treating all individuals equally. Nokian Tyres' team is one of the cornerstones of the company's strategy. The company's success is built on collaboration, inviting diverse perspectives, and achieving things together.

Nokian Tyres' Code of Conduct

Nokian Tyres' Code of Conduct requires all employees to adhere to the company's zero tolerance policy for forced labor, human trafficking, or child labor. Employment contracts are drawn up in writing and in adherence with the local legislation. The company complies with local legislation and regulations relating to working hours and overtime work. Furthermore, Nokian Tyres will never pay anyone less than the minimum wage defined in the local legislation.

If an employee discovers or suspects conduct that violates the company's business principles, they should report it through Nokian Tyres' whistleblowing channel. Alternatively, they may report it directly to the General Counsel, CFO, and/or Head of HR.

Nokian Tyres' Code of Conduct was updated in 2024. Every employee must adhere to the Code of Conduct, and the highest authority responsible for its implementation is Nokian Tyres' President and CEO.

The company provides training on the Code of Conduct for all personnel, which is included in the induction of new employees. At the end of 2024, 78 percent of personnel had completed the training.

Regarding the topic of Own Workforce, the updates to the Code of Conduct aim for more clarity and comprehensiveness. In 2024, new material topics of well-being and skill and career development were introduced, while considerations around equality were further expanded to ensure even greater inclusivity.

Nokian Tyres' principles are outlined in the Code of Conduct as follows:

EQUALITY

- We respect human rights, value diversity and treat all individuals equally and with respect.
- We do not tolerate harassment, bullying or discrimination on the basis of any characteristics such as race, ethnicity, color, sexual orientation, gender, gender identity, disability, age, religion, political opinion, union membership, national or social origin, etc.
- Everyone is responsible for acting fairly and creating a pleasant, inspiring work atmosphere. Everyone has the freedom of expression, but everyone is also responsible for their own expression.
- In our activities, we promote equal development and learning opportunities for our employees to strengthen their skills and advance their careers.

WORKING CONDITIONS

- Our goal is to ensure a safe working environment and create working conditions that preserve physical and mental health and promote workplace well-being.
- Occupational health, safety and well-being are integral part of our daily management.
- Everyone is responsible making sure that both our employees and other affected by our work are safe.
- In our activities, we emphasize the prevention of occupational accidents in order to avoid hazardous situations.

PARTICIPATION AND TERMS OF EMPLOYMENT

- Active participation at different levels of the organization and respecting the right of participation are parts of Nokian Tyres' working culture. The company respects the freedom of association and the freedom of workers to organize.

- We have zero tolerance for forced labor, human trafficking, or child labor. Employment contracts are drawn up in writing and in adherence with the local legislation. We comply with local legislation and regulations relating to working hours and overtime work. Nokian Tyres will never pay anyone less than the minimum wage defined in the local legislation.

Additionally, the company provides more detailed guidelines and procedures regarding safety, well-being, travel, induction, performance management, competence development, rewards, human rights, and equality.

Environmental, Safety, and Quality Guideline

Nokian Tyres' Environmental, Safety, and Quality Guideline states that the company is committed to creating healthy and safe working conditions. Every employee is responsible for identifying dangers in the working environment and minimizing risks. Supervisors are accountable for carrying out job related risk assessments in cooperation with team members. In this way, the company strives toward efficiency, zero errors, and zero accidents in all operating areas, to protect both the employees and the environment. The highest authority accountable for its implementation is Nokian Tyres' President and CEO.

Nokian Tyres' Safety Management Model

Nokian Tyres' Safety Management Model serves as the company's workplace accident prevention policy and management system. It describes the company mindset for safety work that all Nokian Tyres' employees must maintain and sets the bar for common practices. This global model is implemented as part of local practices, procedures and everyday decision making. Nokian Tyres' Safety Management Model also provides tools for continuous improvement for departments and operations.

Nokian Tyres' departments assess their own safety work, and based on these self-assessments, identify their maturity level and needs for improvement. Each department can focus on the safety aspects that they have identified to be the most relevant for them. The Safety Management Model and the evaluation practice emphasize the departments' ownership on safety improvements.

In addition, the 16 standards listed below each have a clear purpose, a defined toolset, and a specific Nokian Tyres approach to the topic:

1. Leadership, Commitment and Responsibilities
2. Planning, Goals and Targets
3. Employee Engagement
4. Safety Risk and Opportunity Management
5. Legal Safety Requirements and Other Commitments
6. Safety Training, Competency and Awareness
7. Behavior and Observation
8. Employee Safety Communication
9. Monitoring and Measurement
10. Accident/Incident Reporting and Investigation
11. Workplace Inspections and Audits
12. Emergency Preparedness and Response
13. Contractor Selection and Management
14. Management of Change
15. Preventative and Corrective Actions
16. Other Operational Procedures

Commitments to international standards

Nokian Tyres is committed to acting in the manner required by the UN's Guiding Principles for Business and Human Rights as well as OECD's Guiding Principles on Labour and Human Rights, and to following the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

The essential standards of the company include ISO 45001, the UN Global Compact, Nokian Tyres' policies and procedures related to safety, well-being, hiring, traveling, induction, people reviews and competence development, rewards, human rights, and equality.

Equal treatment and respect for human rights

Nokian Tyres respects human rights and treats all individuals equally. Advancing the safety and well-being of employees and protecting human rights in the supply chain are among the company's key sustainability initiatives. The company's principles in all operations are fair treatment and respect of human rights when collaborating with personnel or other stakeholders. This principle of equality and non-discrimination is an essential part of the Nokian Tyres' operations, and the management of diversity is based on the concept of equality and equal prerequisites for work.

Nokian Tyres' Total Rewards Philosophy and Guideline

Nokian Tyres' Total Rewards Philosophy and Guideline was reviewed and updated following the adoption of the Remuneration Policy at the April 2024 Annual General Meeting. Decisions on rewards follow globally consistent guidelines designed to ensure fair and equal treatment of employees while allowing local adjustments to remain competitive and attract top talent. They are based on performance, position evaluation, consistent goal setting, and benchmarking of rewarding practices in relevant markets as well as applicable laws and collective agreements.

Training and skills development

Learning at Nokian Tyres is based on the following principles:

- Integrating learning with business targets, for example, with 'on-demand' learning
- Making full use of digital tools
- Offering modular learning solutions to pick up and choose needed learning content and method
- Opportunities to combine common and personalized learning paths
- Piloting new ways of learning together, such as learning circles and peer coaching
- Enabling learning that is independent of time and space, including mobile and on-the-go
- Moving away from traditional classroom training

Nokian Tyres' people development philosophy is included in the company's People Review instruction. The development philosophy supports employees' development with internal job rotation, on-the-job learning, and various development solutions.

All relevant company policies are available on the Nokian Tyres intranet. Key stakeholders, including Management Team members, have the opportunity to provide input on policy and guideline drafts. Additionally, open dialogue with leaders and employees ensures that all interests are considered in the policy development process. Nokian Tyres' e-learning management system supports the company in policy implementation.

S1-2 Engaging with own workforce and workers' representatives about impacts

Nokian Tyres employees contribute to the company's ongoing development with their skills and ideas, aligned with the organization's commitment to sustainable business practices.

To share information on financial performance, business development, safety, strategy, vision, values, and other key topics, Nokian Tyres hosts various employee events. During these events, employees are encouraged to voice their comments, questions, or concerns. Employee engagement at Nokian Tyres is assessed annually through the Drive! personnel engagement survey, which measures well-being, equality, inclusion, and overall engagement within the organization.

The Drive! engagement survey was conducted for all employees in September 2024. The survey included 19 questions and one open-ended question. The response rate was 78 percent (79) being above the global benchmark, which is 75 percent. The overall engagement score was 72 (73) on a scale of 0–100 (global benchmark value 75). Of the responses to engagement questions, 71 percent (72) were positive (4 or 5 on a scale of 1–5).

The first assessment of diversity, equality, and inclusion was conducted in the 2021 Drive! engagement survey. This measurement is now repeated annually, using three targeted questions. The table below shows the scores, comparison to previous year, and global benchmarks for these questions.

Drive! Engagement survey: Inclusion, diversity, and equality

Question	2024 score on a scale of 0-100		Vs. external global benchmark
		Vs. 2023	
I feel a sense of belonging at our company	69	0	-4
Diverse perspectives are valued at our company	63	0	-10
Regardless of background, everyone at our company has an equal opportunity to succeed	67	0	-7

Drive! engagement survey results are reviewed within teams, and action plans are collaboratively developed. Training resources for managers on facilitating these discussions are available globally.

Multiple channels, such as Nokian Tyres' intranet, Microsoft Teams, Viva Engage, and both virtual and in-person meetings, seek to ensure that employees are well informed about relevant company developments. The channels also provide opportunities for feedback and engagement.

Additionally, the KETO safety reporting tool enables employees to participate in safety initiatives, and everyone has access to it. The tool is used to log all accidents, incidents, and safety actions, as well as to investigate and manage safety-related tasks. Job-related risk assessments are also managed in KETO.

In the Nordic countries, local management and HR hold regular meetings with workers' representatives. The frequency of those meetings varies based on the country and legal company. No formal employee representatives are enacted in Central Europe due to the small size of operations, with a low number of employees in each country, the setup of the regional operations and local legislations. Also in North America, Nokian Tyres works directly with its own workforce.

Nokian Tyres' Senior Vice President of Human Resources has operational responsibility for ensuring that engagement takes place. The company also organizes regular annual and quarterly events, and more are organized on a needs basis to support further engagement.

All employees participate in People Review discussions, which focus on managing performance and employees' personal development. Internal job rotation, on-the-job learning, and other learning solutions have a key role in supporting employee development.

S1-3 Processes to remediate negative impacts and channels to raise concerns

Nokian Tyres' business is guided by the ethical principles presented in its Code of Conduct. Nokian Tyres has processes in place to provide for or cooperate in the remediation of negative impacts on people in its own workforce that the business relates to, as well as channels available to its own workforce to raise concerns and have them addressed. Examples of these are one-on-one discussions, and the company's healthcare system, which help to prevent and remediate negative impacts.

Mandatory training is provided to all personnel on the Code of Conduct. The training is included in the induction of new employees. The completion rate in 2024 was 78 percent.

The Code of Conduct is available on the company website at company.nokiantyres.com/sustainability/responsible-business/corporate-culture-and-business-conduct/code-of-conduct/. Policies protecting individuals who use channels to raise concerns or needs against retaliation are in place as part of Nokian Tyres' Code of Conduct.

If an employee discovers or suspects a conduct that violates the company's business principles, including the Code of Conduct or Privacy Policy, they should report their concerns through Nokian Tyres' whistleblowing channel. Alternatively, they may report it directly to the General Counsel, CFO, and/or Head of HR. Every employee has direct access to the channel through the company website or intranet, and information about the channel is also available as part of Nokian Tyres' Code of Conduct and Whistleblowing Policy.

According to an internal communications survey, Nokian Tyres' employees feel that they can talk openly about the development of work or related concerns, as well as possible mistakes or failures. So far, the survey has been conducted in 2023 and 2024, and the score concerning this question improved by one percentage point.

In 2024, the Legal function coordinated the whistleblowing process and related investigations. All material findings and general statistics were reported to the Audit Committee and the People and Sustainability Committee of the Board of Directors.

All whistleblowers are protected against any form of retaliation. Anonymous reports are treated with the same level of importance as named reports.

S1-4 Taking action on material impacts on own workforce

To address material impacts and seize opportunities related to its workforce, Nokian Tyres conducts various initiatives including training, audits, and an annual people process and engagement survey.

The management of material impacts on Nokian Tyres' workforce is led by the HR and safety functions, and all supervisors are responsible for managing the impacts and implementing actions that are relevant for their teams.

Nokian Tyres is committed to continuous development and supports employees in strengthening their competencies and excelling in their roles. Learning is encouraged through various projects and collaboration, with internal job rotation providing possibilities to work across different tasks and functions.

The company's employee development program emphasizes internal job rotation, on-the-job learning, and diverse development solutions. It follows the 70-20-10 principle: 70 percent of growth comes from on-the-job experience, 20 percent from learning from others, and 10 percent from formal training.

Digitalization offers access to online learning, including external resources such as webcasts, podcasts, and professional forums. Learning is increasingly mobile and flexible, independent of time and location. The company's updated eLearning platform further supports these advancements.

In 2023, the company's e-learning management system was upgraded, enabling the integration of materials in various formats. A team of employees was trained to develop online courses tailored to business needs. The course composer and improved user interface make it easier to create and implement internal eLearning courses.

New courses have been introduced offering training on topics such as, safety, sustainability, procurement, data protection, and more.

Encouraging employee engagement

In 2024, the company's actions included a survey related to internal communications, defining Nokian Tyres' human rights due diligence process, and enabling employee participation in strategic planning. As part of the strategy process employees were invited to discuss how the company will succeed going forward. Facilitated discussions were held during November and were open for all employees.

In 2024, Nokian Tyres also piloted Leadership Growth Track, a training program for new managers. Leadership Growth Track aims to enable participants to develop their self-awareness and cultivate a growth mindset through shared learning sessions, individual development plans, and peer support. This is an example of an initiative which aims to prevent adverse impacts on employee motivation, but primarily deliver positive impact through improved motivation, skills and career development opportunities.

Total Rewards Philosophy and Guideline emphasizes equity and fairness

Nokian Tyres' Total Rewards Philosophy and Guideline aims to clarify the principles behind total rewards and support managers in making fair and consistent pay decisions. By fostering transparency, employees can better understand the company's rewards system, which helps to promote motivation and engagement. In the coming year, the focus will be on reward training to enhance understanding across the organization, further contributing to equitable and fair working conditions for the whole organization.

Actively promoting occupational health and safety

Nokian Tyres is committed to actively promoting employee health and well-being, thus preventing any material negative impacts. For instance, the company continually refines its Safety Management

Model procedures to avoid and mitigate any adverse impacts on employee safety. Additionally, through partner companies in the health care sector, Nokian Tyres provides comprehensive occupational health services to all employees. This enables the company to proactively prevent and mitigate risks, while providing remedies if issues arise.

All accidents and incidents must be reported in the common reporting tool (KETO) by the next business day. Every accident requires a thorough investigation to prevent similar incidents and enhance working environments.

It is the responsibility of the involved manager to report and investigate accidents. Major accidents are communicated internally across locations, production units, and functions. The causes and corrective actions are reviewed to identify common risks and share best practices.

Job-related risk assessments and safety actions are essential for understanding actual risks in the working environment. A careful analysis of these safety measures can proactively prevent future accidents.

Employees are encouraged to make safety observations and carry out safety actions with the goal of five safety actions per employee on average.

Safety has also been a core focus of Nokian Tyres' operations in the new factory in Oradea, Romania from the outset, with the company's safety culture being gradually integrated into all functions. Safety leadership training for managers and supervisors has been implemented to empower teams to take ownership and lead in safety practices. Additionally, the common safety reporting tool, KETO, has been introduced at Oradea to support the development of occupational safety.

Nokian Tyres' occupational safety development work is guided by a safety roadmap, which defines the key development targets for the next few years. The roadmap covers the entire company, each location and all functions. The development work aims to develop safety culture, improve safety maturity, and increase the participation of personnel and stakeholders in the safety development work. The roadmap and the development projects specified in it are regularly monitored by the Management Team and other relevant groups and teams.

Further actions enhancing employee well-being

To enhance employee well-being, the company is focusing on developing leadership, defining a human rights approach, and continuously promoting a culture of equal opportunities. Other measures included reviewing Nokian Tyres' Human Rights Commitment and defining and describing the due diligence process.

The company monitors the effectiveness of its initiatives through its annual employee survey. In 2024, the survey included 19 questions, with two new items added with a focus on well-being, as well as one open-ended question. All employees with a company email address receive invitations to participate from Nokian Tyres' external partner. Those working in production or at Vianor can also respond via a QR code or link available on Entire, the company intranet. All responses are anonymous and confidential, and teams then discuss the findings and agree on the actions they will commit to.

Nokian Tyres also focuses on reviewing people processes and enhancing its eLearning platform and communications. The annual employee survey action planning process and active dialogue with employees and their representatives allow the company to identify necessary and appropriate actions to address actual or potential negative impacts on the workforce. Through people processes, such as performance reviews and one-on-one discussions, line managers monitor and respond to impacts on Nokian Tyres' employees.

Hybrid working model supports employee well-being

In 2024, the company maintained its hybrid working model, with full support from the Management Team. This includes flexible hours and work arrangements whenever possible. The company adheres to local laws regarding flexible hours, part-time options, and paid parental and family leave. A modern work environment, equipped with digital tools, enables teams to organize work flexibly and supports employee well-being. Teams have also collaborated to establish the best working practices.

S1-5 Targets related to material impacts, risks and opportunities

In setting targets, Nokian Tyres engages directly with its own workforce by involving employees and workforce representatives in active dialogue. Other channels for involving employees in target setting and monitoring progress include the Drive! Engagement Survey and sustainability steering group, Työsuojelutoimikunta (Nokia) or Occupational Safety Committee. Nokian Tyres' management sets specific goals, monitors their implementation, and reserves sufficient resources to meet and maintain them.

Nokian Tyres informs employees about performance by organizing yearly sustainability info sessions, quarterly employee info sessions, management and team meetings, sustainability steering groups, and other follow-up mechanisms based on projects.

The company pursues ambitious non-financial targets which are embedded throughout its core operations. In April 2023, the Board reconfirmed six non-financial targets. Those concerning Nokian Tyres' own workforce included decreasing the accident frequency as well as developing personnel well-being. In addition, in early 2025, Nokian Tyres launched new targets stemming from the double materiality assessment. The purpose of the targets is to aid the company in managing material impacts, risks, and opportunities related to its own workforce.

Nokian Tyres' own workforce and workforce representatives were engaged directly in setting safety-related targets, tracking performance against them, and identifying lessons or improvements as result of the company's performance through safety committees and the KETO safety reporting tool.

Targets related to Nokian Tyres' workforce

- Increase manager's competence on Nokian Tyres' rewarding guidelines and practices. Measured through training attendance, targeting for over 60 percent attendance of all managers in 2025
- Improve job rotation, such as percentage of transfers and promotions, base to be measured 2025
- Continuous improvement of the sentiment of equal opportunities, related to Drive! survey question "Regardless of background, everyone at our company has an equal opportunity to succeed, baseline 2021: 65 – result in 2024: 67
- Decrease lost-time incident frequency (LTIF) from 8.3 (2018) to 1.5 by 2025

In 2024, the group-wide LTIF improved to 4.6 (4.7). Unfortunately, the LTIF target was not met. Especially the increased number of employees in the newer tire factories and several incidents in Vianor affected the incident rate.

However, the total recordable injury frequency improved from 12.0 to 11.3. Safety actions per person achieved the targeted level of 5.0 (4.6). The volume of safety actions improved with around 3,000 pieces achieving the level of totally over 21,000 pieces. The wheel factory in Finland achieved more than 500 days without any incidents.

S1-6 Characteristics of the undertaking's employees

Employee figures in both the Sustainability Statement and the Financial Statements are based on the official headcount at the end of reporting period on December 31, 2024. In Financial Statements the figures are shown in the note 8: Personnel expenses.

At the end of 2024, the company employed a total of 3,810 employees with 1,712 being white collars and 2,098 being blue collars. Among the blue collars, 88 percent were male, and 12 percent were female. Of the white collars, 73 percent were male, and 27 percent were female.

There are two tire changing seasons each year when the headcount increases temporarily by approximately 500–700 employees. During 2024, Nokian Tyres employed a total of 1,350 seasonal employees in the Nordics at Nokian Tyres' Vianor tire and car service chain.

Employee headcount by gender

Gender	Number of employees (headcount)
Male	3,080
Female	730
Other*	0
Not reported	0
Total Employees	3,810

*Gender as specified by the employees themselves where possible for persons to legally register themselves as having a third, often neutral, gender.

Employee headcount in countries where Nokian Tyres has at least 50 employees representing at least 10 percent of its total number of employees

Country	Number of employees (headcount)
Finland	1,770
US	606
Norway	526
Sweden	426

Employees by contract type, broken down by gender (headcount)

	Female	Male	Other	Not reported	Total
Number of employees	730	3,080	0	0	3,810
Number of permanent employees	703	2,929	0	0	3,632
Number of temporary employees	27	151	0	0	178
Number of non-guaranteed hours employees	3	46	0	0	49
Number of full-time employees	693	2,998	0	0	3,691
Number of part-time employees	37	82	0	0	119

Employees by contract type, broken down by region (head count)

	Nordics	Other Europe	North America	Total
Number of employees	2,722	470	618	3,810
Number of permanent employees	2,548	466	618	3,632
Number of temporary employees	174	4	0	178
Number of non-guaranteed hours employees	49	0	0	49
Number of full-time employees	2,613	460	618	3,691
Number of part-time employees	109	10	0	119

Turnover

	Nordics	Other Europe	North America	Total
Number of terminated employees	240	55	131	426
Turnover rate	9	12	21	11

Number of terminated employees includes employees who have left voluntarily or due to dismissal, retirement, or death in service during the reporting period. In calculating the turnover rate, the denominator used is the number of head count at the end of the reporting period.

S1-7 Characteristics of non-employees in own workforce

Nokian Tyres refers to non-employees as workers who do not have a direct employment relationship with the company, but whose work is controlled and led by Nokian Tyres.

In 2024, there were 342 (383) non-employees, most of them private employment agency workers (225), working in the Finnish factory production. Non-employee figures are reported in head count at the end of reporting period on December 31, 2024.

S1-8 Collective bargaining coverage and social dialogue

67 percent of Nokian Tyres' employees were covered by collective bargaining in 2024.

There are no agreements with employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council in Central Europe due to the small size of operations, with a low number of employees in each country, the setup of the regional operations and local legislations.

When there is no collective labor agreement, the company follows the employment regulations that are available. Nokian Tyres complies with the country-level legislation and regulation in each country.

S1-9 Diversity metrics

Nokian Tyres' top management consists of the President and CEO and the Management Team. The figures are based on the official headcount on December 31, 2024.

Collective bargaining coverage and social dialogue

Coverage rate	Collective Bargaining Coverage		Social dialogue
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0–19%		North America	
20–39%			
40–59%			
60–79%	Norway		
80–100%	Finland, Sweden		Finland, Sweden, Norway

Gender distribution at top management level

Gender	
Number of females	4
Number of males	5
Percentage of females	44
Percentage of males	56

Distribution of employees by age group

Gender	
Number of under 30 years old	653
Number of 30–50 years old	2,137
Number of over 50 years old	1,020
Percentage of under 30 years old	17
Percentage of 30–50 years old	56
Percentage of over 50 years old	27

S1-10 Adequate wages

Nokian Tyres will never pay anyone less than the minimum wage defined in local legislation. Additionally, the company follows the local market practice as well as collective agreements when applicable.

S1-11 Social protection

All Nokian Tyres employees are covered by social protection through either public programs or company-provided benefits.

This coverage safeguards against income loss due to major life events such as sickness, unemployment, work-related injuries, acquired disabilities, parental leave, and retirement. Coverage begins as soon as employees start working for the company.

S1-13 Training and skills development metrics

People Review discussions, which focus on managing performance and employees' personal development, are targeted to all employees. The company's employee development program emphasizes internal job rotation, on-the-job learning, and diverse development solutions. It follows the 70–20–10 principle: 70 percent of growth comes from on-the-job experience, 20 percent from learning from others, and 10 percent from formal training.

Percentage of Nokian Tyres' employees that participated in the people review process

Gender	Participation %	Employee category	Participation %
Female	90	Blue collar	82
Male	87	White collar	91
Total	88	Total	88

Average training hours per employee in 2024

Gender	Average training hours per employee	Employee category	Average training hours per employee	Age group	Average training hours per employee
Female	8.1	Blue collar	3.7	Under 30	3.2
Male	4.8	White collar	7.5	30–50	6.4
				Over 50	4.9
Total	5.4	Total	5.4	Total	5.4

S1-14 Health and safety metrics

The entire Nokian Tyres workforce is covered by the company's Health and Safety Management System and the KETO safety reporting tool. The tire factories in Finland and in the US are certified according to the international ISO 45001 occupational health and safety standard. Safety management at Vianor follows the ISO 45001 standard but it is not externally certified.

In 2024, 450 days were lost to work-related injuries and fatalities due to work-related accidents, work-related ill health, and fatalities from ill health related to non-employees.

The entire Nokian Tyres workforce is covered by the company's own internally audited Safety Management Model, which is based on legal requirements and recognized standards or guidelines. Relevant operations in both Finland and the US are externally audited according to the ISO 45001 standard.

Lost-time incident frequency (LTIF)*

	2024	2023
Nokian Tyres Finland	1.0	2.4
Nokian Tyres US	2.5	4.5
Nokian Tyres Romania	3.9	-
Vianor	8.9	7.8
Nokian Tyres Group	4.6	4.7

*Number of lost-time incidents / 1,000,000 hours worked

Total recordable injury frequency (TRIF)*

	2024	2023
Nokian Tyres Finland	8.0	8.9
- Own employees	7.5	
- Non-employees	10.6	
Nokian Tyres US	13.4	24.5
Nokian Tyres Romania	3.9	-
Vianor	15.4	14.6
Nokian Tyres Group	11.3	12.0

*Number of recordable injuries / 1,000,000 hours worked

Number of recordable accidents

	2024	2023
Nokian Tyres Finland	23	26
- Own employees	18	
- Non-employees	5	
Nokian Tyres US	16	22
Nokian Tyres Romania	1	-
Vianor	52	45
Nokian Tyres Group	92	93

Occupational illness frequency (OIFR)*

	2024	2023
Nokian Tyres Group	0.8	1.0

*Work-related ill health cases / 1,000,000 hours worked

Number of cases of recordable work-related ill health of employees

	2024	2023
Nokian Tyres Group	17	13

Number of fatalities as a result of work-related injuries and work-related ill health

	2024	2023
Nokian Tyres Group	0	0
Subcontractors working on Nokian Tyres' sites	0	0

Number of days lost to work-related injuries and work-related ill health

	2024
Nokian Tyres Group	450

S1-15 Work-life balance

All employees are entitled to family-related leave through social policy and/or collective bargaining agreements.

S1-16 Pay gap and total remuneration

Nokian Tyres' Total Rewards Philosophy and Guideline forms a consistent framework for retaining, recognizing, and rewarding employees. The guideline's principles have been defined to support the company's goal of cultivating an engaged and high-performing organization and help ensure fair and equal treatment of employees across the organization.

Rewards offer competitive packages, including both monetary and non-monetary elements, to support performance, motivation, and commitment. The monetary elements include a base salary, benefits, and different kinds of incentives.

At Nokian Tyres, base salary setting follows the collective agreements as well as local market practice based on defined job architecture. All employees belong in the short-term incentive program.

Nokian Tyres' reward structure is monitored regularly to ensure it supports future performance and employee engagement. All reported data is sourced from the global HR system and is calculated in euros for consistency across all employees.

Incentive plans track performance

Nokian Tyres utilizes several incentive plans to measure both short- and long-term performance. Two share plans align the long-term goals of shareholders with those of key personnel, enhancing company value and committing key personnel to the company's strategic objectives.

The current performance criteria in the company's main long-term incentive plan, the Nokian Tyres Performance Share Plan, are cumulative EBITDA, increase in passenger car tire production volume, and reduction of Scope 1 and 2 carbon dioxide equivalent (CO₂e) emissions. The CO₂e sustainability target carries 10 percent weight of the total of 100 percent target setting within long-term incentives.

Nokian Tyres' Restricted Share Plan serves as a complementary long-term incentive tool, used for the retention of Nokian Tyres President and CEO, the Management Team, and other selected key employees. Both plans were resumed in 2024, with the Performance Share Plan adjusted to a two-year performance period plus a one-year retention phase.

Short-term incentives, available to all employees, are designed to drive strategy and reward achievement at various levels, such as Group, business unit, team, or individual.

Remuneration metrics

	2024	2023
Gender pay gap ¹	0.6	-2.8
Total remuneration ratio ²	25.2	-

¹Gender pay gap is defined as the difference of average gross hourly pay levels between female and male employees, expressed as percentage of the average pay level of male employees.

²Total remuneration ratio is defined as annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual). Calculation includes compensation elements stored in Nokian Tyres Global HR system: employees' base salary, main allowances and bonuses on target opportunity level (defined in bonus programs or as actually paid on median level). Ratio is impacted by the high volume of blue-collar workers in the workforce.

S1-17 Incidents, complaints and severe human rights impacts

During the year, no work-related incidents of discrimination were confirmed to have occurred on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders across operations. This includes incidents of harassment as a specific form of discrimination. Zero complaints concerning misconduct referred to above were reported to the whistleblowing channel.

In addition, no severe human rights issues and incidents connected to own workforce were reported during the year and there were zero cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises.

There were no fines, penalties, and compensation for damages as result of such incidents.



SOCIAL INFORMATION

S2 Workers in the value chain

Material topic in Nokian Tyres' context	Impact, risk, opportunity	Policy or work instruction	Management
<ul style="list-style-type: none"> Working conditions Equal treatment and opportunities for all Other work-related rights 	<p>Adverse human rights impacts related to working conditions and equality in the supply chain and outsourced operations</p>	<p>Procurement Guideline, Sustainable Natural Rubber Policy, Supplier Code of Conduct</p>	<p>Nokian Tyres is committed and further expects its suppliers, for example, to:</p> <ul style="list-style-type: none"> Actively prevent child labor Provide its employees at least with the minimum wage as required by local laws Provide its employees with a safe working environment Respect the rights of migrant and foreign workers and promote ethical recruitment practice and take reasonable steps to ensure that recruitment fees and other associated costs are not born by employees Provide decent living conditions (e.g. adequate housing, access to drinking water and the right to food and food security) for employees working and living on site, and to support the same for local communities Ensure that labor rights related safeguards apply to all employees, with no distinction being made on discriminatory grounds or employment status.

SBM-3 Driving sustainable business in the supply chain

Nokian Tyres is a premium tire manufacturer with sustainable way of conducting business integrated into its strategy. As a tire manufacturer, Nokian Tyres purchases significant amounts of natural rubber. It is one of the main ingredients in tires and also the livelihood of hundreds of thousands of families living in countries where the local legislation and working conditions have not been fully developed. Thus, the material negative impacts mainly concern people working with natural rubber in the company's upstream value chain. Promoting and ensuring decent working conditions is an essential aspect of sustainable and responsible development.

The smallholders, dealers, and processors are not employed by Nokian Tyres but work in the complex and fragmented natural rubber supply chain. Natural rubber is mainly grown in countries where sustainability risks are higher compared to, for example, European countries. The world's leading producers of natural rubber are Thailand, Indonesia, and Vietnam. In Malaysia, migrant workers have been identified as a particularly vulnerable group. A common issue identified during the audits is the language and content of the employment contracts, but also other non-conformities have been observed.

Being a leader in sustainability is one of the cornerstones of Nokian Tyres' strategy. One of the company's non-financial targets is to develop the sustainability of the supply chain, with the aim of having 100 percent of sustainability high-risk suppliers audited. To gain understanding of the workers who are or could be materially affected, Nokian Tyres conducts sustainability audits, during which value chain workers are interviewed. Additionally, Nokian Tyres is a member of the Global Platform for Sustainable Natural Rubber (GPSNR), a platform in which different natural rubber stakeholders participate and the views of value chain workers are presented as well.

Also Nokian Tyres' manufacturing partners located at areas where there can be sustainability-related risks have been audited. These audits addressed topics like child labor and forced labor, and such issues have not been identified.

Nokian Tyres is committed to conducting its business operations in a manner that respects all internationally recognized human rights. As a participant in the UN Global Compact initiative, Nokian Tyres follows the UNGC's ethical principles as well as its own. The company requires that all the suppliers that it has identified to be sustainability critical adhere to Nokian Tyres Supplier Code of Conduct. The backgrounds of all new suppliers are checked according to Nokian Tyres' Due Diligence process before supplier approval, and Nokian Tyres assesses the possible risks associated with the suppliers.

S2-1 Policies and processes that guide sustainable procurement

The Group's Procurement Guideline establishes the general principles of sustainable procurement and guides Nokian Tyres' Procurement function's work. As a participant in the UN Global Compact initiative, Nokian Tyres follows the UNGC's ethical principles as well as its own. The company requires that all the suppliers that it has identified to be sustainability critical adhere to Nokian Tyres Supplier Code of Conduct that is publicly available on the company website. The company also has a Sustainable Natural Rubber Policy. In Nokian Tyres Management Team, the Senior Vice President, Operation Excellence is accountable for the implementation of these supply chain-related policies.

The Supplier Code of Conduct expects the suppliers to commit to respecting human rights, including labor rights, and prohibits discrimination and the use of child labor or forced labor, among other things. Suppliers must not participate in, or benefit from, any form of modern slavery.

Nokian Tyres is committed to conducting its business operations in a manner that respects all internationally recognized human rights, understood as, at a minimum, those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and expects the same of its suppliers.

Nokian Tyres expects its suppliers to share the strive toward a more socially sustainable supply chain, where decent working conditions are promoted. Nokian Tyres is committed and further expects its suppliers, for example, to:

- Actively prevent child labor
- Provide employees at least with the minimum wage as required by local laws
- Provide employees with a safe working environment
- Respect the rights of migrant and foreign workers and promote ethical recruitment practice and take reasonable steps to ensure that recruitment fees and other associated costs are not born by employees
- Provide decent living conditions (e.g. adequate housing, access to drinking water and the right to food and food security) for employees working and living on site, and support the same for local communities
- Ensure that labor rights related safeguards apply to all employees, with no distinction being made on discriminatory grounds or employment status.

To detect actual material negative impacts and provide remedy, Nokian Tyres conducts audits and is further committed to maintaining a group-level grievance mechanism (in line with UN Guiding Principles effectiveness criteria) that is appropriate for receiving complaints and to providing an opportunity to enable remedy for adverse human rights impacts caused through production or sourcing/procurement. The company expects the same from its suppliers.

A common issue identified during the audits is the language and content of the employment contracts. In several cases, the records of working hours, rest times and holidays are missing or are only partial. In some audits it has also been identified that rest times and holidays are not always granted in accordance with the local law. In some countries, the recruitment of foreign workers has been identified as a problematic topic. These findings are discussed in more detail in the section Audits help identify the topics to be improved.

Assessing suppliers to detect and minimize risks

Nokian Tyres' supply chain consists of approximately 3,500 suppliers, including more than 200 raw material suppliers. Most of the supply chain suppliers are located around the factory areas, and raw material suppliers as well as manufacturing partners are located globally.

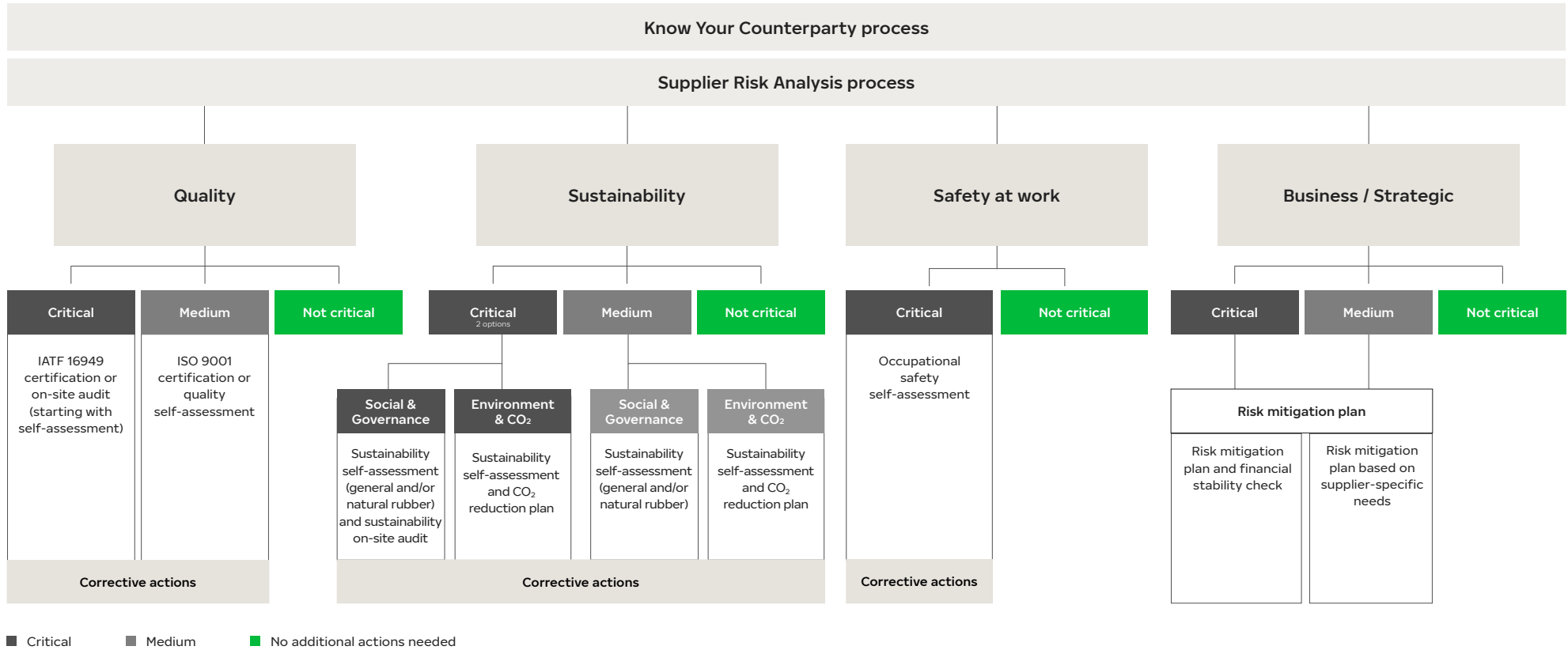
The backgrounds of all new suppliers are checked according to Nokian Tyres' Due Diligence process before supplier approval. Nokian Tyres assesses the possible risks associated with the suppliers according to the model presented on the next page. The assessment model has four different categories: quality, sustainability (environmental, social & governance), business/strategic criticality, and safety at work.

Actions are taken with all new suppliers that are classified as critical or medium critical in any of the four categories of the classification model. The actions include, for example, sustainability on-site audits, desk assessments and requests for management system certification in terms of quality, environment, or safety. Potential risks identified through desk assessments are further confirmed and verified through on-site audits.

+ ADDITIONAL, NON-MATERIAL INFORMATION

In Norway, the Transparency Act (Åpenhetsloven) requires enterprises that meet certain requirements and operate in Norway to conduct due diligence assessments. The aim is to ensure that human rights and working conditions are respected and followed throughout the value chain. This means that companies must examine their own business, their supply chain, and their business partners to find out where the biggest risks are. Nokian Tyres has a sales company and a Vianor tire chain company in Norway, and the accounts required by the Transparency Act can be accessed on the company websites at www.nokiantyres.no/fakta-om-bedriften/apenhetsloven and www.vianor.no/bedriftskunder/om-oss/apenhetsloven, respectively. (Norwegian Transparency Act 2021, Section 5 Duty to account for due diligence)

Supplier risk management process



+ ADDITIONAL, NON-MATERIAL INFORMATION

Supplier Screening		2024
Total number of Tier 1* suppliers		3,598
Total number of significant suppliers in Tier 1		33
% of total spend on significant suppliers in Tier 1		18
Total number of significant suppliers in non-Tier 1		10
Total number of significant suppliers (Tier 1) and non-Tier 1		43
	Target for	2024
Supplier Assessment		
Total number of suppliers assessed via desk assessments/on-site assessments	23	23
% of significant suppliers assessed		53
Number of suppliers assessed with substantial actual/potential negative impacts		23
% of suppliers with substantial actual/potential negative impacts with agreed corrective actions/improvement		30
Number of suppliers with substantial actual/potential negative impacts that were terminated		20
Corrective action plan support		2024
Total number of suppliers supported in corrective action plan implementation		0
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation		0

*Tier 1 suppliers directly supply goods, materials or services to Nokian Tyres. Non-tier 1 suppliers provide their products and services through Tier 1 suppliers to the company.

(S&P Global CSA: Supply Chain Management, Supplier Screening)

Preventing and mitigating risks related to natural rubber

Nokian Tyres' sustainability risk evaluation model considers the country-, sector- and commodity-specific risks. As a tire manufacturer, Nokian Tyres purchases significant amounts of natural rubber. The sustainability aspects of natural rubber are related to countries of origin, biodiversity, and complex and fragmented supply chains.

Natural rubber is mainly grown in countries where sustainability risks are higher compared to, for example, European countries. The world's leading producers of natural rubber are Thailand, Indonesia, and Vietnam. There are also country-specific overall sustainability risks, such as the high number of migrant workers in Malaysia.

As a sector, natural rubber has historically contributed to deforestation and biodiversity loss due to converting natural forests into natural rubber farms. Therefore, it is considered a high sustainability risk sector.

In addition, natural rubber as a commodity includes complex and fragmented supply chains with multiple layers of smallholders, dealers, processing plants and traders. More than 85 percent of the world's natural rubber is produced on farms smaller than two hectares in size, with daily output typically amounting to only a couple of kilograms of latex. There are approximately three to six million farmers of natural rubber who collect the milky latex or cup lumps and sell it to local dealers. The local dealers collect latex from several farmers and sell it to processing plants. This practice can disrupt the traceability chain; for example, the processing facilities may not be aware of the origins of the rubber they purchase. In such cases, there is no direct contact between the processor and the farmer, and a tire manufacturer's visibility to the livelihood of the farmer is very limited or non-existent.

On the other hand, approximately 73 percent of the world's natural rubber is consumed in tire production, which means that Nokian Tyres and the whole tire industry have a positive impact in creating and ensuring jobs in the natural rubber processing countries. As a member of the Global Platform for Sustainable Natural Rubber (GPSNR), Nokian Tyres is committed to a shared responsibility in improving the social, environmental, and economic sustainability of the global natural rubber value chain.

In 2021, Nokian Tyres adopted a Sustainable Natural Rubber Policy that is fully aligned with the policy framework of the GPSNR. The policy was approved by a member of Nokian Tyres Management Team, the Senior Vice President, Operation Excellence, and the company's sustainability in natural rubber is developed through the framework of this policy. The policy is publicly available on the Nokian Tyres website, and it includes eight major components:

- Commitment to legal compliance
- Healthy functioning ecosystems
- Respecting human rights
- Community livelihoods
- Increased production efficiency
- Supply chain assessment and traceability
- Monitoring and reporting, and
- Driving effective implementation of all these components.

In 2024, 100 percent of Nokian Tyres' approved natural rubber processors were either members of the GPSNR or committed to developing their operations according to Nokian Tyres' Sustainable Natural Rubber Policy.

S2-2 Hearing the value chain workers' views

During the on-site audits conducted by Nokian Tyres, a certain percentage of employees at different levels of the workforce are confidentially interviewed to gather the views of the value chain workers and to gain insight into the perspectives of workers who may be particularly vulnerable to impacts. Follow-up audits are performed every three years, which includes assessing the effectiveness of the engagement. The Sustainability Manager from the Sustainability department and the Category Manager from Procurement function are responsible for coordinating the audits and ensuring that the engagement happens.

In addition, the collaboration enabled by the GPSNR provides an opportunity to hear the perspectives of value chain workers.

S2-3 Channels for raising concerns confidentially and seeking remediation

The interviews conducted during audits provide an opportunity for value chain workers to bring any issues to Nokian Tyres' attention. Additionally, in case value chain workers have concerns or suspect infringements, they have the possibility to contact Nokian Tyres through the company's whistleblowing channel.

The purpose of Nokian Tyres' whistleblowing process is to ensure that the company's governance systems operate at a high-quality level and that the various stakeholders trust Nokian Tyres. The purpose also is to encourage interest groups to report any activities that infringe upon the legislation, the Code of Conduct, or other provided guidelines.

All whistleblowers are protected against any form of retaliation. Anonymous reports are treated with the same level of importance as named reports. The topic "Business conduct" contains detailed information about the whistleblowing channel and the related processes.

However, as the natural rubber supply chain is fragmented, all value chain workers do not know which company will eventually utilize the commodities they produce. To provide redress and remedy to any party that has suffered negative impacts from the actions of the GPSNR members, the GPSNR Grievance Mechanism (sustainable-naturalrubber.org/grievance-procedure/) offers an opportunity for stakeholders to express concerns that they have about a GPSNR member or the GPSNR Secretariat and find optimal ways to resolve disputes. Grievances can be submitted by email to info@gpsnr.org or through an online form. If any cases linked to Nokian Tyres are reported through the channel and considered valid by the GPSNR Compliance Panel, Nokian Tyres will receive a corrective action request. No requests were received in 2024.

Assessing the effectiveness of the channels and value chain workers' awareness of the channels is challenging due to the fragmented natural rubber supply chain.

S2-4 Audits help identify the topics to be improved

Nokian Tyres started a partnership with an external auditor in 2016 to improve sustainability in its natural rubber value chain. The natural rubber sustainability auditing process has been developed together with a consulting company, and it is based on Nokian Tyres Supplier Code of Conduct and principles that comply with the UN Global Compact goals. In 2022, the audit model was updated so that it also evaluates the suppliers' alignment with Nokian Tyres Sustainable Natural Rubber Policy.

Nokian Tyres exclusively purchases rubber processed in the plants that the company has approved. In 2024, Nokian Tyres conducted five sustainability audits of natural rubber processing plant suppliers. Nokian Tyres has conducted sustainability audits for 100 percent of its sustainability critical rated suppliers on a three-year cycle. The

target is to maintain this level, which drives the minimum level of sustainability audits to be conducted annually. In addition, sustainability audits can be arranged at suppliers' site for other reasons, such as when Nokian Tyres begins to source from a sustainability-critical country for the first time.

After the audit, the full report is shared with the supplier to show their shortcomings and to highlight the positive findings. This gives valuable information for the supplier about how they can improve their operations.

A common issue identified during the audits is the language and content of the employment contracts. The contract is not necessarily available in the employees' mother tongue, or the translated content differs from the original. In several cases, the records of working hours, rest times and holidays are missing or incomplete. In some audits it has also been identified that rest times and holidays are not always granted in accordance with the local law.

In some countries, the recruitment of foreign workers is a problematic topic. Foreign workers are recruited through a recruitment agency network, and the amount of recruitment costs to the employee can be as much as a year's salary. As the agencies are often approved by local governments, it is difficult to improve the process. However, Nokian Tyres requires its suppliers to improve also on this issue. The suppliers have requested support from the local officials, but the progress is slow.

Nokian Tyres identified one severe labor rights issue during 2024. During an on-site sustainability audit it was discovered that the audited company paid the workers less than minimum wage defined by the government. The audited company has performed corrective actions.

All Nokian Tyres' relevant manufacturing partners have also been audited by a respected third-party auditing agency, partly supplemented by Nokian Tyres' own on-site audits. The audits have included quality audits based on ISO9001, environmental audits based on ISO 14001, and social responsibility audits based on SA8000 standard requirements. Only minor remarks on sustainability matters have been noted during the audits of manufacturing partners.

Monitoring progress

Nokian Tyres requires the suppliers to provide corrective action plans to improve on the shortcomings. Nokian Tyres' Sustainability department follows up on the updated corrective action plans and monitors progress on their implementation. Many suppliers have, for example, introduced employment contracts in several different language versions. This shows that processes can be improved when an external party reviews them and indicates the need for improvement. If the supplier does not provide the corrective action plan or perform the corrective actions, the supplier can be put on hold status to prevent further business with the supplier until the requested actions are completed.

Nokian Tyres aims to conduct follow-up audits every three years at the high sustainability risk suppliers' sites. Currently, Nokian Tyres has mitigation plans from eight audited supplier sites and is monitoring the closing of the corrective actions until the next follow-up audits.

The Procurement and Sustainability departments share the responsibility for overseeing the organization's management of impacts and effectiveness of the actions.

S2-5 Targeting for a sustainable supply chain

Nokian Tyres drives sustainable development in the supply chain. The aim is to maintain the status that was achieved in 2023, where 100 percent of sustainability high-risk suppliers in the company's value chain have been audited. This target is supported by setting yearly key performance indicators related to the audits and other topics related to the sustainability of the supply chain.

The value chain workers do not directly participate in the setting of the yearly KPIs or in tracking the company's performance against them. However, the insight gained from interviews with the value chain workers during the audits and through the GPSNR informs the decisions that are made to improve the company's performance. The KPIs also support the objectives of the policies related to supply chain sustainability.

In 2024 the most important KPIs were the following:

- Minimum five sustainability audits performed
- 100 percent of natural rubber processor suppliers are either GPSNR members or signed Nokian Tyres sustainability commitment.

Both KPIs were achieved. Nokian Tyres performed five sustainability audits in total.

In 2025, Nokian Tyres aims to uphold the status of having 100 percent of sustainability high-risk suppliers audited, and also to uphold the status of 100 percent of natural rubber processor suppliers either being GPSNR members or having signed Nokian Tyres Sustainable Natural Rubber Policy.



SOCIAL INFORMATION

S4 Consumers and end users

Material topic in Nokian Tyres' context	Impact, risk, opportunity	Policy or work instruction	Management
Health and safety	Positive impacts by improving road and end user safety	Environmental, Safety, and Quality Guideline, Code of Conduct, testing policies	<p>As a front-runner in its industry, Nokian Tyres continuously improves the quality and safety of its products, services, and processes.</p> <p>Nokian Tyres' operations are customer-oriented and consider products' entire life cycles.</p> <p>Nokian Tyres' leadership and product development are guided by the company's Code of Conduct, Environmental, Safety, and Quality Guideline, as well as stringent testing policies.</p> <p>Nokian Tyres adheres to various regulations regarding noise, studs, chemicals, testing, and tire markings, among others.</p> <p>The product lifecycle process for passenger car tires guides internal processes to develop new products and ensure the quality and safety properties throughout the whole product lifecycle.</p>
Quality information and responsible marketing	Positive impacts by increasing end user awareness on safety, environmental and other aspects by providing educational content	Code of Conduct	<p>Nokian Tyres' goal is to achieve efficient contact with the personnel and interest groups. The company will always communicate reliably.</p> <p>Nokian Tyres markets according to good practice and provides truthful information in its marketing.</p>

Material topic in Nokian Tyres' context	Impact, risk, opportunity	Policy or work instruction	Management
Quality information and responsible marketing	Opportunity through fact-based and innovative sustainability communications and marketing	Code of Conduct	<p>Nokian Tyres' Code of Conduct defines its approach to marketing and communications.</p> <p>It promotes reliable, balanced, and timely communication, ethical marketing practices, and the provision of truthful information.</p>
Privacy	Risk of negative impacts due to compromised customer privacy as a result of inadequate cybersecurity and/or inadequate privacy	Code of Conduct, Data Protection Policy, Data Subject Rights Guideline, Data Breach Guideline, Information Security Policy, Data Retention Guideline, Privacy Statements	<p>Nokian Tyres' Code of Conduct and Data Protection Policy respect the protection of privacy and adhere to privacy legislation.</p> <p>Personal data provided by customers and other parties will only be used in the manner stipulated in the legislation concerning privacy.</p> <p>Nokian Tyres' Information Security Policy describes the group's process for protecting the confidentiality, integrity and availability of information assets in order to manage and reduce information risks.</p> <p>The Data Subject Rights Guideline sets out a process for executing data subject requests in compliance with applicable laws.</p> <p>Data Breach Guideline sets out a process for handling data breaches in compliance with applicable laws.</p> <p>The Data Retention Guideline sets out the guiding principles on retention of personal data within the group.</p> <p>Privacy Statements are made available to the data subjects to describe how their personal data is being processed by Nokian Tyres group.</p>

SBM-3 Committed to continuous improvements in quality and safety

Creating the safest tires for all conditions is one of the five cornerstones of Nokian Tyres' strategy. Consumers today demand high-quality, safe, and environmentally sustainable products. Nokian Tyres is dedicated to consistently meeting these expectations.

Consumers and end users of tires from Nokian Tyres include drivers and operators of various vehicles – whether they drive passenger cars, work in transportation driving trucks, buses, or vans, or are employed in industries like forestry or agriculture. In addition to tires, Vianor offers a range of tire and car services for both individual consumers and business customers.

Tires' impact on safety

Tires play a crucial role in ensuring the safety of both drivers and others on the road. From a technical standpoint, a car tire is a highly demanding product. It must allow the driver to maintain control in all conditions while also being energy-efficient, environmentally friendly, and designed to reduce road wear and noise.

With the increasing frequency of extreme weather events due to climate change and varying road conditions, tire safety has become more critical than ever. Tires that perform well under challenging conditions directly enhance the safety of both drivers and those around them.

Safety as Nokian Tyres' top priority

Sustainability has long been at the core of Nokian Tyres' product development. As a tire manufacturer, Nokian Tyres is committed to developing, producing, and marketing tires that are verifiably safe and meet the highest quality standards. The company aims to create energy-efficient, durable, and premium tires that exceed customer expectations.

Nokian Tyres positively impacts road and end user safety in two key ways. First, it produces high-quality tires suitable for all conditions, enhancing road safety. Second, it provides guidance and educational resources to help consumers and end users choose the right tires and assess their tire condition effectively.

Nokian Tyres' vision is to lead the world toward smarter driving, which includes regular educational outreach. To raise consumer awareness, Nokian Tyres offers educational content focused on safety, environmental responsibility, and other considerations. This includes practical advice, such as checking tire pressure, selecting the right tires, and ensuring proper tire recycling.

When it comes to communications and marketing, the target audience consists of individuals seeking product information when purchasing tires, users looking for tire maintenance tips, and consumers who receive email updates because they've opted in or are existing customers. Nokian Tyres and Vianor also share valuable information via social media platforms and company websites.

Strengthening brand reputation through communication

Nokian Tyres sees an opportunity to engage more closely with its customers through clear, fact-based sustainability communications and marketing. Proactive and innovative communication strategies enhance brand reputation and help drive increased revenue.

Personal data protection

Nokian Tyres processes the personal data of both individual consumers (B2C customers) and contact persons from corporate clients (B2B contacts). The company conducts Data Protection Impact Assessments (DPIAs) in compliance with data protection laws. These assessments evaluate whether certain consumer groups, such as minors, may be more vulnerable than the average consumer. For example, some minors – like moped drivers – may visit Vianor service centers, resulting in the processing of their personal data. However, no other consumer groups have been identified as being at higher risk than average consumers.

Managing potential negative impacts

In terms of potential negative impacts, Nokian Tyres recognizes the possibility of compromised customer privacy due to inadequate cybersecurity or privacy measures. Insufficient protection could lead to data breaches or misuse of personal information, potentially causing financial harm to consumers. Although such incidents could have widespread repercussions in a worst-case scenario, they would likely remain isolated.

Consumers and end users materially affected by Nokian Tyres were included in the company's double materiality assessment (DMA). The stakeholder survey was made available via social media, and an internal DMA workshop involved representatives from all three business units – Passenger Car Tyres, Heavy Tyres, and Vianor – along with survey participation from their respective customers.

S4-1 Policies and requirements guiding Nokian Tyres' work

Nokian Tyres' Environmental, Safety, and Quality Guideline affirms the company's commitment to developing and manufacturing high-quality premium products and services that provide users with safe, economical, and comfortable driving experiences. It also pledges to deliver the best service in the tire industry across all areas.

Nokian Tyres operates in alignment with the UN Guiding Principles for Business and Human Rights and its own Code of Conduct, which reflects these principles. The company is dedicated to avoiding any actions that could cause or contribute to human rights violations. If such impacts do occur, Nokian Tyres takes prompt action to address them.

Additionally, Nokian Tyres aims to prevent or mitigate human rights risks directly linked to its operations, products, or services. For consumers and end users, these risks may involve issues related to security and privacy rights.

In case adverse human rights impacts occur, Nokian Tyres has established procedures to ensure proper remediation. If a personal data breach takes place, the company will notify local supervisory authorities and affected individuals in accordance with applicable laws.

Rigorous testing policies and standards

In addition to adhering to Nokian Tyres' Code of Conduct and Environmental, Safety, and Quality Guideline, the product development processes are driven by rigorous testing policies. The Product Lifecycle Process guides internal procedures for developing new products while ensuring quality and safety standards are maintained throughout the entire product lifecycle.

The company adheres to various regulations covering noise, studs, chemicals, testing, and tire markings, among others. Tires in scope of EU Tyre Labelling regulation comply with the requirements and the related information is available in European Product Registry of Energy Labelling (EPREL).

As a full member of the European Tyre and Rim Technical Organisation (ETRTO), Nokian Tyres actively participates in global standardization and regulatory efforts. In addition, products of Nokian Heavy Tyres are designed according to ETRTO standards.

Currently, Nokian Tyres contributes to the European Tyre and Rubber Manufacturers Association's (ETRTO) development of a tire abrasion test method. Further details can be found under "Pollution" in the Environmental Information section.

Safeguarding consumers' and end users' data, and providing truthful information

Protecting the privacy of consumers' and end users' data is important to Nokian Tyres. The company is fully committed to data protection, continuously striving to uphold and enhance its standards. Both the Code of Conduct and Data Protection Policy emphasize privacy protection and strictly comply with relevant legislation, and the Data Protection Policy lays down the basic fundamental requirements for personal data processing.

Personal data provided by customers and other parties is used only as permitted by privacy laws. To ensure compliant practices, Nokian Tyres has established the following written guidelines for handling personal data:

- Data Subject Rights Guideline: Outlines the process for responding to data subject requests in compliance with applicable laws.
- Data Breach Guideline: Details the procedure for managing data breaches in accordance with legal requirements.
- Data Retention Guideline: Defines the principles for retaining personal data across the group.

Nokian Tyres' Code of Conduct defines its approach to marketing and communications, focusing on effective engagement with stakeholders, including consumers and end users. It promotes reliable, balanced, and timely communication, ethical marketing practices, and the provision of truthful information.

No significant changes were made to the Data Protection Policy or related guidelines during the reporting year. The Environmental, Safety, and Quality Guideline received minor updates in the spring of 2024, consisting of small additions and wording adjustments.

Oversight and implementation

Regarding the Data Protection Policy, the Board of Directors is responsible for overseeing the organization's data protection governance and management effectiveness. The President and CEO approves and assigns roles and responsibilities for data protection management, defines strategic objectives, and allocates resources to achieve them. The General Counsel oversees and directs personal data protection governance, while Business Unit, Business Area, and function leaders are accountable for implementing data protection principles and practices within their respective areas.

The President and CEO is also responsible for implementing both the Environmental, Safety, and Quality Guideline and the Code of Conduct. Additionally, the Product Lifecycle Process is approved by a member of Nokian Tyres' Management Team.

All policies relevant to consumers and end users are publicly accessible on Nokian Tyres' website.

S4-2 Engaging with end users

At Nokian Tyres, premium quality means premium class safety. The company has maintained a 23-year track record without significant product recalls.

Nokian Tyres' primary customers are tire dealers and other intermediaries who sell the tires to end users, so Nokian Tyres has direct engagement with both groups, but engagement with end users can also happen through dealers.

When developing new products, consumer and end user needs are researched and taken into account to guide the development work. During the new product development phase, consumers' needs are collected in cooperation with Business Areas through different types of surveys, such as dealer surveys. This kind of feedback guides the focus and needs of development in product development processes.

Each year, Nokian Heavy Tyres (NHT) conducts customer surveys to key accounts and all buying customers. The survey consists of the following topics: trust and reliability, customer service and collaboration, and product quality and range.

In addition, NHT's personnel train customers on products and product safety. End users of heavy tires can also give feedback, request materials, and ask for technical information via NHT's web page: www.nokiantyres.com/heavy/contact-us/feedback/. The most senior role responsible for engagement is the Executive Vice President of Heavy Tyres and Nokia Factory.

Consumers and end users are also able to provide feedback on Nokian Tyres products. Additionally, during its double materiality analysis, Nokian Tyres included retailers among the survey respondent groups. The insights gathered from retailers are considered when managing sustainability impacts.

Regarding B2B customers, Nokian Tyres has not identified any groups as particularly vulnerable to impacts. However, in the B2C context, Nokian Tyres has noted that some minors may be among the customers of Vianor's services.

S4-3 Processes to remediate negative impacts

If Nokian Tyres identifies a material negative impact on consumers and end users due to compromised customer privacy from inadequate cybersecurity measures, it will notify local supervisory authorities and all individuals whose personal data may have been compromised, in accordance with applicable laws.

If a consumer or end user suspects a data protection issue, they can contact Nokian Tyres directly via email at privacy@nokiantyres.com. The number of incoming Data Subject Requests is monitored internally, and response times are tracked to ensure compliance with legal requirements.

The Privacy Statement, available on Nokian Tyres's website, includes instructions on how to contact the company. Additionally, when a consumer registers for any of Nokian Tyres or Vianor's services, they are informed about the Privacy Statements, including relevant contact details.

End users are encouraged to share feedback or concerns through their local website or, for product-related issues, by contacting the dealer where the tires were purchased. If these channels do not fully resolve the issue, end users can reach out to Nokian Tyres's main offices via various channels, including info@nokiantyres.com.

For unresolved concerns or significant issues, such as suspected infringements, anonymous reports can be made through the whistleblowing channel.

The Code of Conduct, available on the website, includes instructions for using the whistleblowing channel. Nokian Tyres' policies protect individuals from retaliation when raising concerns about a misconduct, as outlined in the Code of Conduct.

Nokian Tyres plc manages personal data related to the company's group-level whistleblowing process. All grievances are handled confidentially and with respect to privacy and data protection rights. While the number of whistleblowing cases is monitored internally, there are currently no processes in place to track the effectiveness of these reporting channels or the consumers and end users' awareness and trust toward these structures and processes.

S4-4 Taking action to manage impacts and pursue opportunities

In 2024, Nokian Tyres did not identify any severe human rights issues or incidents involving consumers or end users.

To proactively manage potential material impacts, the company has allocated resources across key functions. Data protection responsibilities are clearly defined within the Data Protection Policy, ensuring compliance and accountability.

For the development of passenger car tires' safety properties, the Products and Innovations unit takes the lead in managing impacts. Additionally, the Nokian Heavy Tyres business unit oversees heavy tire safety, reinforcing the company's commitment to end user and product safety.

The sustainability team and corporate communications handle corporate sustainability communications and collaborate with business area marketing teams to develop educational content.

Increasing awareness on data protection

In 2024, Nokian Tyres introduced a training plan to raise employees' awareness of data protection. This initiative supports the implementation of the Data Protection Policy and related guidelines. Key actions included posting updates on the intranet, promoting the e-learning module, and monitoring completion rates. There are also plans to extend training to Vianor and customer service outlets, focusing on the Data Subject Rights process.

Both the Data Subject Rights Guideline and Data Breach Guideline are aligned with GDPR requirements. In 2018, Nokian Tyres conducted an extensive GDPR project to establish compliant practices for managing data subject rights and data breaches.

Data privacy management activities are structured in annual cycles, with planned actions outlined for each quarter of the year.

Safety and comfort in all conditions

Nokian Tyres actively participates in the continued development of EU Tyre Labelling test methods for regulatory purposes, including wet grip and ice grip testing. These performance features are critical for passenger car tire safety, determining how quickly a vehicle with particular tires can stop on wet or icy roads.

As for heavy tire safety, tire pressure poses a significant risk of explosion, and working with tires involves various occupational safety hazards. As tires have grown larger and heavier, their pressures have increased as well. Tire industry professionals handle a growing number of tires with diverse sizes and technical specifications daily. Recognizing these risks in advance and taking effective measures to manage them is crucial.

To ensure the safety and premium quality of its tires, Nokian Tyres uses high-quality raw materials. Each raw material is rigorously tested and studied, while the rubber compounds are continuously improved. Process controls are implemented throughout production to guarantee quality, with every tire undergoing production quality control. This includes testing for force variations, roundness, and unbalance measurements, as well as a thorough visual inspection.

At Nokian Tyres' test centers in Nokia and Ivalo, Finland, and Santa Cruz de la Zarza, Spain, tire performance is evaluated under diverse conditions: wet and dry asphalt, ice, snow, slush, inclines, corners, straights, and even cobblestones. Tires are tested during acceleration, braking, aquaplaning, and on handling tracks, in both freezing cold and extreme heat.

Nokian Tyres is also committed to reducing tire noise emissions. The state-of-the-art test center in Santa Cruz de la Zarza includes a 1.9-kilometer "comfort road" that simulates different types of asphalt and rough roads, as well as cobblestone streets.

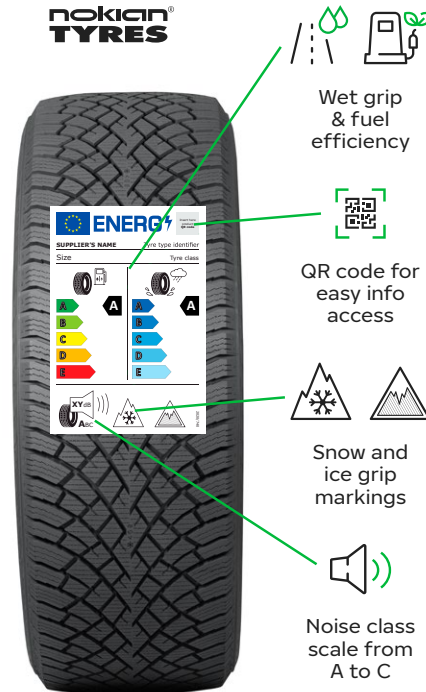
The flagship Nordic winter tires, the non-studded Nokian Tyres Hakkapeliitta R5 EV and studded Nokian Tyres Hakkapeliitta 10 EV, are specially designed for electric vehicles. Both feature noise-reducing innovations, including an interior foam layer that minimizes noise inside the vehicle.

Nokian Tyres has been designing and testing tires for electric vehicles for over 10 years. In 2023, the company introduced the ELECTRIC FIT™ symbol across its entire portfolio of premium passenger car tires. This symbol indicates that Nokian Tyres tires are compatible with both internal combustion engine and electric vehicles, offering safe and high-quality performance regardless of the vehicle's powertrain.

The EU Tyre Label provides reliable and transparent tire information for consumers and end users

The established standards and regulations provide a solid foundation for Nokian Tyres' commitment to product safety. The EU Tyre Label empowers consumers to make informed decisions when purchasing tires by highlighting key performance attributes such as fuel efficiency, wet grip, and pass-by noise levels. The labeling values provide reliable and transparent information to consumers and end users to evaluate different products. A recent update to the regulation, the snow and ice grip markings, now includes information on winter performance.

Nokian Tyres' products covered by the EU Tyre Labelling Regulation are equipped with the EU Tyre Label. Detailed labelling information is also available on the company's website. Additionally, Nokian Heavy Tyres provides product information, including certificates and technical manuals, for all customers and consumers on NHT's website.



TIRE GRIP AND SAFETY

When it comes to the safety of passenger car tires, wet grip, snow grip, and ice grip are critical performance indicators. The EU Tyre Label rates wet grip on a scale from A to E, indicating braking performance in wet conditions – the higher the rating, the shorter the braking distance.

Since May 2021, the label has expanded to include snow and ice grip markings. Tires approved for severe snow conditions feature the snow grip marking, while those passing international ice grip tests carry the ice grip marking. The ice grip marking is only applicable to passenger car tires.

Additionally, the label includes a QR code that links to the European Product Registry for Energy Labelling (EPREL), providing more detailed information about the tire. Consumers can download and print the tire label directly from EPREL.

NOISE LEVELS

Tires generate pass-by noise, which affects both the people inside the vehicle as well as those around it. The EU Tyre Label classifies pass-by noise from A to C, with A representing the lowest external noise levels. Noise levels are influenced by various factors, including vehicle type, tire size, road surface, driving speed, and climate conditions.

SAFE AND SUSTAINABLE TIRE USE

Nokian Tyres aims to lead the way in smart driving, educating drivers on how to maximize tire performance through responsible driving and tire maintenance. Tires with lower rolling resistance reduce emissions, and predictable driving habits, along with properly maintained tires, significantly enhance road safety.

In addition to the EU Tyre Label, Nokian Tyres provides comprehensive guidance on tire use and maintenance through its website, regularly covering essential topics like maintaining the correct tire pressure.

Increasing end user awareness on both safety and sustainability

Nokian Tyres is committed to continuously raising end user awareness on safety, environmental, and other important aspects through educational content. The company's websites offer detailed, product-specific information about tire safety features, as well as general advice on topics like proper tire pressure, tread depth, tire storage and maintenance, the impact of low rolling resistance on fuel consumption, and safe driving practices in wet, snowy or icy conditions.

In addition to highlighting these topics across all of Nokian Tyres' market areas, press releases and social media posts help to raise awareness and reach a broader audience. In the Nordics and North America, consumer newsletters also provide regular updates on these subjects. Additionally, Vianor's marketing team in the Nordics regularly communicates tire and traffic safety information to both B2C and B2B end users.

When a customer visits Vianor for car or tire service, the condition of their vehicle's tires is checked, and information about the tires' condition is shared to them. If necessary, the customer also receives a recommendation to replace the tires to ensure road safety.

Similarly, the condition of customers' tires stored at Vianor is checked, and if the tires are no longer road-safe, the customer is informed prior to the next tire change with a recommendation to purchase new tires.

Opportunities in fact-based and innovative communications

Nokian Tyres intends to communicate regularly with consumers and end users regarding sustainability innovations, achievements, and actions that demonstrate the company's leadership in sustainability, and which can influence their purchasing decisions. This involves highlighting how the company's sustainability efforts contribute to key areas such as environmental impact, climate actions, raw material innovations, and product performance.

By sharing this information through various channels, including websites, press releases, and social media, Nokian Tyres aims to provide consumers and end users with clear, fact-based insights into how its products support sustainability. This approach not only reinforces the company's commitment to environmental responsibility but also helps consumers make informed choices that align with their values.

S4-5 Targets to improve road and end user safety

Improving grip in various road conditions – such as wet, snow, and ice – is a continuous development target for Nokian Tyres' R&D, directly linked to the company's safety policy commitments. Although consumers and end users were not involved in setting or tracking these targets, the EU Tyre Label's classification criteria for wet grip, rolling resistance, noise, fuel efficiency, snow grip, and ice grip help simplify and guide purchase decisions.

The EU Tyre Label classification is used in Nokian Tyres' Product Lifecycle Process to establish specific product performance targets, as achieving certain labeling classifications or fulfilling the criteria for labeling markings provide a means to assess product performance reliably and transparently.

For wet grip, Nokian Tyres aimed for 100 percent of its premium passenger car tires to achieve an A or B class rating in the EU Tyre Labeling system by 2025. By the end of 2023, the company had already met this target, with all premium tires in the selected scope rated A or B. The selected scope comprises the latest generation tires that are in price category A and included in the EU Tyre Labelling. The scope does not include Nordic winter tires, for which ice grip is crucial.

In terms of ice grip, ensuring the safety of winter tires is a top priority for Nokian Tyres. The goal was for all of Nokian Tyres Hakkapeliitta products to meet the EU ice grip requirements by 2025. This target was achieved in 2022.

Nokian Tyres remains committed to maintaining high safety standards and continues to develop future products accordingly. The company targets to ensure that 100 percent of its premium passenger car tires achieve an A or B class wet grip rating in the EU Tyre Labeling system and that all of the Nokian Tyres Hakkapeliitta products meet the EU ice grip requirements also in the future. In 2024, this target was achieved. Additionally, the company actively collects user feedback and ratings on its website, allowing consumers to provide insights and suggestions for improvements.

Governance information

G1 Business conduct

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Nokian Tyres' business is guided by the ethical principles presented in the Board-approved Code of Conduct.



GOVERNANCE INFORMATION

G1 Business conduct

Material topic in Nokian Tyres' context	Impact, risk, opportunity	Policy or work instruction	Management
Management of relationships with suppliers including payment practices	<ul style="list-style-type: none"> • Positive impacts from ethical and sustainable sourcing practices • Opportunity for being a preferred partner for suppliers through good and fair relationship management 	Supplier Code of Conduct, Sustainable Natural Rubber Policy, Nokian Tyres' general terms and conditions for purchases	<p>Nokian Tyres aims to be a trusted partner and a sustainability benchmark in the industry. This can only be achieved by having a network of responsible suppliers. The Supplier Code of Conduct defines the basic principles that every supplier must comply with.</p> <p>The standard payment term is 60 days net and for raw material purchases 90 days net. In the case of e.g. smaller suppliers the payment terms are reconsidered when necessary.</p>
Political engagement and lobbying activities	Positive impacts from advancing and lobbying for legislation that is beneficial for end users and/or the environment	Code of Conduct	<p>Nokian Tyres does not provide monetary or in-kind support to political parties or groups or individual politicians. Lobbying is conducted through industry associations, and it is transparent and characterized by accurate contribution of the company's technical expertise and knowledge concerning the tire industry and other related sectors, with a focus on products, safe and sustainable mobility, and innovation.</p>

G1-1 Corporate culture and business conduct policies

Nokian Tyres' business is guided by the ethical principles presented in the Code of Conduct approved by the Board of Directors that can be found on the company website at company.nokiantyres.com/sustainability/responsible-business/corporate-culture-and-business-conduct/code-of-conduct/. The document includes instructions for various matters related to ethics and anti-bribery guidelines.

At the heart of the corporate culture at Nokian Tyres are the key policies that are defined within the compliance framework of the company. The Board of Directors and Nokian Tyres Management Team review them annually. These policies include policies targeting for good corporate ethics, such as Code of Conduct, Anti-Bribery and Conflict of Interest Code of Conduct, Data Protection Policy, and Supplier Code of Conduct, among others, as well as financial policies, such as Tax Policy and Enterprise Risk Management Policy. The policies present the principles to be followed in Nokian Tyres' business, as well as further operative guidelines and controls to ensure the policies are followed.

Reporting and handling of breaches

At Nokian Tyres, the general controls, including identifying, reporting and investigating unlawful behavior or behavior in contradiction with the Code of Conduct, are the responsibility of the line organization and the various specialist functions as part of their normal operative work. Nokian Tyres has also had a whistleblowing channel available since 2011.

Nokian Tyres whistleblowing channel was renewed in 2024. The company started utilizing whistleblowing service provided by an external third party. The whistleblowing channel is available to external stakeholders on the company website.

All messages received in the channel are handled confidentially and they are encrypted. Anonymous reports are allowed, and to ensure the anonymity of the whistleblower sending the message, the service provider deletes all meta data, including IP addresses. The whistleblower remains anonymous in the subsequent dialogue with the responsible receivers of the report.

Access to messages received through the whistleblowing channel is restricted to members of the whistleblowing team that has the authority to handle whistleblowing cases. Their actions are logged, and handling is confidential. Internal instructions and training concerning the investigation process and rules pertaining to it are in place for the members of the whistleblowing team. When needed, the whistleblowing team may request information and expertise from other individuals within or outside the company. These individuals can gain access to relevant data and are also bound to confidentiality.

The Code of Conduct eLearning includes training on the whistleblowing channel. In addition, when adopting a new whistleblowing service tool in 2024, the company communicated the change by several means, such as in general info calls and team meetings and organizing activities to promote the awareness of the whistleblowing channel.

Nokian Tyres is committed to investigating business conduct incidents promptly, independently and objectively. Nokian Tyres' Whistleblowing Committee was formed in 2019 to guide and monitor the activities relating to the whistleblowing channel. All material issues will be reported to the Audit Committee and People and Sustainability Committee at least once a year.

In 2024, no compliance breaches were found relating to corruption or bribery, conflict of interest, money laundering or insider trading, or any subjects referred to in the EU Whistleblowing Directive.

Nokian Tyres informed on January 30, 2024 that the European Commission had at the same day initiated an unannounced inspection at Nokian Tyres plc's headquarters in Nokia, Finland. The European Commission has expressed its concerns that the inspected tire manufacturing companies may have violated EU antitrust rules that prohibit cartels and restrictive business practices. Nokian Tyres does not have information on the outcome of the inspection, and it cannot comment on the ongoing investigation. Nokian Tyres is fully co-operating with the authorities.

Internal Audit

Nokian Tyres Group's Internal Audit was outsourced in 2024. The outsourced Internal Audit team reports administratively to the CFO and functionally to the Audit Committee. Each year, the Audit Committee approves the focus areas for Internal Audit.

Nokian Tyres' Internal Audit systematically carries out assessments and audits on the efficiency of risk management, internal control, and corporate governance processes. Internal Audit is an independent and objective function aimed at helping the organization achieve its goals. The principles for Internal Audit have been confirmed in the Internal Audit Charter and Policy, approved by the Board of Directors.

The operation of Internal Audit covers all business activities, functions and processes within the Nokian Tyres Group. The audit assignments are based on the key strategic focus areas of the company's operations and the associated risks. The audit findings, recommendations and management action plans are presented to the Audit Committee, followed by ongoing monitoring and follow-up on the implementation of the management action plans.

Protecting whistleblowers and training the employees

The reports of suspicions concerning illegal activity at Nokian Tyres or infringements of Nokian Tyres' Code of Conduct or other guidelines may be submitted anonymously. The reports sent via the whistleblowing channel are processed by Nokian Tyres' whistleblowing team. When needed, the whistleblowing team may request information and expertise from other individuals within or outside the company. All the people participating in the investigation have a professional understanding and capacity to handle the reports and investigations.

The personal data and other information entered into the whistleblowing system is handled with absolute confidentiality and in the manner required by the privacy legislation. The personal data in the whistleblowing system is protected against unauthorized access.

All whistleblowers are protected against any form of retaliation. Anonymous reports are treated with the same level of importance as named reports.

Nokian Tyres' employees have been informed of the whistleblowing channel via internal communication channels. In addition, information on the whistleblowing channel is communicated as part of Nokian Tyres Code of Conduct e-training, which is included in the induction training of all new employees.

Nokian Tyres is subject to legal requirements under national law transposing Directive (EU) 2019/1937.

G1-2 Management of relationships with suppliers

Nokian Tyres has standard payment terms, and there is no separate policy to prevent late payments. However, the basis of the procurement process is that justified invoices are paid on time.

Requiring a commitment to ethical business and sustainability from suppliers promotes both environmental and social responsibility in the supply chain. The most important policies that drive this development are Nokian Tyres Supplier Code of Conduct and Nokian Tyres' Sustainable Natural Rubber Policy. They are discussed in more detail under the topic **"Workers in the value chain"**. In Nokian Tyres Management Team, the Senior Vice President, Operation Excellence is accountable for the implementation of these supply chain related policies.

Nokian Tyres checks the backgrounds of all new suppliers according to the Due Diligence process and assesses the possible risks attached to the suppliers before supplier approval. The assessment model has four different categories: quality, sustainability (covering environmental, social and governance criteria), business/strategic criticality, and safety at work. Actions are taken with all new suppliers that are classified as critical or medium critical in any of the four categories in the classification model. The actions are, for example, sustainability on-site audits, desk assessments and requesting a management system certification in terms of quality, environment, or safety. Potential risks identified with desk assessments are additionally confirmed and verified through on-site audits. The Supplier Risk Analysis Process is also presented in more detail under the topic **"Workers in the value chain"**.

G1-5 Advancing regulation related to tire safety and sustainability

Nokian Tyres' business is guided by the ethical principles presented in the Code of Conduct, which states that Nokian Tyres does not provide monetary or in-kind support to political parties or groups or individual politicians.

Every employee must adhere to the Code of Conduct. Participation in interest representation through memberships is conducted only in strict compliance with applicable laws, the Code of Conduct and related policies and procedures. Nokian Tyres is registered with the European Transparency Register (registration number 604107415108-75).

For the management of the company's lobbying activities and trade association memberships, the guiding principles are the following: lobbying work is transparent and characterized by accurate contribution of the company's technical expertise and knowledge concerning the tire industry and other related sectors, with a focus on products, safe and sustainable mobility, and innovation.

Nokian Tyres is a member of certain industry and other associations, and of national and international advocacy organizations. These memberships also help Nokian Tyres identify new product development and business opportunities early on and create competitive business conditions that are sustainable over the long term.

In 2024, the company's membership fees for trade associations and contributions to lobbying activities totaled 1,271,640 euros globally. The three largest fees were paid to the U.S. Tire Manufacturers' Association (USTMA), European Tyre and Rubber Manufacturers' Association (ETRMA) and Finnish Rubber Manufacturers' Association.

Two biggest contributions for lobbying topics were related to tire abrasion and tire noise. The project related to tire abrasion is related to Nokian Tyres' material impact regarding pollution, as the project aims for reducing road transport emissions by setting global tire abrasion limits that are based on a reliable tire test method. The indoor drum method project aims to reduce measurement uncertainty of the pass-by noise field test by transferring testing to indoor facilities.

Membership fees and interest representation

Euros	2024
Political funding and in-kind giving provided to parties and politicians, and spending related to ballot measures or referendums	0
Three largest membership fees of trade associations, including industry associations and business associations:	
USTMA (U.S. Tire Manufacturers' Association)	322,604
ETRMA (European Tyre and Rubber Manufacturers' Association)	109,939
Finnish Rubber Manufacturers' Association	104,415
Membership fees of trade associations (total)	882,926
Two largest contributions for particular topics:	
ETRMA: Tyre Abrasion Validation	236,720
ETRTO: Indoor drum method	48,153
Total contributions for lobbying and interest representation	388,714

G1-6 Payment practices

The standard payment term in Nokian Tyres' general terms and conditions for purchases is 60 days net and for raw material purchases 90 days net. In the case of smaller suppliers, for example, the payment terms are reconsidered when necessary. 85 percent of the invoices are paid aligned with these standard terms. Invoices for raw materials account for approximately 16 percent of Nokian Tyres' annual invoices by value.

In 2024, the average time it takes to pay an invoice, starting from the date when the contractual or statutory payment term begins, was 46 days. The payment term has been calculated as a weighted average based on the supplier invoices paid during the review period. At the end of 2024, there were no outstanding legal proceedings for late payments.

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ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 d i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	-
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 d ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	-
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 d iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 d iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	-
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	73

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page reference
ESRS E1-1 Undertaking is excluded from EU Paris-aligned Benchmarks 16 g		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Material	73
ESRS E1-4 GHG emission reduction targets 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	75
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	76
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	76
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	76
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	77
ESRS E1-6 GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	78
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	-

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page reference
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material	Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 a ESRS E1-9 Location of significant assets at material physical risk paragraph 66 c		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Material	Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy efficiency classes 67 c		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Material	Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Material	Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Material	84
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	-
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	-
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	-

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page reference
ESRS E3-4 Total water recycled and reused paragraph 28 c	Indicator number 6.2 Table #2 of Annex 1				Not material	-
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	-
ESRS2 SBM-3 - E4 paragraph 16 a i	Indicator number 7 Table #1 of Annex 1				Material	86
ESRS2 SBM-3 - E4 paragraph 16 b	Indicator number 10 Table #2 of Annex 1				Material	86
ESRS2 SBM-3 - E4 paragraph 16 c	Indicator number 14 Table #2 of Annex 1				Material	86
ESRS E4-2 Sustainable land or agriculture practices or policies paragraph 24 b	Indicator number 11 Table #2 of Annex 1				Material	87
ESRS E4-2 Sustainable oceans or seas practices or policies paragraph 24 c	Indicator number 12 Table #2 of Annex 1				Not material	-
ESRS E4-2 Policies to address deforestation paragraph 24 d	Indicator number 15 Table #2 of Annex 1				Material	87
ESRS E5-5 Non-recycled waste paragraph 37 d	Indicator number 13 Table #2 of Annex 1				Not material	-
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	-
ESRS2 SBM-3 - S1 Risk of incidents of forced labour paragraph 14 f	Indicator number 13 Table #3 of Annex I				Not material	-
ESRS2 SBM-3 - S1 Risk of incidents of child labour paragraph 14 g	Indicator number 12 Table #3 of Annex I				Not material	-
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	97
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	97
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	97

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page reference
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	98
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 c	Indicator number 5 Table #3 of Annex I				Material	100
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 b and c	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	106
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 e	Indicator number 3 Table #3 of Annex I				Material	106
ESRS S1-16 Unadjusted gender pay gap paragraph 97 a	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	107
ESRS S1-16 Excessive CEO pay ratio paragraph 97 b	Indicator number 8 Table #3 of Annex I				Material	107
ESRS S1-17 Incidents of discrimination paragraph 103 a	Indicator number 7 Table #3 of Annex I				Material	107
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 a	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	107
ESRS 2 SBM-3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 b	Indicators number 12 and n. 13 Table #3 of Annex I				Material	109
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	109
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	109
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	109
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	109

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page reference
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	113
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	-
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	-
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	-
ESRS S4-1 Policies related to consumers and end users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material	117
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	117
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Material	119
ESRS G1-1 United Nations Convention against Corruption paragraph 10 b	Indicator number 15 Table #3 of Annex 1				Not material	-
ESRS G1-1 Protection of whistle- blowers paragraph 10 d	Indicator number 6 Table #3 of Annex 1				Not material	-
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 a	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Not material	-
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 b	Indicator number 16 Table #3 of Annex 1				Not material	-

+ ADDITIONAL, NON-MATERIAL INFORMATION

Additional sustainability disclosures

Pollution

In the double materiality assessment NO_x and SO_x emissions were identified as non-material. However, Nokian Tyres reports the following figures to provide transparent information also about these emissions.

Emissions to air	2024	2023	2022
NO_x, t			
Tire factory in the US	3.3	2.8	2.0
SO_x, t			
Tire factory in the US	0.6	0.5	0.4

(GRI 305: Emissions 2016. GRI 305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x))

Water and wastewater

As mentioned in ESRS 2 IRO-1, the topic Water and marine resources was assessed non-material. In Nokian Tyres' operations, municipal water is mainly used for process cooling in a circular system, and after usage it is delivered to a wastewater treatment plant. Regular samples are taken from the cooling water and from the wastewater conveyed to the municipal treatment plant in order to verify the water quality. Both the wastewater conveyed into the municipal sewage system and the cooling water has been practically clean.

In the tire factory in Finland, manufacturing processes use large quantities of cooling water due to the cooling system being different from the system in the US factory. In Finland, surface water is taken from the nearby Nokianvirta river for cooling and it is discharged back into the river after use. The cooling water has no contact with production chemicals at any stage and, therefore, does not become contaminated.

Nokian Tyres' target for water usage is that municipal (third party) water withdrawal is below two liters per product kilogram in the tire factories. Tire factories' water withdrawal is monitored monthly, and if necessary, corrective actions are initiated. A global action plan for reducing water and wastewater generation is also being implemented. In 2024, municipal (third party) water withdrawal was 2.3 liters per product kilogram in the tire factories.

Water	2024	2023	2022
Cooling water (surface water), Tire factory in Finland, 1,000 m³			
Withdrawal, Nokianvirta river	7,785.0	9,004.2	9,064.9
Discharge, Nokianvirta river	7,745.3	8,950.8	9,052.8
Municipal water, 1,000 m³			
Tire factory in Finland	81.5	75.1	67.7
Tire factory in the US	156.4	142.2	75.8
Wheel factory in Finland	6.8	6.3	8.5
Water discharge, sewage, 1,000 m³			
Tire factory in Finland	118.4	128.5	79.8
Tire factory in the US	138.2	97.3	74.1
Wheel factory in Finland	6.8	6.3	8.5

(GRI 303: Water and effluents 2018. 303-3 Water withdrawal, 303-4 Water discharge)

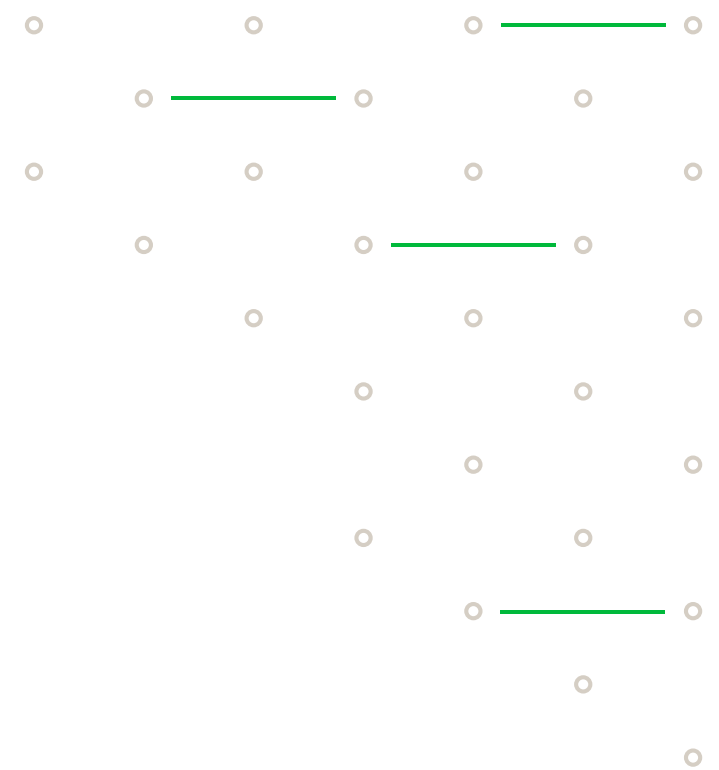
+ ADDITIONAL, NON-MATERIAL INFORMATION

Waste

In the double materiality assessment waste was identified as non-material. All Nokian Tyres' tire production waste is utilized, and there has been no waste to landfill from tire production after 2021. Thus, waste does not cause material impacts, risks, or opportunities. The table below shows the key figures regarding Nokian Tyres' tire factory waste disposal in Finland and in the US.

Resource outflows (in t)	2024	2023	2022
Waste generated			
Hazardous waste diverted from disposal	344	218	147
Hazardous waste diverted from disposal due to preparation for reuse	-	-	-
Hazardous waste diverted from disposal due to recycling	344	218	147
Hazardous waste diverted from disposal due to other recovery operations	-	-	-
Non-hazardous waste diverted from disposal	7,250	5,604	3,916
Non-hazardous waste diverted from disposal due to preparation for reuse	1,108	145	144
Non-hazardous waste diverted from disposal due to recycling	6,080	5,400	3,696
Non-hazardous waste diverted from disposal due to other recovery operations	62	59	76
Hazardous waste directed to disposal	19	62	87
Hazardous waste directed to disposal by incineration	19	62	87
Hazardous waste directed to disposal by landfilling	-	-	-
Hazardous waste directed to disposal by other disposal operations	-	-	-
Non-hazardous waste directed to disposal	3,749	3,678	3,164
Non-hazardous waste directed to disposal by incineration	32	54	84
Non-hazardous waste directed to disposal by energy recovery	3,717	3,624	3,080
Non-hazardous waste directed to disposal by landfilling	-	-	-
Non-hazardous waste directed to disposal by other disposal operations	-	-	-
Non-recycled waste	3,768	3,740	3,250
Percentage of non-recycled waste	33%	39%	44%
Total waste (t)	11,362	9,562	7,314

(GRI 306: Waste 2020. 306-3 Waste generated, 306-4 Waste diverted from disposal)



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