

**nokian<sup>®</sup>  
TYRES**

# **NON-FINANCIAL INFORMATION STATEMENT**

**MADE FOR DEMANDING CONDITIONS**



# Non-Financial Information Statement 2023

Nokian Tyres develops and manufactures premium tires for consumers and customers who value safety, sustainability, and predictability. Sustainability is at the core of Nokian Tyres' business and one of the five cornerstones of the company's strategy.

Nokian Tyres is a supporting member of the United Nations Global Compact (UNGC) initiative and is committed to the Sustainable Development Goals (SDGs) set by the UN.

## Managing non-financial matters at Nokian Tyres

Nokian Tyres' sustainability activities are led by the SVP, Supply Operations, who is a member of the Group's Management Team. Nokian Tyres Sustainability Steering Group supervises and monitors the sustainability work within the Group and comprises of senior representatives from Supply Chain, Products & Innovations, Finance, Human Resources and Communications departments. Nokian Tyres 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.

Targets, milestones, development items, and other key topics are discussed by the Group's Management Team at least twice a year, and at least three times a year by the Board's People and Sustainability Committee. The VP of Quality, Sustainability, and Supply Operations Business Development shares knowledge and updates with the Committee about the company's impacts.

### Managing sustainability at Nokian Tyres



Nokian Tyres' business is guided by the ethical principles presented in the Board-approved Code of Conduct that can be found at [www.nokiantyres.com/company/sustainability/code-of-conduct/](http://www.nokiantyres.com/company/sustainability/code-of-conduct/). The document specifies the principles for Nokian Tyres' business, including instructions for various matters related to ethics and the anti-bribery guidelines. Nokian Tyres does not condone any form of bribery within the company's operations.

When reporting a suspected misuse or violation, an employee is advised to contact either his/her supervisor, Internal Audit, Legal & Compliance, or the HR unit. Misconduct can also be reported by sending an email to [whistleblow@nokiantyres.com](mailto:whistleblow@nokiantyres.com) or via regular mail. The internal auditor reports suspected misuses and violations to the Board's Audit Committee.

The company requires that all its sustainability critical suppliers adhere to Nokian Tyres' Supplier Code of Conduct ([www.nokiantyres.com/company/sustainability/supplier-code-of-conduct/](http://www.nokiantyres.com/company/sustainability/supplier-code-of-conduct/)). All raw material suppliers must, at a minimum, have an ISO 9001 certified quality management system in place. Nokian Tyres prefers suppliers with an ISO 14001 certified environmental management system.

The Risk Management Policy adopted by Nokian Tyres' Board of Directors supports achieving the company's strategic targets and ensuring business continuity. Read more about the company's risk management in the Financial Statement under Significant Risks and Uncertainties and in the Corporate Governance Statement.

## Guiding principles for Nokian Tyres' sustainability

Sustainability is a part of Nokian Tyres' company culture, strategy, and targets. The graph on the next page describes the areas of sustainability in the company, the guiding principles, and the most important standards and policies that guide the work.

## Nokian Tyres' material topics

Through continued focus on sustainability at Nokian Tyres, the company 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 understanding how Nokian Tyres' stakeholders view sustainability and what sustainability topics are relevant for society and the business. This is done by conducting materiality assessments every three years. The assessments form a basis for sustainability at Nokian Tyres.






The VP of Quality, Sustainability, and Supply Operations Business Development presents the data from the materiality assessment to the Group's Management Team and to the Board. The Board reviews and approves the Non-Financial Information Statement, the topics of which are based on the materiality assessment.

The company conducted a comprehensive materiality assessment in 2021. As a result, the following sustainability topics were considered material to Nokian Tyres' operations, and sustainability reporting regarding the year 2023 is mostly based on them:

1. Sustainable raw materials
2. Actions to mitigate climate change
3. Safety and well-being at Nokian Tyres
4. Promoting human rights in all operations
5. Safety properties of tires

The material topics for 2024 are defined with a double materiality analysis, the results of which will be presented in the Nokian Tyres' Sustainability Report 2023 to be published by the end of March 2024.

Areas of sustainability

Products / R&D	People	Economy	Environment	Procurement
				
<p>Nokian Tyres develops and manufactures ecofriendly, safe and high-quality tires that reach their destination safely even under demanding conditions.</p>	<p>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 company respects human rights and treats all individuals equally.</p>	<p>Through profitable growth, Nokian Tyres enables the further development of its operations and ensures financial security, work and well-being for stakeholders.</p>	<p>Nokian Tyres considers the product's entire life cycle and all of its functions in terms of environmental responsibility and is committed to acting in a way that does not harm the environment or people. Nokian Tyres aims to show leadership in actions against climate change.</p>	<p>Nokian Tyres is committed to sustainable procurement and further developing sustainability in the supply chain.</p>
<p><b>Essential standards, group policies and procedures related to sustainability</b></p>				
<p>Tire/vehicle safety regulations (UN tire regulations), various tire labelling (consumer information) regulations and standards (EU Tyre Labeling regulation), chemical regulation, UN Global Compact, Nokian Tyres tire testing policy.</p>	<p>ISO 45001, UN Global Compact, Policies and procedures related to safety, well-being, hiring, traveling, induction, people reviews and competence development, human rights and equality.</p>	<p>Stock exchange rules, IFRS, UN Global Compact, Corporate Governance, risk management, Know Your Counterparty, Tax Policy.</p>	<p>ISO 14001, Responsible Care program, Science Based Targets, UN Global Compact, Policies and procedures related to environmental and chemical safety management.</p>	<p>ISO 9001, ISO 14001, UN Global Compact, Procurement policy, Supplier Code of Conduct, Sustainable Natural Rubber Policy.</p>
<p><b>Local guidelines and procedures</b></p>				

## Non-financial targets

Nokian Tyres' non-financial targets are presented on the company's website at [www.nokiantyres.com/company/sustainability/fundamentals/our-targets-and-achievements/](http://www.nokiantyres.com/company/sustainability/fundamentals/our-targets-and-achievements/). The chart describes selected five key targets, with respective KPIs and results for 2023.

Area	Target	KPI	Progress in 2023
<b>Safe and eco-friendly tires:</b> increasing the share of sustainable materials in tires	Increase the share of recycled or renewable raw materials in tires to 50% by 2030	Report annual improvement	One new renewable raw material taken into production use
<b>Climate:</b> reducing CO <sub>2</sub> emissions in line with the four Science Based Targets	Reducing CO <sub>2</sub> emissions from tire production (scope 1+2) by more than 50% by 2030, base year 2015	Report annual improvement	Target was reached in 2023, seven years in advance
<b>Safety:</b> securing safer and better work	Accident frequency LTIF: Decrease from 8.3 (2018) to 1.5 by 2025	20% annual improvement in LTIF compared to the previous year	Negative development. LTIF increased from 3.2 to 4.7
<b>Human rights:</b> auditing all significant high-risk suppliers	100% of significant high-risk suppliers audited by 2025	Annual increase in the share of audited high-risk suppliers	100% audited (83% in 2022)
<b>Personnel wellbeing:</b> develop personnel wellbeing	Develop personnel wellbeing	Report annual improvement in sentiments about equal opportunities in the personnel survey, base year 2021 (65)	Score on equality was 67 on a scale of 0–100 (66 in 2022)

## Nokian Tyres as a part of society

**IMPACTS:** *Through sustainable business practices and financial success, Nokian Tyres offers security, work, and well-being for its personnel and contributes to the well-being of local communities.*

Nokian Tyres' objective is to create value for its various stakeholders, such as consumers, customers, personnel, and shareholders. Nokian Tyres wants to be a good corporate citizen wherever it operates.

Nokian Tyres' approach to philanthropy mirrors its purpose, entrepreneurial and inventive company culture, and sustainable way of doing business. The company does not support any political or religious entities. The company offers resources to projects based on the Nokian Tyres' Philanthropy Approach defined in 2020.

In 2023, Nokian Tyres gave the Baltic Sea Action Group (BSAG) a Baltic Sea commitment for the years 2023–2026. Nokian Tyres' commitment is focused on cooperation in BSAG's Ship Waste Action initiative. The goal of the initiative is to establish an operating model in which wastewater from cargo ships is discharged in the harbor and the utilization of nutrients is enabled by circular economy solutions.

Nokian Tyres also entered a partnership with the Finnish Ski Association, becoming the main partner of Cross-Country Ski Team Finland as well as junior Cross-Country Ski Team Finland for the seasons 2023–24 and 2024–25. With the partnership, Nokian Tyres wants to support the top athletes representing Finland as well as the young future talents.

Additionally, the company continued to support the traffic safety education for local school children in Nokia, Finland, and donated books for safety education. The tire and car service chain Vianor donated to Save the Children, an international advocate of children's rights, to support low-income families and children at the risk of alienation in Finland, Sweden, and Norway.

In the US, Nokian Tyres has donations committees in Dayton, Nashville, and Colchester. The company donated to non-profit and educational organizations near its US factory in Dayton, Tennessee. Throughout North America, Nokian Tyres donated tires to help charities and community organizations raise funds and serve their communities. In addition, Nokian Tyres supported Nokian Tyres Summer Nights, a summer concert series in Dayton aimed at supporting community growth.

Nokian Tyres continued its partnership with POWDR, a ski resort company in the US and Canada. The partners planted trees for every season pass sold during a select time period at participating resorts. They also worked together to educate resort guests on the importance of driving safety.

## Climate and the environment

**IMPACTS:** *Actions to mitigate climate change and reduce emissions, ensuring environmental and chemical safety*

Environmental and chemical safety and the coordination of sustainability are the responsibility of the Quality and Sustainability department. The company promotes environmental and chemical safety through risk management, continuous improvement of processes, and through new investments. When developing activities, the company applies best practices and advanced solutions while taking into account human factors and financial impacts.

The tire factories in Finland and in the US are certified pursuant to the international ISO 14001 environmental management system standard, the ISO 45001 occupational health and safety standard, and the ISO 9001 quality system standard. The company also holds an IATF 16949 approval for the automotive industry since 2013.

The company has defined its climate-related risks and opportunities according to the recommendations of Task Force on Climate-Related Financial Disclosures (TCFD). In 2023, the risks and opportunities were reassessed. The following scales were used for severity and time horizon:

### Severity:

Very low	<0.1 EUR million
Low	0.2–2 EUR million
Medium	3–20 EUR million
High	20–200 EUR million
Very high	>201 EUR million

### Time horizon:

Short	<2030
Medium	2030–2040
Long	2040–2050

### Climate-related risks

	Risk group	Sub category	Examples of concrete risks	Time horizon	Severity (Financial impact)	Probability	Adaptation / mitigation plan
Transition risks	Regulatory	Emerging regulation	Deforestation-related regulation (EUDR), concerning natural rubber	Short	Medium	High	Follow-up of emerging regulation
				Medium	Low	High	
				Long	Low	High	
			Green regulation on aviation and maritime fuels can significantly increase costs of logistics	Short	Low	High	
				Medium	Low	High	
				Long	Very low	High	
		Further environmental fees	Additional taxes and duties e.g. EU's CBAM for fossil raw materials can increase prices. Carbon taxes. Certification costs	Short	Medium	High	Participation in industry sector working groups
				Medium	Medium	High	
				Long	Medium	High	
		Stricter expectations to oversight	Increased verification testing of products and emission measurements, including LCA, EPD	Short	Low	Medium	Follow-up of emerging regulations
				Medium	Low	High	
				Long	Low	High	
	Technological	Climate-related demands for new tire technology	A+ rolling resistance tires required for EVs	Short	Medium	Low	Anticipation of future expectations in R&D development road maps
				Medium	Medium	Low	
				Long	Medium	Low	
			150 km/h max speed for EU – demand for UHP (Ultra High Performance) tires declines	Short	Low	Low	
				Medium	Low	Low	
				Long	Low	Low	
	Market and reputation	Market changes	Shift from car ownership to mobility-as-a-service i.e. changing customer base	Short	Low	Medium	Update product and service offering
				Medium	Medium	Medium	
				Long	Medium	Medium	
		Tire raw materials	Replacing fossil-based raw materials with more expensive renewable and recycled materials	Short	High	High	Road map for selective use of renewable and recycled raw materials
				Medium	Medium	High	
				Long	Medium	High	
Replacing raw materials that have a high carbon footprint with materials with a lower carbon footprint. Availability and price of materials			Short	High	High	Selective use of lower carbon footprint materials	
			Medium	Medium	High		
			Long	Medium	High		
Energy		Green energy prices go up due to strong demand	Short	Low	High	Long term power purchasing agreements	
			Medium	Medium	High		
			Long	Medium	Medium		
	Raw material and transportation price increases due to higher energy prices	Short	Low	Medium	Long term contracts		
		Medium	Low	Medium			
		Long	Low	Medium			

Climate-related risks

	Risk group	Sub category	Examples of concrete risks	Time horizon	Severity (Financial impact)	Probability	Adaptation / mitigation plan		
	Market and reputation	Tire raw materials	Availability of renewable and recycled raw materials can limit plans for sustainability	Short	Low	High	Aiming for multiple sources		
				Medium	Low	High			
				Long	Low	Medium			
		Tire demand	Increased demand for all-season tires, decreased demand for winter tires	Short	Low	High	Update product offering		
				Medium	Low	High			
				Long	Low	Medium			
		Reputational risk	Deforestation scandals (natural rubber)	Short	Low	Low	Co-operation with supply chain in line with GPSNR recommendations		
				Medium	Low	Low			
				Long	Low	Low			
			Unintentional incorrect sustainability information	Short	Low	Low	Systematic information verification practices		
				Medium	Low	Low			
				Long	Low	Low			
		Physical risks	Physical	Extreme weather events	Disruptions in logistics and force majeure situations	Short	Low	Medium	Alternative transportation routes
						Medium	Low	Medium	
						Long	Low	Medium	
Permanent changes in logistics and/or increased force majeure situations (chronic)	Short				Low	Low	Alternative transportation routes		
	Medium				Low	Low			
	Long				Medium	Low			
Impact of extreme weather events on natural rubber producers	Short			Low	Low	Alternative sourcing locations			
	Medium			Low	Low				
	Long			Low	Low				
Extreme temperatures	Contamination/lower quality of raw materials			Short	Low	Low	Multiple supply sources		
				Medium	Low	Low			
				Long	Low	Low			
Extreme weather events	Disruption on own production and/or distribution			Short	Low	Low	Location selection and building design. Insurances.		
				Medium	High	Low			
				Long	High	Low			



Climate-related opportunities

Opportunity group	Sub category	Examples of concrete opportunities	Time horizon	Financial impact	Probability	Implementation plan
Innovation	Raw materials	Innovations with renewable / recycled / local materials	Short	Medium	High	Material development road map to reach 50% share of renewable or recycled raw materials by 2030
			Medium	High	High	
			Long	High	High	
		Innovations with low carbon footprint raw materials	Short	Medium	High	
			Medium	High	High	
			Long	High	High	
	Recycling	Cooperation with innovative recycling companies	Short	Low	High	Screening of opportunities and widening of cooperation
			Medium	Medium	High	
			Long	High	High	
	Climate-friendly technology	Lower rolling resistance products. Climate-friendly production	Short	High	High	Product development road map. New zero CO <sub>2</sub> factory to Romania being implemented
			Medium	High	High	
			Long	High	High	
	Energy-efficient production	Modern machinery used in Nokian Tyres' factories	Short	Medium	Medium	New zero CO <sub>2</sub> factory to Romania being implemented
			Medium	Medium	Medium	
			Long	Medium	Medium	
Product range	Competitive advantage	As an expert in demanding and challenging weather conditions, Nokian Tyres' share in winter tire markets is strong. Readiness to increase the share further, should the extreme weather phenomena increase in the future	Short	Low	High	Innovations and developing product portfolio to meet future winter conditions, increasing consumer awareness
			Medium	Medium	High	
			Long	High	High	
		Increase of all-season tire sales in Europe due to milder winters	Short	High	High	Developing product portfolio by deploying knowhow of winter conditions
			Medium	High	High	
			Long	Medium	High	
	EU's ESG regulations	Increased share of sustainable raw materials	Short	Medium	High	Innovation and early adaptation of regulations
			Medium	Medium	High	
			Long	Low	High	
	Tire regulation for wear resistance (abrasion)		Short	Medium	High	Product development
			Medium	Low	High	
			Long	Very low	High	
	Industrial (heavy) tires	Existing expertise to provide climate-friendly solutions, e.g. intelligent sensor technology	Short	Medium	High	Product development
			Medium	High	High	
			Long	High	High	

Climate-related opportunities

Opportunity group	Sub category	Examples of concrete opportunities	Time horizon	Financial impact	Probability	Implementation plan
Engagement	Consumers	Increase awareness of how tires can affect safety and carbon footprint	Short	Medium	High	Consumer education through communications and marketing
			Medium	Medium	High	
			Long	Medium	High	
	Policy makers	Increased preparedness for new regulations or incentives	Short	Medium	High	Industry-wide cooperation and information sharing with decision makers
			Medium	Medium	High	
			Long	Medium	High	
	Shareholders / stakeholders	Climate-related sustainable financing and incentives	Short	Medium	High	Transparent sustainability targets, public reporting, collaboration with financial institutions, information sharing with stakeholders
			Medium	Medium	High	
			Long	High	High	
Regulatory	Renewable Energy Directive and other climate regulation	More renewable energy available in EU, prices can decrease	Short	Low	High	Own investments/partnering for green energy
			Medium	Medium	High	
			Long	Medium	High	
		Global carbon tax or similar would improve the company's competitive position	Short	Low	Medium	Further improvement of corporate carbon footprint
			Medium	Low	Medium	
			Long	Low	Medium	

In 2020, Nokian Tyres was the first in tire industry to receive approval from the Science-Based Targets initiative (SBT) for its targets for reducing greenhouse gas emissions. In 2023, Nokian Tyres achieved one of its key climate targets seven years in advance and made a commitment to achieve net-zero greenhouse gas emissions by 2050. The company is currently in the process of having new, more ambitious emission reduction targets to be validated by the SBT. The new scope 1 + 2 emission targets will be aligned with the 1.5 degrees pathway. The work to reduce the GHG emissions is followed and supported by the Nokian Tyres Greenhouse Gas Reduction Steering Group, which convenes four times a year.

Nokian Tyres is a shareholder in Finnish Tyre Recycling Ltd, which centrally manages the collection and reuse of used tires in Finland. In Finland, nearly 100 percent of decommissioned tires are recycled. On average in Europe, the degree of tire recycling is approximately 95 percent.

The VOC emissions (volatile organic compounds, or solvents) of the Nokian Tyres' tire factory in Finland are still above the maximum level allowed by the environmental permit. During 2022 the company started discussions with environmental authorities, and a spread modelling of the VOC emissions was conducted to estimate the impacts of the VOCs in the nearby surroundings of the factory. According to the modelling, the VOC concentrations and the environmental effects are minor. Furthermore, the solvent use has decreased over 40 percent compared to 2018. An application was submitted to authorities during 2023 to have the environmental permit updated.

Nokian Tyres received one environmental complaint in 2023 concerning odor at the tire factory in Finland. The company received no other environmental complaints. In 2023, Nokian Tyres received a \$1,500 fine for a minor air permit recordkeeping violation in the factory in the US.

Special attention has been paid to reducing GHG emissions, as well as chemical safety and sustainability work across different fields of business.

At the production facilities, emphasis remained on reusing waste. In 2023, 100 percent of the tire factories' production waste was sent to utilization.

## 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.

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 and consulting on EU Taxonomy's technical screening criteria, following conclusions about 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 CO<sub>2</sub> 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 3.4 percent of Nokian Tyres' total net sales in 2023. Based on Nokian Tyres' assessment, these economic activities are either aligned or eligible with the EU Taxonomy. Share of Opex within the same scope of EU Taxonomy was 1.8 percent and share of Capex within the same scope of EU Taxonomy was 1.0 percent.

It must be noted that the Taxonomy reporting scope and criteria may change in coming years as this is only the third 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 and alignment:

### Net sales

- **A:** Amount of aligned or eligible net sales coming from tires having EU Tyre Labelling grade A or B in rolling resistance and grade A in pass-by noise, and from tire retreading business activities. In previous years, the pass-by noise grade was not a criterion and all rolling resistance class C tires were still included, so the figures from 2022 have been restated.
- Heavy off-road tires for professional use will be excluded as there is no solid data (or public benchmark) available for use phase CO<sub>2</sub> emissions.
- **B:** Total amount of net sales
- **C:** Share of net sales within the scope of EU Taxonomy
- **C = A/B%**

### Capex and Opex

- **D:** Aligned or eligible tire production companies' and retreading plants' Opex: Research and Development and real estate expenses deducted by depreciation & amortization
- **E:** Group Opex: Research and Development and real estate expenses deducted by depreciation & amortization
- **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:** Aligned or eligible tire production companies' and retreading plants' tangible Capex
- **H:** Group Capex including tangible and intangible investments
- **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 2023**

Financial year 2023	Year			Substantial contribution criteria						DNSH criteria (“Does Not Significantly Harm”)							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Economic Activities (1)	Code (2)	Turnover (3) Proportion of turnover, year 2023 (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)			
Text		EUR million	%	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
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Manufacturing of other low carbon technologies	3.6.	23.1	2.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	2.1%*	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		23.1	2.0%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	2.1%*		
Of which enabling		23.1	2.0%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	2.1%*	E	
Of which transitional																			
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Repair, refurbishment and remanufacturing	5.1.	16.9	1.4%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								-		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		16.9	1.4%	0%	0%	0%	0%	100%	0%								-		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		40.0	3.4%	57.8%	0%	0%	0%	42.3%	0%								-		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
Turnover of Taxonomy-non-eligible activities		1,133.6	96.6%																
<b>TOTAL</b>		<b>1,173.6</b>	<b>100%</b>																

\* Year 2022 restated

**Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023**

Financial year 2023	Year			Substantial contribution criteria						DNSH criteria (“Does Not Significantly Harm”)							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2023 (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)			
Text		EUR million	%	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
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Manufacturing of other low carbon technologies	3.6.	2.4	1.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	1.1%*	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		<b>2.4</b>	<b>1.0%</b>	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y			
Of which enabling		2.4	1.0%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y		E	
Of which transitional																			
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Repair, refurbishment and remanufacturing	5.1.	0.1	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								-		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		<b>0.1</b>	<b>0%</b>	0%	0%	0%	0%	100%	0%								-		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		2.5	1.0%	96.0%	0%	0%	0%	4.0%	0%								-		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
CapEx of Taxonomy-non-eligible activities		249.6	99.0%																
<b>TOTAL</b>		<b>252.1</b>	<b>100%</b>																

\* Year 2022 restated

**Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023**

Financial year 2023	Year			Substantial contribution criteria						DNSH criteria (“Does Not Significantly Harm”)							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Economic Activities (1)	Code (2)	OpEx (3) Proportion of OpEx, year 2023 (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)			
Text		EUR million	%	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
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Manufacturing of other low carbon technologies	3.6.	0.6	1.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	1.9%*	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		<b>0.6</b>	<b>1.8%</b>	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y			
Of which enabling		0.6	1.8%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y		E	
Of which transitional																			
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Repair, refurbishment and remanufacturing	5.1.	0.0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								-		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		<b>0.0</b>	<b>0%</b>	0%	0%	0%	0%	0%	0%								-		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		0.6	1.8%	100%	0%	0%	0%	0%	0%								-		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
OpEx of Taxonomy-non-eligible activities		35.9	98.2%																
<b>TOTAL</b>		<b>36.5</b>	<b>100%</b>																

\* Year 2022 restated

## People

**IMPACTS:** *Safety and well-being of personnel*

Nokian Tyres' principles in all operations are fair treatment and respect of human rights when collaborating with its personnel or other stakeholders. This principle of equality and non-discrimination is an essential part of the company's operations, and the management of diversity is based on the concept of equality and equal prerequisites for work.

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

In 2023, Nokian Tyres conducted the yearly personnel survey Drive! to measure well-being, equality, inclusion, and engagement inside the organization. In the company-wide survey, for the question concerning equality, the score was 67 on a scale of 0–100, which is 7 points below the global benchmark. Improving equality is a priority in Nokian Tyres' sustainability work, and the aim is to continuously improve the score. This equality KPI is being followed annually.

Nokian Tyres' commitment and efforts related to data protection continued throughout the year.

## Safety work continues

Nokian Tyres' goal is to promote occupational health and minimize the number of occupational accidents. Occupational health and safety are an integral part of the company's daily management and operations.

Safety is Nokian Tyres' priority, and the company's long-term goal is to decrease the lost-time accident frequency LTIF from 8.3 in 2018 to 1.5 in 2025. In 2023 the lost-time accident frequency developed negatively. To improve the situation in 2024, Nokian Tyres will strengthen safety culture implementation by engaging the employees even more actively than before, as well as by improving procedures and safety management according to the Nokian Tyres' Safety Management Standard.

### Lost-time injury frequency (LTIF)\*

2019	2020	2021	2022	2023
4.3	3.7	4.1	3.2	4.7

\* Number of incidents / 1,000,000 hours worked

## Products

**IMPACTS:** *Continuous improvement of traffic safety of tires and the sustainability of raw materials in tires*

Nokian Tyres' R&D constantly develops new ways of replacing fossil-based raw materials with recycled or renewable materials to enable more sustainable tire manufacturing. Nokian Tyres aims to increase the share of recycled or renewable raw materials in its tires to 50 percent by 2030.

## Rolling resistance

Carbon dioxide, CO<sub>2</sub>, is the most significant greenhouse gas generated by traffic. The higher the rolling resistance of a tire is, the higher the fuel consumption and CO<sub>2</sub> emissions will be.

Nokian Tyres' goal for developing the rolling resistance of its tires is to have at least 60 tires in the best rolling resistance A class of EU Tyre Labelling system by 2028.

### Nokian Tyres products in the rolling resistance A class\*

Status in 2023	Goal for 2028
10	60

\* Tires included in the EU Tyre Labelling



## Developing the safety of winter tires

Nokian Tyres participates actively in developing the EU Tyre Labelling test method standards, such as wet grip and ice grip. As a Scandinavian tire designer and manufacturer, the safety of winter tires is one of Nokian Tyres' top priorities in traffic safety of tires.

As of May 2021, the EU Tyre Labelling includes a label for snow grip marking as well as ice grip marking. A tire that is approved for severe snow conditions can have the snow grip marking, and a tire that passes the international ice grip test method can also have the ice grip marking on their label. Nokian Tyres' target for the winter tire safety performance level was that by 2025, 100 percent of Nordic Nokian Tyres Hakkapeliitta winter passenger car and SUV tires fulfill the 2021 EU ice grip criteria. In 2022, the target was reached, and the company works to maintain that level.

## Supply chain

**IMPACTS:** *Sustainable natural rubber procurement, climate change mitigation in supply chain*

Natural rubber is one of the main ingredients of tires. Cooperation with the industry and other stakeholders is vital in improving the conditions of the employees working in the natural rubber industry and the state of the environment. Nokian Tyres is a member of the Global Platform for Sustainable Natural Rubber (GPSNR). It is a platform whose members include natural rubber farmers, processors and traders, tire makers and other natural rubber product makers, car makers and other natural rubber product users, financial institutions, and civil societies.

In 2021, Nokian Tyres updated its Supplier Code of Conduct, and adopted a sustainable natural rubber policy that is fully aligned with the policy framework of the GPSNR. The company's sustainability in natural rubber is developed through the framework of this policy. In 2023, Nokian Tyres conducted eight sustainability audits of natural rubber processing plants that are suppliers for the company.

As part of the Nokian Tyres science-based targets for reducing CO<sub>2</sub> emissions, a new KPI for the supply chain was created. During 2023 Nokian Tyres aimed to gather Product Carbon Footprint from suppliers for at least 40 raw materials, and CO<sub>2</sub> data from at least 15 transport suppliers. Both targets were achieved.

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 throughout the value chain. This means that companies must look at 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 Vianor tire chain company in Norway, and the accounts required by the Transparency Act can be accessed on the company's websites at [www.nokiantyres.no/bedriften/baerekraftighet/apenhetsloven](http://www.nokiantyres.no/bedriften/baerekraftighet/apenhetsloven) and [www.vianor.no/bedriftskunder/om-oss/apenhetsloven](http://www.vianor.no/bedriftskunder/om-oss/apenhetsloven), respectively.

# Signatures for the Non-Financial Information Statement

Helsinki, February 6, 2024

**Jukka Hienonen**

**Pekka Vauramo**

**Susanne Hahn**

**Markus Korsten**

**Veronica Lindholm**

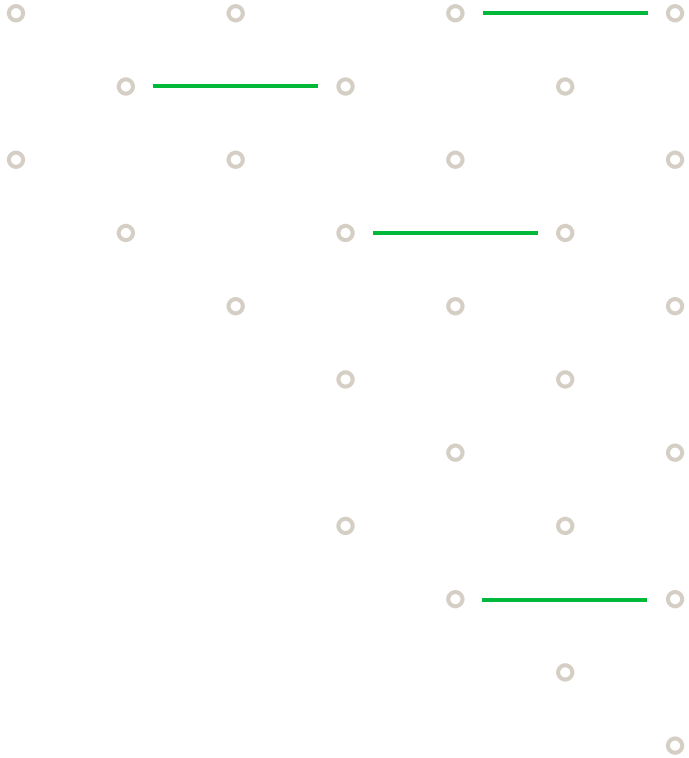
**Christopher Ostrander**

**Jouko Pölönen**

**George Rietbergen**

**Reima Rytsölä**

**Jukka Moisio**  
President and CEO



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