



# ANNUAL REPORT 2024

MAKING THE WORLD SAFER,  
OVER AND OVER AGAIN



# Making the world safer, over and over again

We work to make the world a safer place for all through our tires.

We are ready to rethink, retry and challenge ourselves and others around us to do more, to develop what we have invented and to push the frontiers in everything we do.

## Toward smarter driving

Our vision is to lead the world to drive smarter. Smarter driving means delivering the next level of safety and sustainability in mobility. We strive for progress by being resilient and by having the courage to make pioneering decisions.

## Lead to future

Our purpose is to make the world safer by reinventing tires, and how they are made, over and over again – this inspires us to push on even further. That is why this year, we will not only look at the ways we have made the world safer, but also what affects our journey ahead.

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### How to read the Sustainability Statement

The Report by the Board of Directors comprises also Sustainability Statement and Corporate Governance Statement.

The Sustainability Statement includes information reported according to the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The Sustainability

Statement is structured into four main sections: General information, Environmental information, Social information, and Governance information. The main sections are divided into different topics in accordance with the ESRS.

In the end, there is also a short section Additional sustainability disclosures, which includes information on matters that were not deemed material in the double materiality analysis.

The ESRS content index on [pages 127-130](#) lists the disclosure requirements that Nokian Tyres has included in the Sustainability Statement.



# YEAR 2024

MAKING THE WORLD SAFER,  
OVER AND OVER AGAIN

Nokian Tyres R&D laboratory



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THE SEEMINGLY  
SIMPLE BLACK  
SHAPE OF A TIRE  
CONCEALS COMPLEX  
CHEMISTRY

# Nokian Tyres in a nutshell

Nokian Tyres develops and manufactures premium tires for passenger cars, trucks, and heavy machinery. The Vianor chain specializes in car and tire services.

- Nokian Tyres serves its customers in its core markets in the Nordic Countries, North America, and Central Europe. The branded distribution network includes the equity-owned Vianor chain, the Vianor Partner chain, and the Nokian Tyres Authorized Dealers (NAD) network.
- Nokian Tyres manufactures tires in three factories: In Finland, the US, and Romania, in addition to which the company has a wheel factory in Finland. Manufacturing partners complement own production.
- Nokian Tyres' testing centers are located in Nokia and Ivalo in Finland, and Santa Cruz de la Zarza, Spain.
- The company's headquarters is located in Nokia, Finland, and its shares are listed on Nasdaq Helsinki.

Information on the company's ownership structure is available at [company.nokiantyres.com/investors/share-and-shareholders/major-shareholders](http://company.nokiantyres.com/investors/share-and-shareholders/major-shareholders).

## Nokian Tyres in figures for 2024

Net sales

1.3  
EUR billion

Employees

3,800  
globally

Products were sold in

46  
countries

### Net sales from external customers by business unit, %



- Passenger Car Tyres 56% (52)
- Heavy Tyres 16% (19)
- Vianor 28% (29)

The Nokian Tyres Group consists of the parent company in Finland, the sales companies in Sweden, Norway, the US, Canada, Czech Republic, Germany, France, Switzerland, Poland and Ukraine, and the tire and car service chain companies in Finland, Sweden and Norway.



# Leading premium tire company

Nokian Tyres is the leading manufacturer of premium tires in the Nordic Countries, and the company is also targeting substantial growth in North America and Central Europe.

The growth drivers of sales are the increasing capacity and the high-quality products developed for the needs of various markets. The company has an excellent product portfolio and a strong innovation pipeline.

In addition to passenger car tires, Nokian Tyres is one of the leading manufacturers of heavy special tires for segments such as forestry and agricultural machinery. Vianor supports sales and the premium brand position in the Nordic countries.

Read more about our targets and strategy at  
[company.nokiantyres.com/about-us/strategy](http://company.nokiantyres.com/about-us/strategy).

# 2024 for Nokian Tyres

During 2024, Nokian Tyres achieved several important milestones that have advanced the company's progress toward its financial and non-financial goals and have reinforced the company's position in the tire market.

## Factory in Romania opened



In September, Nokian Tyres celebrated the opening of its new passenger car tire factory in Oradea, Romania. The factory is the world's first full-scale zero CO<sub>2</sub> emission tire factory, where no fossil energy is used. The factory is an example of a holistic approach to sustainability, which includes, among other things, the use of zero CO<sub>2</sub> emission energy as well as energy-efficient and automated processes. The factory is primarily focused on manufacturing passenger car tires for the Central European market, since its location is strategically close to the consumers and customers in the market.

## First tire from factory in Romania

The first tire being manufactured at the factory in Romania is the Nokian Tyres Snowproof 2 winter tire designed for Central European drivers. Tire deliveries are set to start in 2025. The groundbreaking ceremony for the factory was laid in May 2023.

Nokian Tyres began recruiting employees for the Romanian factory in 2023, and employees have been hired for both production as well as white-collar roles. Once the factory reaches full capacity, it will employ approximately 500 people.



## New vision and purpose

At the beginning of 2024, Nokian Tyres launched its new vision and purpose.

**Vision:** We lead the world to drive smarter.

**Purpose:** We make the world safer by reinventing tires, and how they are made, over and over again.

The purpose describes the company's willingness to work toward safety and sustainability, over and over again. True to its vision, Nokian Tyres strives for progress by being resilient and courageous in making new decisions as a pioneer. The company enables smarter driving for people and businesses by leading the journey by example and inspiration.

## New President and CEO



Paolo Pompei was appointed President and CEO for Nokian Tyres plc from January 1, 2025, onwards. He replaced Jukka Moisio, who retired from the company at the end of 2024. You can read more on Paolo Pompei's thoughts on [pages 9–10](#).

## 90th anniversary of the invention of the winter tire

2024 was the 90th anniversary of the invention of the winter tire. Nokian Tyres invented the winter tire to tackle the harsh Finnish winter. The winter tire received a heavily grooved tread pattern in order to ensure grip, and the pattern was also designed to be sufficiently open in order for it to clean out the snow while driving. The world's first winter tire Kelirengas (Weather Tire) was mostly designed for trucks. Two years later, in 1936, a further improved design specifically for passenger cars called the "Lumi-Hakkapeliitta" (Snow-Hakkapeliitta) was introduced. In the early 1960s, a new winter driving innovation was introduced, when studs were added to tires.

Nearly 90 years later, the Nokian Tyres Hakkapeliitta remains one of the world's best-known winter tire brands. The winter tire is continuously being developed in order to meet the demands of modern-day drivers and changing conditions.



## Extended production in the US



In June, Nokian Tyres completed the investment phase at its US factory by opening a new finished goods warehouse near the factory. Nokian Tyres began tire production at the US factory in 2020 and has since increased its production capacity, grown the team to approximately 500 employees, and enhanced the factory's capabilities to produce North American specific all-season and all-weather car tires, thus supplementing our decades-long winter tire position on the North American market.

## New emission reduction targets

The Science Based Targets initiative approved Nokian Tyres' new greenhouse gas emissions reduction targets. They include both near-term targets for 2030 and long-term targets to reach net-zero emissions across the value chain by 2050.



## For the second consecutive year, Nokian Tyres was awarded a Platinum rating in the EcoVadis corporate sustainability assessment

The rating means that Nokian Tyres is in the top one percent of companies assessed by EcoVadis in the past 12 months (10/2024).

### Increase the use of sustainable raw materials

Nokian Tyres aims to increase the share of recycled and renewable raw materials in tires to 50 percent by 2030. In 2024, the company told about several projects that promote achieving this goal. Read more about our non-financial targets at [company.nokiantyres.com/about-us/strategy](http://company.nokiantyres.com/about-us/strategy).



Nokian Tyres' factory in Finland received the International Sustainability and Carbon Certification (ISCC) PLUS certificate, making it possible to increase the use of sustainable raw materials in tires. Nokian Tyres will be introducing the certified raw materials when launching new flagship products, and it is working to replace fossil-based raw materials with sustainable alternatives.

## Nokian Tyres Green Step Ligna

Nokian Tyres and UPM presented a joint concept tire – Nokian Tyres Green Step Ligna. It is the world's first concept tire made from the fully renewable UPM BioMotion™ RFF lignin raw material. The manufacture of the tire uses a new, renewable material that has the potential to replace most of the carbon black currently used in tire manufacturing, reducing the need for fossil materials and carbon dioxide emissions resulting from tire manufacturing.



## Renewable Reselo Rubber



Nokian Tyres signed a development cooperation agreement with the Swedish bio material technology company Reselo AB in order to further develop its renewable Reselo Rubber into a potential new raw material for tires.

## Recycled carbon black

Nokian Tyres signed a purchase agreement on recycled carbon black. The aim is to manufacture even more sustainable tires and to increase the circular economy.



Nokian Tyres' truck and bus tires were granted the Design from Finland label.

# On a growth journey

Paolo Pompei started as President and CEO of Nokian Tyres in January 2025. Together with the new CEO, we discussed his views on the company and its growth opportunities.

## What are your first impressions of Nokian Tyres?

I am excited and honored to lead Nokian Tyres. I have long experience of working in the tire industry and have followed the company's journey for over 20 years. I have always admired Nokian Tyres' products and its strong commitment to innovation. I was particularly impressed by how the company adapted after exiting Russia and began building a new route toward sustainable growth.

Nokian Tyres is currently in an interesting growth phase. Having navigated through challenging times in the past years, we are now aiming for growth in Central Europe and North America. In the Nordic countries, we want to maintain our strong position. This, combined with excellent products, a valued brand and continuous development in sustainability, creates an excellent foundation for growth and profitability.

During the first weeks in the company, I have had the opportunity to meet many of our personnel and visit different locations. It has been inspiring to see how much expertise we have in the company and how strong our customer relationships are.



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**I HAVE ALWAYS  
ADMIREN NOKIAN  
TYRES' PRODUCTS  
AND ITS STRONG  
COMMITMENT TO  
INNOVATION.**

“

## NOKIAN TYRES IS SET TO DRIVE PROFITABLE GROWTH.

### What are the company's key priorities for the near term?

Our key priorities are clear. We will expand production capacity as planned, while maximizing the potential of our existing assets. In Passenger Car Tyres, we have made significant progress in creating a more balanced manufacturing platform to support growth. Now, we must focus on making this platform even more productive and efficient. Additionally, we will enhance Nokian Tyres' brand awareness and sharpen our consumer focus to build long-term loyalty.

In the short term, our top priority is the successful ramp-up of our new factory in Romania while simultaneously enhancing our manufacturing capabilities in Finland and the US. With dedicated production facilities closer to customers and consumers, we are building a more agile business model to better serve key markets. It helps us strengthen our position in the Nordic countries, regain market share in Central Europe and drive growth in North America.

In Heavy Tyres, we also have opportunities to grow through new products and customers. Vianor supports our sales and premium brand position in the Nordic countries.

### How do you plan to strengthen Nokian Tyres' competitiveness?

Innovation is key to staying ahead of the game. Nokian Tyres is known for its high-quality premium products that perform well even in demanding conditions. We focus on high value segments, especially winter tires. The development of such high-performance products requires continuous innovation in terms of raw materials, product properties and manufacturing processes. In recent years, we have invested significantly in advanced manufacturing technologies to cater to the evolving consumer needs. By leveraging these assets and our strong innovation capabilities, we continue to deliver safe, sustainably manufactured and high-performing tires to the markets.

### How do you plan to promote sustainability at Nokian Tyres?

Sustainability is deeply integrated into our daily operations, and we work systematically toward a more sustainable future. We have reduced the environmental impact of our operations year by year. Our production facilities close to end users help reduce our carbon footprint further, and our new factory in Romania, which is the world's first full-scale zero CO<sub>2</sub> emission tire factory, is an industry benchmark in sustainability.

Sustainability also means new innovations for the benefit of consumers. We continuously improve the sustainability of our products, for example by developing tires from recycled or renewable materials. We are proud to be part of the UN Global Compact and work with other stakeholders to improve working conditions and human rights along the supply chain.

2024 was a challenging year for the car and tire markets. How do you see the market developing in 2025, and how will Nokian Tyres succeed in this environment?

In 2025, we continue to focus on growth. This will be driven by new, innovative products and an even greater focus on generating value for consumers. Improving operational efficiency and strict cost control, together with increasing sales volume and average sales price, support profitability improvement. Regardless of how the market develops, I see good opportunities to strengthen our market position and drive our business forward.

Ultimately, however, a company's success depends on its people. Nokian Tyres has a highly competent and dedicated team, and we will continue to strengthen collaboration within the organization. Together we are stronger. Changes that we made to our organization and leadership in the beginning of 2025 will help us become more consumer-centric and achieve global synergies and operational excellence in everything we do. Nokian Tyres is set to drive profitable growth and deliver innovative, sustainable products while enhancing productivity and efficiency to create something we can all be proud of.

**PAOLO POMPEI**  
PRESIDENT AND CEO

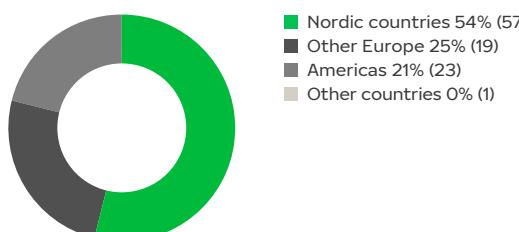
# 2024 in numbers

Financial figures	2024	2023
Net sales, EUR million	1,289.8	1,173.6
Segments operating profit margin, %	5.5%	5.5%
Net debt/Segments EBITDA	3.3	1.3
Dividend, EUR	0.25*	0.55

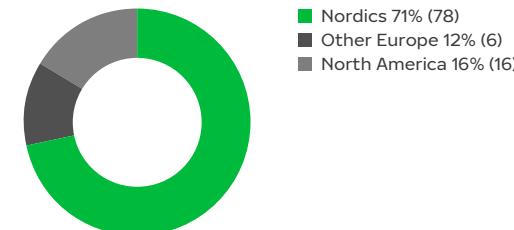
\*The Board's proposal to the Annual General Meeting.

Figures for sustainable development (assured)	2024	2023
Scope 1&2 emissions from tire factories per metric ton of production, kg CO <sub>2</sub> e / t	153	156
Share of recycled and renewable materials in tires, %	25%	N/A
Lost time incident frequency (LTIF)	4.6	4.7
High sustainability risk suppliers audited, %	100%	100%
Engagement score in personnel survey	72	73

## Net sales by geographical area, %



## Employees by geographical area, %



## Net sales and segments operating profit



Figures for 2021 and earlier years have not been restated and include Russia.

## Financial progress in 2024

In 2024, Nokian Tyres continued the journey to rebuild the company. The company advanced its growth strategy through strategic investments to increase capacity and strong innovation efforts to launch new products. Key milestones included the opening of the world's first full-scale zero CO<sub>2</sub> emission tire factory in Romania, completing the investment phase at the US factory, and introducing new sustainable materials to tires.

The car and tire market was demanding in 2024 due to economic uncertainties and low consumer confidence. The Red Sea crisis and political strikes in Finland impacted negatively in the first half of the year. Despite the headwind, Nokian Tyres steadily improved sales volume and enhanced its market share in the key markets.

The net sales of Passenger Car Tyres increased in 2024 driven by a robust growth in Central Europe. In the Nordic countries, the company continues in a strong position while further improvement is required in the North American business. Heavy Tyres performed well in a weak OE market.

In 2024, Nokian Tyres introduced several new products, with safety, sustainability, and performance serving as the drivers of product development. Product ranges suitable for the needs of different markets and a strong innovation pipeline help Nokian Tyres meet the evolving consumer needs.

# Development and trends in the tire market

Nokian Tyres passenger car tires are mainly sold in the replacement tire market, selling tires to consumers via dealers. According to Global Data, the size of the replacement tire market for passenger car tires, SUV tires, and pick-up truck tires in Nokian Tyres' primary markets in the Nordic countries, Central Europe, and North America amounted to approximately 600 million tires. The U.S. Tire Manufacturers Association (USTMA) estimates that the North American market covers nearly half of the total market.

There are several trends related to the development of the tire market, the most important of which are described below:

## 1. Automotive industry disruption

The automotive industry is in a state of rapid evolution, fueled by the shift toward electric vehicles (EVs), rise of autonomous driving and the move from individual to shared car ownership. This changes not only driving but also the demands placed on vehicle performance and functionality.

## 2. Digitalization

The digital transformation of society is gaining speed, and the number of digital innovations is also growing in the tire industry. Automation and robotics are changing design and manufacturing. Data and connectivity create new business models and redefine the value networks.

## 3. Customer and end user behavior

Customers seek convenience, value alignment, and digital-first experiences. Both consumers and businesses are turning to online channels to research, buy, and manage their vehicles and services. This shift increases the importance of digital platforms, fleet management, and strong partnerships.

## 4. Sustainability

Consumer needs, evolving regulation, and stricter standards encourage the development of environmentally and climate-friendly production processes and tire technologies. Beyond a company's direct emissions, the focus is shifting toward lowering the carbon footprint of a product's entire life cycle – from raw materials to use and end-of-life – to minimize the environmental impact at every stage. This includes innovating new ways to use renewable and recycled raw materials, optimizing tire durability and optimizing performance to reduce the energy consumption of driving.

## 5. Regulatory demands

The tire industry is facing more and more regulations aimed at reducing its environmental impact and improving safety. These regulations focus on minimizing Tire and Road Wear Particles (TRWP), ensuring transparent communication about tire performance and sustainability, improving fuel efficiency, and minimizing road wear.

## 6. Market & product variation

The tire market is diversifying to meet customers' evolving needs, with specialized tires for fuel efficiency, performance, and autonomous driving. Variations in market needs have led to increased collaboration between car and vehicle manufacturers and tire companies to develop optimal tires for specific vehicle models.

[Read more about tire industry trends.](#)



## CASE

## Efficiency and versatility guide the development of heavy tires

The efficiency and versatility of heavy-duty machinery and equipment are currently the most decisive factors in the development and use of heavy tires. Machines are continuously improving in efficiency, which allows them to perform the same tasks quicker than before while using fewer resources. Energy consumption can be affected by reducing the tire's rolling resistance and by ensuring that the tire rolls energy-efficiently on roads as well as on fields, for example. This, in turn, is affected by the tire's material choices, structure, and tread, among other things. A versatile tire allows the machine to be used in many different ways and under different conditions. This requires innovation and experimental development from the tire manufacturer. Tire development is usually done together with customers, since tires are always a major investment for them.

[Read more on the trends in heavy tires.](#)

# Lead the world to drive smarter

Tires are vital for functioning and safe societies. They enable everything from people-to-people contacts to safe mobility and the growth of entire economies. It is perhaps no wonder that up to 1.5 billion tires are produced worldwide every year. In the future, the number will increase further, as the increasing use of cars, growing demand for transport services and economic growth in developing regions are expected to significantly increase the number of vehicles.

For a pioneer in the tire industry, this development poses a tricky challenge to solve: how to manufacture more tires, while at the same time making it carbon-neutral, from renewable raw materials – and, above all, so that the safety and properties of tires are world-class?

Nokian Tyres' vision is to lead the world to drive smarter. We are proud of our role in the development of mobility and societies, but at the same time we are aware of the climate and environmental impacts of our entire industry and its value chain. That is why we started to tackle this challenge more than 20 years ago – well before the increase in regulation and general environmental awareness.

Pioneering continues to be at the core of our strategy. To succeed, we need to challenge ourselves to do more and more – to reinvent the tire over and over again. In the following pages, we will explain in more detail our three main lines that summarize our vision of the world of the future and the goals and actions we take toward it.



## → Lead to circularity

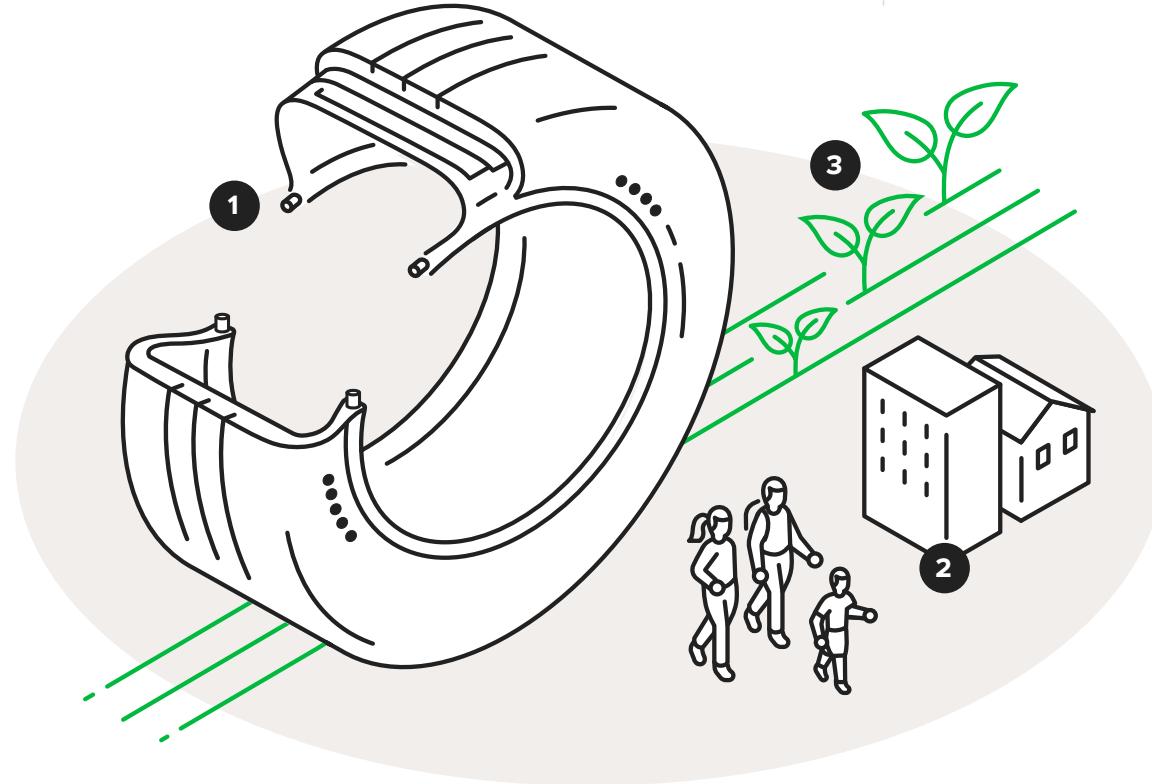
Our target is to increase the share of recycled and renewable raw materials in tires to 50 percent by 2030.

## → Lead to safety

As a manufacturer of high-quality tires, Nokian Tyres continuously emphasizes the utilization and development of new innovations that improve safety – that is, reinventing the tire, over and over again.

## → Lead to zero

Nokian Tyres is an industry pioneer in climate change mitigation. Our goal is to have a fully climate-neutral tire – across the entire chain – available to market in 2050.



## On a journey toward a smaller environmental footprint

### 1 Developing materials

We are continuously seeking renewable and recycled alternatives for fossil-based and virgin raw materials in order to reduce the environmental impacts.

### 2 Advancing together

Collaborations will help us eliminate virgin fossil raw materials from the tire industry within the next couple of decades.

### 3 Driving responsibility

One of our key non-financial target is to increase the share of recycled and renewable raw materials in our tires to 50 percent by 2030.

## LEAD TO CIRCULARITY

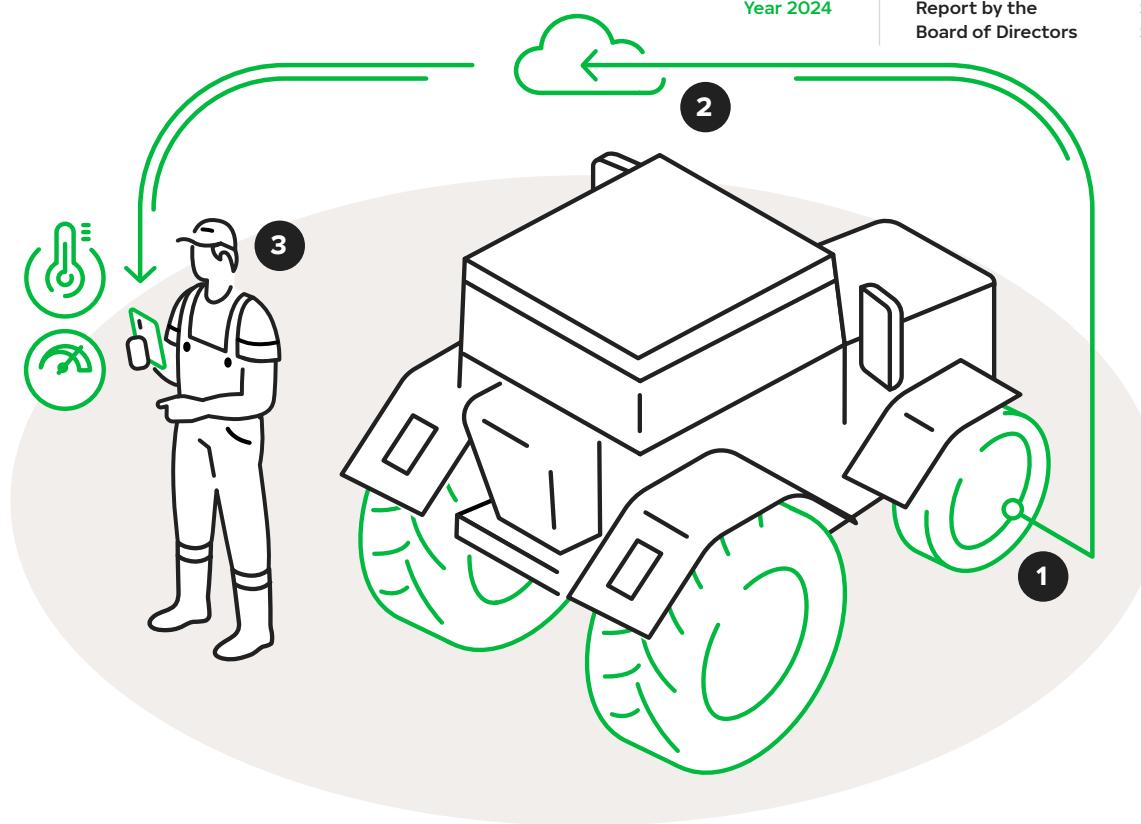
# Targeting a tire made entirely from recycled and renewable materials

Tires are traditionally made of various different materials that are environmentally problematic in terms of their origin, recyclability, and particle emissions. The key task for Nokian Tyres in the promotion of the circular economy is to be involved in the development of new, innovative raw materials, to extend the life cycle of tires, and to improve the recycling of materials. Through this work, we want to create new and better material streams as well as ways of working for the entire industry.

Nokian Tyres' product development is based on continuous improvement of safety and environmental factors. These principles of sustainable safety guide everything that we do. Our target is to increase the share of recycled and renewable raw materials in tires to 50 percent by 2030. At the moment, we are halfway to meeting our goal.

Even though our plans related to the circular economy are among the most ambitious in the industry, to us they are a logical continuation of the work that we have been doing for a long time.

Read more about our work to increase the use of renewable and recycled raw materials in tires at [company.nokiantyres.com/news-and-media/our-stories/lead-to-future/lead-to-circularity/](http://company.nokiantyres.com/news-and-media/our-stories/lead-to-future/lead-to-circularity/).



## Smart tires make work safer and more efficient

### 1 Sensors collect data

Attached to the tire's inner surface, the sensor collects accurate and real-time information on tire pressure and temperature.

### 2 Real-time alerts

The monitoring system uses a Bluetooth connection to send data and real-time alerts to the user. This makes it possible to react in time for sudden changes for example in tire pressure or temperature.

### 3 Smart safety

The correct tire pressure is important for grip and stability as well as fuel consumption and tire service life. High tire temperature is linked to tire damage. With smart tires, work can become safer, more efficient and more economical.

## LEAD TO SAFETY

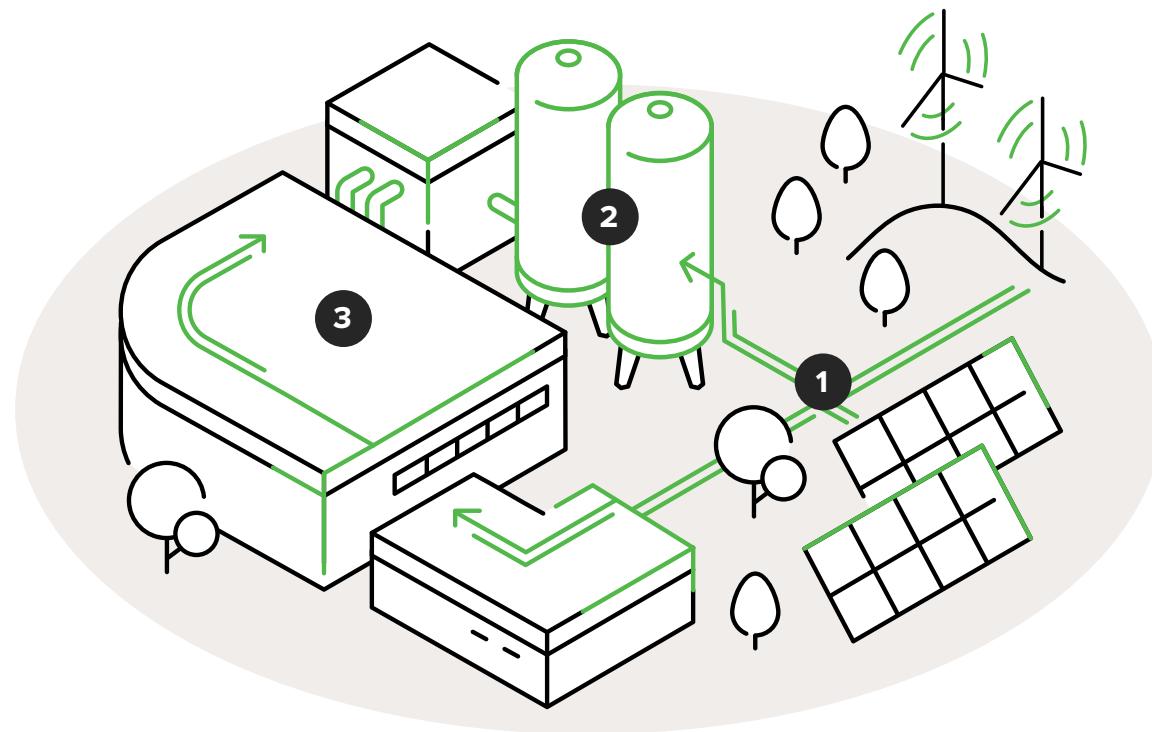
# Targeting the world's safest tire

Tires are an important safety feature on a vehicle. Their contact area may only be the size of four palms, but they determine whether the vehicle will stay on the road and stop if needed. Tires become especially important under demanding and rapidly changing conditions: on snow and ice, wet surfaces, and in case of unforeseen circumstances. This is part of Nokian Tyres' special expertise.

As a manufacturer of high-quality tires, Nokian Tyres continuously emphasizes the utilization and development of new innovations that improve safety. The key challenges involve, on the one hand, developing tires that are safer than before and, on the other hand, making drivers more aware of the significance of their tire choices, tire change intervals, and driving style.

Nokian Tyres aims to manufacture the world's safest tires for varying conditions. We are a front-runner in our industry, especially as regards grip characteristics.

Read more about our safety work at [company.nokiantyres.com/news-and-media/our-stories/lead-to-future/lead-to-safety/](http://company.nokiantyres.com/news-and-media/our-stories/lead-to-future/lead-to-safety/).



### The world's first full-scale tire factory with zero CO<sub>2</sub> emissions in Romania

#### 1 CO<sub>2</sub> emission free

All electricity used at the factory is CO<sub>2</sub> emission free. Part of the electricity used in the factory is generated by on-site solar power units.

#### 2 Innovative and electric

Steam used to cure the tires is generated by innovative electric boilers which use only zero CO<sub>2</sub> emission electricity instead of the usual fossil fuels such as coal or gas.

#### 3 Energy efficient

The tire manufacturing process is very energy efficient as only the most modern technology and machinery is utilized.

### LEAD TO ZERO

## Targeting a climate-neutral tire

The tire industry plays a key role in the mitigation of climate change, since the manufacture and use of tires consume significant amounts of energy and generate greenhouse gas emissions.

Nokian Tyres is an industry pioneer in climate change mitigation. In 2020, we were the first company in our industry to commit to the Science Based Targets initiative. Our goal is to have a fully climate-neutral tire – across the entire chain – available to customers in 2050. Our journey has milestones: we aim to reduce carbon dioxide emissions from tire manufacturing by 42 percent from the 2022 levels by the year 2030.

We have faith in our success, since we are already the industry leader in cutting emissions from our own factories. In fall 2024, Nokian Tyres opened the world's first full-scale zero CO<sub>2</sub> emission tire factory in Romania.

Our target is also supported by our participation in the Polestar 0 project that develops a fully climate-neutral car. Nokian Tyres is involved in the project as the only tire manufacturer, and it is developing zero CO<sub>2</sub> emission premium tires.

Read more about our Lead to Zero thoughts at [company, nokiantyres.com/news-and-media/our-stories/lead-to-future/lead-to-zero/](http://nokiantyres.com/news-and-media/our-stories/lead-to-future/lead-to-zero/).

# Materiality is the basis for the development and leadership of sustainability

For Nokian Tyres, sustainability means conducting business sustainably and transparently and developing safe, high-quality products where sustainability is a key characteristic all the way from raw materials to decommissioning.

A tire is a global product that involves various sustainability aspects: natural rubber produced in rainforests is combined with industrial components at our factories, and completed tires are shipped around the world. Approximately 90 percent of our tires' carbon footprint is generated during use, which makes the users of our products an important part of the value chain.

## Materiality shows the way

We are committed to minimizing Nokian Tyres' negative impacts and maximizing its positive impacts on the economy, environment, and people. We assess our material topics by conducting a materiality analysis every three years and reviewing its results each year.

Nokian Tyres carried out a double materiality analysis between September 2023 and February 2024. According to the analysis, the most material topics for us are as follows:

- Climate change
- Pollution
- Biodiversity and ecosystems
- Resource use and circular economy
- Own workforce
- Workers in the value chain
- Consumers and end users
- Business conduct

In Nokian Tyres' Sustainability Statement for 2024, which is published as part of the Report by the Board of Directors on [pages 37–138](#) of this Annual Report, we describe the impacts, risks, and opportunities related to the material topics.

The materiality assessments form the basis for sustainability work at Nokian Tyres. Our annually updated sustainability roadmap, which is broken down into seven different areas and more than one hundred tasks and projects, guides our practical sustainability work.

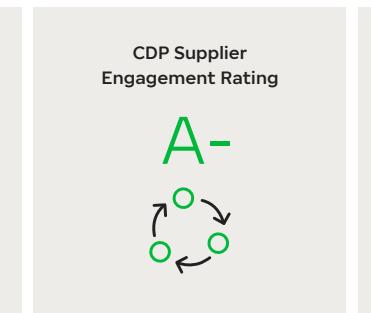
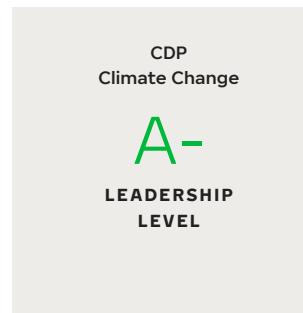
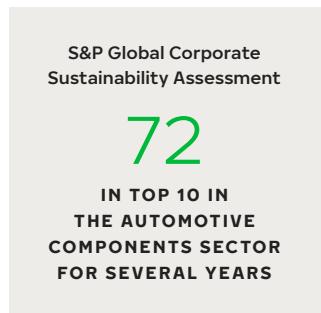
Our non-financial targets are pursuant to the roadmap, and they also include the targets for CO<sub>2</sub> emissions that have been approved by the Science Based Targets initiative.

Read more on our non-financial targets in Nokian Tyres' at [company.nokiantyres.com/about-us/strategy](http://company.nokiantyres.com/about-us/strategy).

Nokian Tyres' sustainability development roadmap	
Climate	<ul style="list-style-type: none"><li>• Climate studies and plans</li><li>• Product development</li><li>• Energy efficiency</li><li>• Energy mix and low carbon solutions</li></ul>
Environment	<ul style="list-style-type: none"><li>• Compliance</li><li>• Water efficiency</li><li>• Circular economy</li><li>• Biodiversity</li></ul>
People	<ul style="list-style-type: none"><li>• Occupational health and safety</li><li>• Human rights and well-being</li><li>• Sustainability culture</li></ul>
Supply chain	<ul style="list-style-type: none"><li>• Risk management</li><li>• EUDR, GPSNR</li><li>• Supply chain CO<sub>2</sub> emissions</li></ul>
Products and services	<ul style="list-style-type: none"><li>• Sustainable raw materials</li><li>• Durability, tire and road wear particles</li><li>• Other research projects</li></ul>
Finance, Corporate Governance	<ul style="list-style-type: none"><li>• Governance and compliance</li><li>• Board reviews</li><li>• Enterprise risk management</li><li>• Value creation for society</li></ul>
Communication and stakeholder engagement	<ul style="list-style-type: none"><li>• Reporting and communication</li><li>• Investor relations</li><li>• Climate reporting</li><li>• Stakeholder actions</li></ul>

# Results of our sustainability work in 2024

Systematic work on sustainability has resulted in significant recognition from various external sustainability assessments.



# REPORT BY THE BOARD OF DIRECTORS

MAKING THE WORLD SAFER,  
OVER AND OVER AGAIN

A tire being tested at the Nokian Heavy Tyres R&D Center



“

TIRE TESTING  
REQUIRES EXTREME  
PROFESSIONAL  
COMPETENCE AND  
PRECISION

# Report by the Board of Directors

In 2024, Nokian Tyres continued its growth strategy by advancing strategic investments to increase capacity and maintaining strong innovation efforts to launch new products. Several important milestones were achieved, including opening the world's first full-scale zero CO<sub>2</sub> emission tire factory in Romania and completing the investment phase at the US factory.

The car and tire market was demanding in 2024 due to economic uncertainties and low consumer confidence. The Red Sea crisis and political strikes in Finland impacted negatively in the first half of the year. Despite the headwind, Nokian Tyres steadily improved sales volume and enhanced its market share in the key markets.

At the same time, Nokian Tyres advanced its sustainability efforts on several fronts. The Science Based Targets initiative approved the company's new greenhouse gas emissions reduction targets, aligning with the latest climate science to limit global warming to 1.5°C. Reaching a Platinum Medal in the EcoVadis assessment reflects the continuous improvement of the company's sustainability work, placing Nokian Tyres in the top one percent of companies assessed by EcoVadis in the past 12 months.

## Strategy implementation and progress toward financial targets

Nokian Tyres' strategy centers on organic growth in the key markets in the Nordic countries, North America and Central Europe. Focus continues to be on high value segments, especially on premium

winter tires. Expanding capacity together with market relevant high-quality products and enhancing commercial capabilities will boost topline growth. Margin improvement will be driven by increasing sales volume and average sales price. The objective is to increase shareholder value through sales growth and improved profitability.

With respect to passenger car tires, the company's growth strategy is divided into two phases. The investment phase is expected to run from 2023 to 2025 and the growth phase from 2026 onwards. In 2023, passenger car tire sales volumes decreased significantly due to the sale of the Russia operations. Therefore, rebuilding production capacity during the investment phase is integral to achieving the EUR 2 billion net sales target. During the growth phase, expanding capacity combined with the introduction of new top-performing products and enhanced operational capabilities will underpin the company's progress toward the financial targets. In the Heavy Tyres business, the focus is on expanding capacity and strengthening distribution in Central Europe and North America. Widening product portfolio and enhanced digital capabilities support long-term growth. Vianor supports the sales and premium brand position in the Nordic countries.

In 2024, the company continued its strategic investments to increase capacity. The new passenger car tire factory in Romania reached the planned milestones on time and within budget and will start to support passenger car tire sales from 2025 onwards. In addition, the investment phase at the US factory was finalized in 2024, enhancing the company's capabilities to produce tires tailored for North American consumers.

Nokian Tyres' competitive position is based on its ability to continually develop new, innovative and sustainably manufactured products. In 2024, Nokian Tyres launched several upgraded tires with safety, sustainability, and performance being the key drivers of the product development. With market relevant product offerings

and a robust innovation pipeline, Nokian Tyres is well-positioned to meet evolving consumer expectations. Macro trends, such as the increasing number of new car models, growing SUV and CUV penetration, and climate change, are driving demand for sustainably produced, innovative tires.

## LONG-TERM FINANCIAL TARGETS

Nokian Tyres' long-term financial targets, set in 2023, focus on growth, profitability and capital structure. Nokian Tyres aims for EUR 2 billion net sales and segments operating profit of approximately 15%. Furthermore, the company aims to maintain net debt to segments EBITDA ratio between 1 and 2.

The target of the Nokian Tyres' dividend policy is to pay a dividend of at least 50% of the net earnings.

	Long-term financial targets	Status in 2024	Status in 2023
Organic growth	Net sales EUR 2 billion	EUR 1.29 billion	EUR 1.17 billion
Profitability	Segments operating profit ~15%	5.5%	5.5%
Capital structure	Net debt/Segments EBITDA 1-2	3.3	1.3

## Net sales and operating profit

Net sales in 2024 totaled EUR 1,289.8 million (2023: 1,173.6; 2022: 1,350.5) and increased by 9.9%. With comparable currencies, net sales increased by 10.6% driven by Central Europe. Currency exchange rates affected net sales negatively by EUR 8.0 million.

### Net sales by geographical area

EUR million	2024	2023	Change	CC* Change	% of total net sales in 2024	% of total net sales in 2023
Nordics	696.2	671.7	3.6%	4.0%	54.0%	57.2%
Other Europe	319.6	226.0	41.4%	43.0%	24.8%	19.3%
Americas	270.3	268.7	0.6%	1.2%	21.0%	22.9%
Other countries	3.7	7.2	-48.9%	-48.9%	0.3%	0.6%
<b>Total</b>	<b>1,289.8</b>	<b>1,173.6</b>	<b>9.9%</b>	<b>10.6%</b>	<b>100.0%</b>	<b>100.0%</b>

### Net sales by business unit

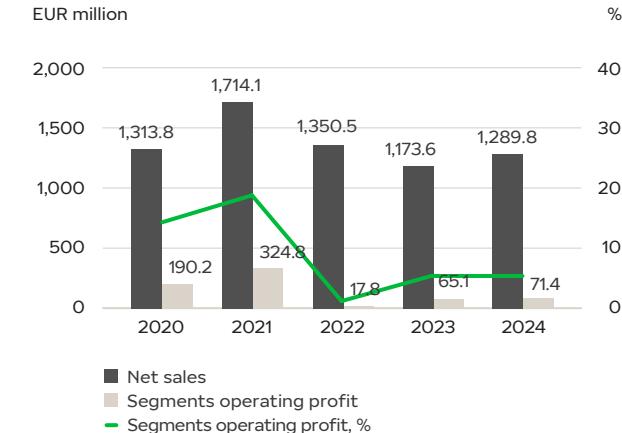
EUR million	2024	2023	Change	CC* Change	% of total net sales in 2024**	% of total net sales in 2023**
Passenger Car Tyres	779.9	653.4	19.4%	20.2%	60.5%	55.7%
Heavy Tyres	235.1	257.1	-8.6%	-8.0%	18.2%	21.9%
Vianor	354.9	344.0	3.2%	3.6%	27.5%	29.3%
Other operations and eliminations	-80.1	-80.9	1.1%			
<b>Total</b>	<b>1,289.8</b>	<b>1,173.6</b>	<b>9.9%</b>	<b>10.6%</b>	<b></b>	<b></b>

\*Comparable currencies.

\*\*Includes internal sales.

Following the completion of the Russia exit in March 2023, Nokian Tyres has excluded Russia from its IFRS and non-IFRS segments figures as of January 1, 2023, and has restated the financial year 2022 accordingly. Figures for 2021 and earlier years have not been restated.

### Net sales and segments operating profit



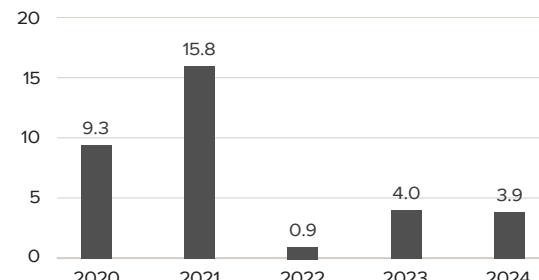
Raw material unit costs (EUR/kg) in manufacturing, including inbound logistics costs, decreased by 5% year-over-year, containing currency impact.

Operating profit was EUR 1.8 million (2023: 32.1; 2022: 56.7). Non-IFRS exclusions were EUR -69.6 million (-33.0), of which EUR -33.7 million (-30.2) were related to the US factory ramp-up, EUR -22.1 million (-3.2) to the preparations for the Romanian factory ramp-up, and EUR -13.7 million to the other exclusions mainly related to the inventory write-downs of manufacturing partners' products that arrived late for the 2024 summer season due to the Red Sea crisis.

Segments operating profit was EUR 71.4 million (2023: 65.1; 2022: 17.8). The increase was driven by sales volume growth and lower raw material costs. Segments operating profit percentage was 5.5% (2023: 5.5%; 2022: 1.3%). Segments ROCE was 3.9% (4.0%).

During the first half of the year, there was negative impact coming from the Red Sea crisis and the political strikes in Finland, causing loss of production, delays in shipments, and increased logistics costs.

## Segments ROCE, %



## Segments operating profit by business unit

EUR million	2024	2023
Passenger Car Tyres	52.2	36.7
Heavy Tyres	30.0	32.8
Vianor	-3.8	3.4
Other operations and eliminations	-7.0	-7.8
Segments operating profit total	71.4	65.1
Non-IFRS exclusions	-69.6	-33.0

## Financial items and taxes

Net financial expenses were EUR 33.3 million (17.8), including net interest expenses of EUR 30.7 million (14.1). Net financial expenses include an expense of EUR 2.6 million (3.8) due to exchange rate differences. Result before tax was EUR -31.5 million (14.2) and taxes were EUR 8.7 million (-1.7). Segments result before tax was EUR 38.1 million (47.4). Result for the period was EUR -22.8 million (-325.5, including the result for discontinued operations, i.e. Russian exit). Segments result for the period was EUR 31.4 million (-298.1). Earnings per share were EUR -0.17 (-2.36).

Return on equity was -1.7% (2023: -23.4%; 2022: -11.5%).

## Guidance given for 2024

In Nokian Tyres' financial statement release for 2023 published on February 6, 2024, the company published the following outlook for 2024:

In 2024, Nokian Tyres' net sales with comparable currencies and segments operating profit are expected to grow significantly compared to the previous year.

## Cash flow

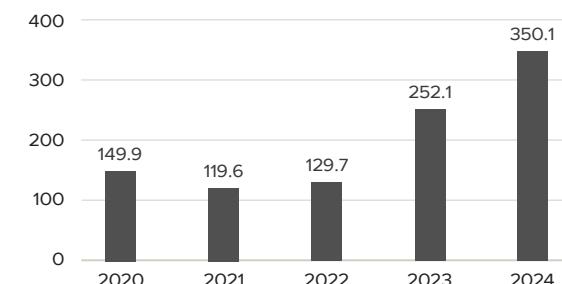
In 2024, cash flow from operating activities was EUR 77.4 million (82.4). Working capital increased by EUR 13.6 million (increased by 43.5). Inventories decreased by 16.2 million (increased by 40.5) and receivables increased by EUR 63.8 million (increased by 4.0). Payables increased by EUR 33.9 million (increased by 1.0).

## Investments

Investments totaled EUR 350.1 million (252.1). Depreciations and amortizations were EUR 124.2 million (114.9).

Nokian Tyres is building a new passenger car tire factory in Romania to expand its manufacturing footprint and rebuild capacity. The production facility is the world's first full-scale zero CO<sub>2</sub> emission tire factory. The first tire was produced at the factory in July 2024, and the opening ceremony took place in September. The factory is technically ready to start tire deliveries in 2025. The full capacity of 6 million tires is expected to be reached in 2027, with potential for further expansion in the future. The site will also house a distribution facility for storage and distribution of tires. The total investment is estimated to be approximately EUR 650 million. In July, Nokian Tyres signed a EUR 150 million loan agreement with the European Investment Bank to finance the new production facility. The loan was withdrawn in August. The European Commission approved in August a EUR 99.5 million Romanian state aid measure to be paid to support the establishment of the factory.

## Gross investments, EUR million



In 2024, Nokian Tyres completed the ramp-up of the US factory, allowing the factory to reach its full capacity run rate by the end of 2024. In addition, a new warehouse was opened adjacent to the factory.

The company has initiated a review of alternative ownership structures of its test center in Spain, where Nokian Tyres intends to remain an important user also going forward.

## Financial position

EUR million	Dec 31, 2024	Dec 31, 2023
Cash and cash equivalents	176.1	414.9
Interest-bearing liabilities	789.2	638.5
of which current interest-bearing liabilities	47.3	142.9
Interest-bearing net debt	613.1	223.6
Unused credit limits	803.3	831.3
of which committed	304.4	330.3
Gearing, %	48.2%	16.6%
Equity ratio, %	52.5%	58.0%

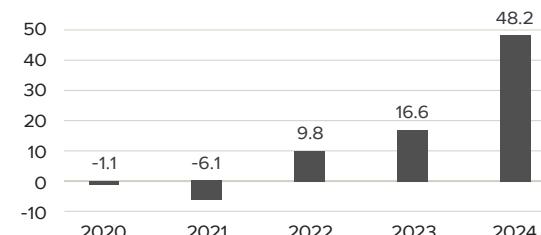
In March 2024, one-year extension options were exercised for a total of EUR 300 million in long-term bilateral sustainability-linked term loans. Consequently, the maturity dates for these facilities were extended from April 2025 to April 2026. Additionally, the EUR 100 million bilateral sustainability-linked term loan due in May 2024 was refinanced with a similar three-year term loan that includes extension options of up to two years.

A EUR 150 million bilateral 8-year term loan with the European Investment Bank (EIB) was withdrawn in August to support Nokian Tyres' strategic factory investment in Romania. In November, one-year extension option was exercised for a EUR 200 million sustainability-linked revolving credit facility. Thus, the maturity date for the facility was extended from January 2027 to January 2028.

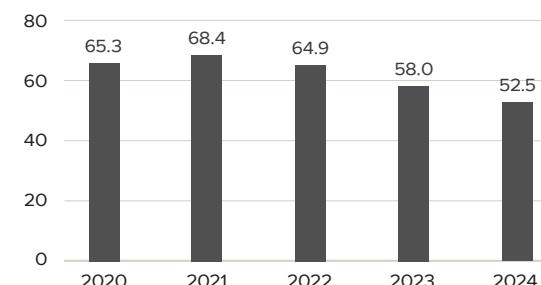
The average interest rate of interest-bearing financial liabilities was 4.4%.

The committed credit limits and the EUR 500 million commercial paper program are used to finance inventories, trade receivables, and subsidiaries in distribution chains, thereby controlling the typical seasonality in the Group's cash flow.

## Gearing on Dec 31, %



## Equity ratio on Dec 31, %



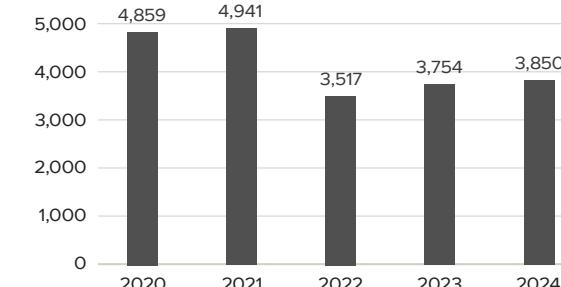
## Personnel

	2024	2023	2022
Group employees			
on average	3,850	3,754	3,517
at the end of the review period	3,810	3,433	3,313
in Finland, at the end of the review period	1,770	1,767	1,728
in North America, at the end of the review period	618	558	458
Vianor (own) employees, at the end of the review period	1,428	1,387	1,400

Employee figures are based on the total headcount, including both full-time and part-time employees. Vianor employees are included in Group figures.

Salaries, incentives, and other related costs in 2024 were EUR 256.3 million (2023: 232.2; 2022: 237.5).

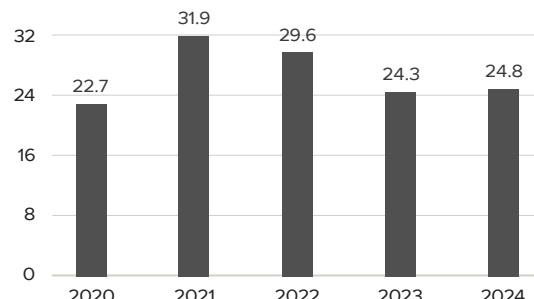
## Average number of personnel



## Research and development

Nokian Tyres' competitive position is based on its ability to continually develop new, innovative and sustainable products. The company's R&D team closely monitors market trends and consumer demands, ensuring that Nokian Tyres' products meet the evolving customer needs. In 2024, Nokian Tyres introduced several new tire models with safety, sustainability, and performance being the key drivers of the product development. Approximately 50% of R&D investments is allocated to product testing. Nokian Tyres' R&D costs in 2024 totaled EUR 24.8 million (2023: 24.3; 2022: 29.6), which is 10.7% (2023: 11.6%; 2022: 12.0%) of the operating expenses

## R&D expenses, EUR million



## Business unit reviews

### Passenger Car Tyres

EUR million	2024	2023
Net sales	779.9	653.4
Net sales change, %	19.4%	-19.4%
Net sales change in comparable currencies, %	20.2%	-15.8%
Operating profit	-15.6	4.1
Operating profit, %	-2.0%	0.6%
Segment operating profit	52.2	36.7
Segment operating profit, %	6.7%	5.6%

In 2024, net sales of Passenger Car Tyres totaled EUR 779.9 million (653.4). With comparable currencies, net sales increased by 20.2% driven by Central Europe. Average Sales Price with comparable currencies decreased mainly due to mix.

During the first half of the year, there was negative impact coming from the Red Sea crisis and the political strikes in Finland, causing loss of production of 19 days in Passenger Car Tyres, delays in shipments, and increased logistics costs.

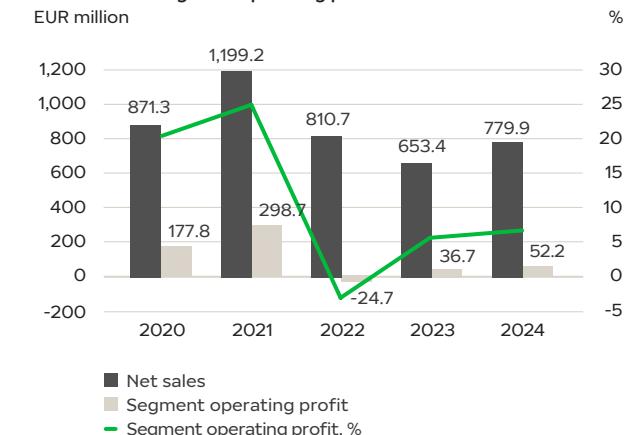
The share of sales volume of winter tires was 55% (63%), the share of summer tires was 17% (12%), and the share of all-season tires was 28% (25%).

Operating profit was EUR -15.6 million (4.1). Segment operating profit was EUR 52.2 million (36.7). The increase was mainly due to higher sales volumes and lower material costs.

To expand its manufacturing footprint and rebuild capacity, the company is building a new passenger car tire factory in Romania. The production facility is the world's first full-scale zero CO<sub>2</sub> emission tire factory. The first tire was produced at the factory in July 2024, and the opening ceremony took place in September. The factory is technically ready to start tire deliveries in 2025. The full capacity of 6 million tires is expected to be reached in 2027, with potential for further expansion in the future. In North America, the company completed the ramp-up of its US factory, allowing the factory to reach the full capacity run rate by the end of 2024.

In 2024, the company launched a comprehensive range of summer and all-season passenger car tires to the Central European market, including Nokian Tyres Wetproof 1 and Nokian Tyres Powerproof 1 summer tires and Nokian Tyres Seasonproof 1 all-season tire. In addition, the company introduced its renewed van tire offering for Central Europe and an all-weather tire Nokian Tyres Remedy WRG5 for North America.

### Net sales and segment operating profit



**Heavy Tyres**

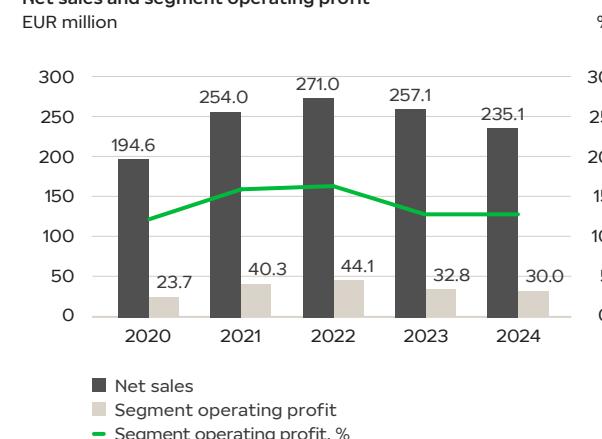
EUR million	2024	2023
Net sales	235.1	257.1
Net sales change, %	-8.6%	-5.1%
Net sales change in comparable currencies, %	-8.0%	-3.4%
Operating profit	30.0	32.8
Operating profit, %	12.8%	12.8%
Segment operating profit	30.0	32.8
Segment operating profit, %	12.8%	12.8%

In 2024, net sales of Heavy Tyres totaled EUR 235.1 million (257.1). With comparable currencies, net sales decreased by 8.0% due to weak market.

Operating profit was EUR 30.0 million (32.8). Segment operating profit was EUR 30.0 million (32.8). The decrease was mainly caused by lower volumes.

During the first half of the year, the political strikes in Finland caused loss of production of 5 days in Heavy Tyres, delays in shipments, and increased logistics costs.

During the review period, Heavy Tyres introduced an upgraded Nokian Tyres Noktop 21 range and launched new sizes to the Nokian Tyres Tractor King, Forest King F2 and Soil King VF tire ranges.

**Net sales and segment operating profit****Vianor, own operations**

EUR million	2024	2023
Net sales	354.9	344.0
Net sales change, %	3.2%	-5.0%
Net sales change in comparable currencies, %	3.6%	1.8%
Operating profit	-3.8	3.4
Operating profit, %	-1.1%	1.0%
Segment operating profit	-3.8	3.4
Segment operating profit, %	-1.1%	1.0%
Number of own service centers at period end	174	174

In 2024, net sales of Vianor totaled EUR 354.9 million (344.0). With comparable currencies, net sales increased by 3.6%.

Operating profit was EUR -3.8 million (3.4). Segment operating profit was EUR -3.8 million (3.4). Profit was impacted by increased costs due to inflation, and a weak B2B market.

At the end of the year, Vianor had 174 (174) own service centers in Finland, Sweden and Norway.

**Net sales and segment operating profit**

## Segments Total to Nokian Tyres Total reconciliation 2024

In addition to IFRS figures, Nokian Tyres publishes alternative non-IFRS segments figures, which exclude the ramp-up of the US factory, the preparations for the Romanian factory ramp-up and other possible items that are not indicative of the Group's underlying business performance.

EUR million	Net sales	Cost of sales	SGA	Other operating income/ expenses	Operating profit	Financial income/expenses	Taxes	Result for the period
<b>Segments Total</b>	<b>1,289.8</b>	<b>-991.8</b>	<b>-228.1</b>	<b>1.4</b>	<b>71.4</b>	<b>-33.3</b>	<b>-6.7</b>	<b>31.4</b>
US factory ramp-up	-32.0	-1.8			-33.7		7.4	-26.4
Romanian factory preparations	-19.5	-2.7	0.0		-22.1		4.4	-17.7
Other exclusions	-12.7	-1.0			-13.7		3.5	-10.2
Total non-IFRS exclusion	0.0	-64.1	-5.4	0.0	-69.6	0.0	15.3	-54.3
<b>Nokian Tyres Total</b>	<b>1,289.8</b>	<b>-1,056.0</b>	<b>-233.5</b>	<b>1.4</b>	<b>1.8</b>	<b>-33.3</b>	<b>8.7</b>	<b>-22.8</b>

## Shares and shareholders

At the end of December 2024, the number of shares was 138,921,750.

Number of shares (million units)*	Dec 31, 2024	Dec 31, 2023
at the end of period	137.87	137.87
in average	137.87	137.98
in average, diluted	137.87	137.98

\*Excluding treasury shares.

## Authorizations

In April 2024, the Annual General Meeting authorized the Board of Directors to resolve to repurchase a maximum of 13,800,000 shares in the company by using funds in the unrestricted shareholders' equity. The proposed number of shares corresponds to approximately 9.9 per cent of all shares in the company. The authorization will be effective until the next Annual General Meeting, however, at most until June 30, 2025, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on April 26, 2023. The Board did not utilize these authorizations during the review period.

In April 2024, the Annual General Meeting authorized the Board of Directors to resolve to offer no more than 13,800,000 shares through a share issue, or by granting special rights under Chapter 10, Section 1 of the Finnish Limited Liability Companies Act that entitle

to shares (including convertible bonds), on one or more occasions. The Board may decide to issue new shares or shares held by the Company. The maximum number of shares included in the proposed authorization accounts for approximately 9.9 per cent of all shares in the company. The authorization will be effective until the next Annual General Meeting, however at most until June 30, 2025, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on April 26, 2023. The Board did not utilize these authorizations during the review period.

In April 2024, the Annual General Meeting authorized the Board of Directors to resolve on donations in the aggregate maximum amount of EUR 250,000 to be made to universities, institutions of higher education or to other non-profit or similar purposes. The donations can be made in one or more instalments. The Board of Directors may decide on the donation recipients, purposes of use and other terms of the donations. The authorization will be effective until the next Annual General Meeting, however at most until June 30, 2025, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on April 26, 2023.

In April 2024, the Board of Directors decided to donate EUR 200,000 to Aalto University School of Business in Finland to be used as Nokian Tyres and Jukka Moisio scholarships for masters students going on exchange programs abroad. The funds will be donated in two equal installments, with the first installment paid in 2024 and the second installment to be paid in 2025, based on the authorization given by Nokian Tyres Annual General Meeting.

## Own shares

No share repurchases were made during the review period, and the company did not possess any own shares on December 31, 2024.

Nokian Tyres has an agreement with a third-party service provider concerning the share-based incentive program for key personnel. The third party owns Nokian Tyres' shares related to the incentive

program until the shares are given to the participants of the program. On December 31, 2024, the number of these shares was 1,052,242, reported as treasury shares (December 31, 2023: 1,054,507). This number of shares corresponded to 0.76% (0.76%) of the total shares and voting rights in the company.

### Trading in shares

A total of 149,557,916 (223,641,182) Nokian Tyres' shares were traded in Nasdaq Helsinki in 2024, representing 108% (161%) of the company's overall share capital. The average daily volume in 2024 was 595,848 shares (891,001). Nokian Tyres' shares are also traded on alternative exchanges.

Nokian Tyres' share price was EUR 7.35 (8.26) at the end of 2024. The volume weighted average share price in 2024 was EUR 8.24 (8.40), the highest was EUR 9.63 (11.63) and the lowest was EUR 7.07 (6.18). The company's market capitalization at the end of 2024 was EUR 1.0 billion (1.1 billion).

At the end of 2024, the company had 102,389 (94,092) registered shareholders. The percentage of Finnish shareholders was 70.5% (61.5%), and 29.5% (38.5%) were non-Finnish holders and foreign shareholders registered in the nominee register. Public sector entities owned 18.1% (17.5%), financial and insurance corporations 4.6% (5.4%), households 38.9% (30.7%), non-profit institutions 2.1% (2.2%), and private companies 6.8% (5.8%).

### Major shareholders on December 31, 2024

(Does not include nominee registered shareholders or treasury shares)

	Number of shares	% of share capital
1. Solidium Oy	14,031,000	10.10
2. Varma Mutual Pension Insurance Company	5,167,384	3.72
3. Ilmarinen Mutual Pension Insurance Company	2,626,395	1.89
4. Elo Mutual Pension Insurance Company	2,047,000	1.47
5. Nordea Nordic Small Cap Fund	1,209,160	0.87
6. Nordea Finland Fund	982,255	0.71
7. The State Pension Fund	900,000	0.65
8. OP-Henkivakuutus Ltd.	527,170	0.38
9. Barry Staines Linoleum Ltd.	510,000	0.37
10. Samfundet Folkhälsan i Svenska Finland	441,100	0.32

### Changes in ownership

In 2024, Nokian Tyres plc received seven notifications of change in shareholding pursuant to Chapter 9, Section 5 of the Securities Markets Act. The details of the notifications are available at [company.nokiantyres.com/news-and-media/press-releases](http://company.nokiantyres.com/news-and-media/press-releases).

### Shares owned by the Board members on December 31, 2024

(Including own holdings and controlled entities)

Board of Directors	Number of shares
Jukka Hienonen, Chair	52,100
Pekka Vauramo, Deputy Chair	12,863
Elina Björklund, member	3,767
Susanne Hahn, member	13,679
Markus Korsten, member	5,037
Elisa Markula, member	2,651
Christopher Ostrander, member	8,427
Jouko Pöölönen, member	32,457
Reima Rytsölä	10,037
<b>Total</b>	<b>141,018</b>

### Shares owned by the President and CEO on December 31, 2024

(Including own holdings and controlled entities)

President and CEO	Number of shares
Jukka Moisio	22,921

On December 31, 2024, Nokian Tyres' Board members and the President and CEO held a total of 163,939 Nokian Tyres shares. The shares represent 0.12% of the total number of votes.

### Shares owned by the Management Team members on December 31, 2024

(Including own holdings and controlled entities)

Management Team	Number of shares
Päivi Antola, Communications, Investor Relations and Brand	5,799
Elisa Erkkilä, Legal and Compliance	0
Niko Haavisto, Finance	11,250
Anna Hyvönen, Passenger Car Tyres and Vianor	22,010
Adrian Kaczmarczyk, Supply Operations	3,420
Jukka Kasi, Products and Innovations	48,616
Päivi Leskinen, Human Resources	1,182
Manu Salmi, Heavy Tyres and Nokia Factory	31,657
<b>Total</b>	<b>123,934</b>

### Managers' transactions

Nokian Tyres announced managers' transactions on May 6, July 22 and July 24, 2024. The details of the transactions are available at [company.nokiantyres.com/news-and-media/press-releases](http://company.nokiantyres.com/news-and-media/press-releases).

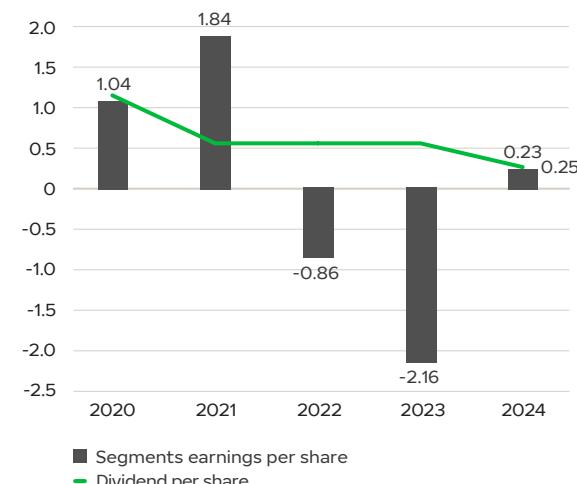
### The Annual General Meeting 2024

On April 30, 2024, the Annual General Meeting adopted the financial statements for 2023, discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2023 and adopted the Company's Remuneration Report and Remuneration Policy for governing bodies. Further information is available at [company.nokiantyres.com/investors/corporate-governance/annual-general-meeting/agm-2024](http://company.nokiantyres.com/investors/corporate-governance/annual-general-meeting/agm-2024).

### Dividend

The AGM decided that a dividend of EUR 0.35 per share shall be paid. The dividend was paid on May 15, 2024 to shareholders who were registered in the company's shareholder register maintained by Euroclear Finland Oy on the dividend record date of May 2, 2024. In October 2024, the Board of Directors made a decision on the payment of a second dividend installment of EUR 0.20 per share based on the authorization given by the AGM 2024. The second dividend installment was paid on December 4, 2024 to shareholders who were registered in the company's shareholder register maintained by Euroclear Finland Oy on the dividend record date of October 31, 2024.

### Segments earnings per share and dividend per share, EUR



\*The Board's proposal to the Annual General Meeting.

### Remuneration for members of the Board of Directors

The AGM decided that the members of the Board of Directors be paid the following remuneration:

- to the Chair of the Board of Directors EUR 115,000 per year,
- to the Deputy Chair and to the Chairs of the Committees EUR 76,000 per year each,
- to other members EUR 53,500 per year each.

60 percent of the annual fee is paid in cash and 40 percent in company shares.

Furthermore, the AGM decided on a meeting fee of EUR 700 for each Board and Board Committee meeting. For Board members resident in Europe, the fee for each meeting in Europe outside a member's home country is doubled, and for each meeting outside Europe the fee is tripled. For Board members resident outside Europe, the fee for each meeting outside a member's home country is tripled. If a member participates in a meeting via telephone or video connection, the remuneration is EUR 700. Travel expenses will be compensated in accordance with the company's travel policy.

### Members of the Board of Directors and Auditors

The AGM decided that the number of the members of the Board of Directors shall be nine. Susanne Hahn, Jukka Hienonen, Markus Korsten, Christopher Ostrander, Jouko Pöölönen, Reima Rytölä and Pekka Vauramo were re-elected as members of the Board of Directors, and Elina Björklund and Elisa Markula were elected as new members of the Board of Directors for a term ending at the closing of the Annual General Meeting 2025. Jukka Hienonen was re-elected as the Chair and Pekka Vauramo as the Deputy Chair of the Board of Directors.

The AGM decided to re-elect authorized public accountant firm Ernst & Young Oy as the company's auditor for a term ending at the closing of the Annual General Meeting 2025.

## Authorizations

The Annual General Meeting authorized the Board of Directors to resolve to repurchase a maximum of 13,800,000 shares in the company by using funds in the unrestricted shareholders' equity. The proposed number of shares corresponds to approximately 9.9 per cent of all shares in the company. The authorization will be effective until the next Annual General Meeting, however, at most until June 30, 2025, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on April 26, 2023.

The Annual General Meeting authorized the Board of Directors to resolve to offer no more than 13,800,000 shares through a share issue, or by granting special rights under Chapter 10, Section 1 of the Finnish Limited Liability Companies Act that entitle to shares (including convertible bonds), on one or more occasions. The Board may decide to issue new shares or shares held by the Company. The maximum number of shares included in the proposed authorization accounts for approximately 9.9 per cent of all shares in the company. The authorization will be effective until the next Annual General Meeting, however at most until June 30, 2025, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on April 26, 2023.

The Annual General Meeting authorized the Board of Directors to resolve on donations in the aggregate maximum amount of EUR 250,000 to be made to universities, institutions of higher education or to other non-profit or similar purposes. The donations can be made in one or more instalments. The Board of Directors may decide on the donation recipients, purposes of use and other terms of the donations. The authorization will be effective until the next Annual General Meeting, however at most until June 30, 2025, and it canceled the authorization given to the Board of Directors by the Annual General Meeting on April 26, 2023.

## Board of Directors' working arrangements

In its organizing meeting on April 30, 2024, the Board of Directors decided to establish the Board's Investment Committee. The Committee focuses on strategic investments to ensure that they maximize shareholder value. Furthermore, the Board elected members to the Board's People and Sustainability Committee, Audit Committee, and Investment Committee as follows:

- The People and Sustainability Committee: Elina Björklund (Chair), Susanne Hahn and Jukka Hienonen
- The Audit Committee: Jouko Pöölönen (Chair), Reima Rytsölä and Elisa Markula
- The Investment Committee: Christopher Ostrander (Chair), Markus Korsten and Pekka Vauramo

## Shareholders' Nomination Board

The following members have been appointed to Nokian Tyres' Shareholders' Nomination Board 2024:

- Mr. Petter Söderström (Investment Director, Solidium Oy), appointed by Solidium Oy (since January 7, 2025)
- Mr. Mikko Mursula (Deputy CEO, Investments, Ilmarinen Mutual Pension Insurance Company), appointed by Ilmarinen Mutual Pension Insurance Company
- Ms. Marie Karlsson (Chief Investment Officer, Nordic, Finnish and Swedish Equities at Nordea Asset Management) appointed by Nordea funds
- Mr. Timo Sallinen (Director, Head of Listed Securities, Varma Mutual Pension Insurance Company), appointed by Varma Mutual Pension Insurance Company
- Mr. Jukka Hienonen, Chair of the Board, Nokian Tyres plc

After the review period, on January 17, 2025, the Nomination Board submitted to Nokian Tyres' Board of Directors its proposals for the 2025 Annual General Meeting.

## Changes in management

Elisa Erkkilä was appointed Nokian Tyres' General Counsel and a member of the Group Management Team as of June 1, 2024.

Paolo Pompei was appointed Nokian Tyres' President and CEO as of January 1, 2025. Pompei succeeds the President and CEO Jukka Moisio, who retired from the company in the end of 2024.

In October, Nokian Tyres announced that Anna Hyvönen, EVP Passenger Car Tyres and Vianor, has decided to leave Nokian Tyres. Hyvönen will continue in the company until July 2025.

## Corporate sustainability

In February 2024, Nokian Tyres scored an A- from CDP for its actions aimed at reducing greenhouse gas emissions and mitigating climate change-related risks. Scores A and A- represent leadership level. This is the fourth consecutive year that Nokian Tyres has received an A- for its climate work.

In February 2024, Nokian Tyres announced that it had made a long-term purchase agreement for recovered carbon black with a tire recycling joint venture. The agreement will help Nokian Tyres reach one of its key sustainability targets, which is to increase the share of recycled and renewable raw materials in tires to 50 percent by 2030. Nokian Tyres started to use recovered carbon black in a commercial product line in 2022, and the made agreement enables its increased utilization in tires accelerating circularity and sustainability in the tire industry.

In June 2024, Nokian Tyres introduced, in partnership with UPM, a concept tire made with a new renewable lignin raw material. The innovative material, called UPM BioMotion™ RFF, has potential to replace a significant part of the carbon black currently used in tire production, reducing the need for fossil materials and lowering carbon emissions in tire manufacturing.

In August 2024, Nokian Tyres' factory in Nokia, Finland obtained the International Sustainability and Carbon Certification (ISCC) PLUS. With the certification, Nokian Tyres is able to introduce new sustainable, ISCC PLUS certified raw materials in its tires. Nokian Tyres will introduce the certified raw materials when new flagship products are launched.

In September 2024, Nokian Tyres signed a development agreement with a Swedish biomaterial science company Reselo AB to further develop their renewable material Reselo Rubber as a potential new raw material in tires. Reselo Rubber is a completely renewable material made from birch bark sourced from the residue of the global pulp, paper and plywood industry. The aim of the cooperation agreement is to develop the material further to adapt it for commercial tire production.

In September 2024, Nokian Tyres celebrated the opening of its new passenger car tire factory in Romania. The factory operates without utilizing any fossil energy, making it the world's first full-scale tire factory with zero CO<sub>2</sub> emissions. Part of the electricity used in the factory is generated by on-site solar power units. Steam used to cure the tires is generated by innovative electric boilers, which use fully CO<sub>2</sub> emission free electricity. In addition, the tire manufacturing process is energy efficient as it utilizes the most modern technology and machinery.

In October 2024, Nokian Tyres was awarded a Platinum Medal in the EcoVadis corporate sustainability assessment for the second consecutive year. The rating means that the company is in the top one percent of companies assessed by EcoVadis in the past 12 months.

In November 2024, the Science Based Targets initiative (SBTi) approved Nokian Tyres' new greenhouse gas (GHG) emissions reduction targets, including both near-term targets for 2030 and long-term targets to reach net-zero GHG emissions across

the value chain by 2050. The SBTi approval means that Nokian Tyres' targets are considered to be in line with what the latest climate science deems necessary to limit global warming to 1.5°C.

### Share-based long-term incentive scheme for the management and selected key employees of Nokian Tyres plc

In February 2024, the Board of Directors confirmed to continue with new performance periods for the share-based incentive plan for the Group's key employees. The aim is 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 Performance Share Plan 2023–2027 consists of three performance periods covering the financial years 2023–2024, 2024–2025 and 2025–2027. The Board will decide annually on the commencement and details of the performance periods.

In the plan, the target group is given an opportunity to earn Nokian Tyres plc shares based on the achievement of the targets set for the performance periods. Potential rewards of the plan will be paid by the end of April 2026, 2027, and 2028 respectively. The rewards will be paid partly in Nokian Tyres plc shares and partly in cash. The cash proportion of the reward is intended for covering taxes and tax-related expenses arising from the rewards to the participants. In general, no reward will be paid if the participant's employment or director contract terminates before the reward payment.

The rewards from the performance period 2024–2025 are based on EBITDA, increase in passenger car tire production volume and reduction in direct CO<sub>2</sub> emissions. The possible reward will be paid during the first half of 2027 after a one-year retention period in case the targets set by the Board of Directors for Performance Period 2024–2025 are met.

The President and CEO of the company and members of the Management Team are obliged to hold 50 per cent of the received net shares until the value of the participant's total shareholding in the company corresponds to the participant's annual gross salary. The shareholding amount must be maintained as long as the membership in the Management Team or the position as a President and CEO continues.

The value of the gross rewards to be paid from the performance period 2024–2025 will correspond to an approximate maximum total of 1,760,000 Nokian Tyres plc shares, including the cash proportion. Approximately 150 persons, including the President and CEO of the company and other Management Team members, belong to the target group of the performance period.

### Restricted Share Plan 2024

The Board of Directors decided to continue the Restricted Share Plan, using the same structure as in the previous years. The purpose of the Restricted Share Plan is to serve as a complementary long-term incentive tool, used selectively for retention of Nokian Tyres key employees. It consists of annually commencing individual Restricted Share Plans, each with a three-year retention period after which the share rewards granted within the plan will be paid to the participants in shares of Nokian Tyres plc and partly in cash.

The commencement of each individual plan is subject to a separate approval by the Board of Directors.

A precondition for the payment of the share reward based on the Restricted Share Plan is that the employment relationship of a participant with Nokian Tyres continues until the payment date of the reward. In addition to this precondition, a financial performance criterion is applied to Nokian Tyres Management Team. The criterion is a threshold value for segments Return on Capital Employed (ROCE), which must be exceeded for a potential payment of a share reward based on the Restricted Share Plan 2024–2026.

The RSP 2024–2026 within the Restricted Share Plan structure commenced effective as of the beginning of 2024 and the potential share reward thereunder will be paid in the first half of 2027.

The possible rewards paid based on RSP 2024–2026 correspond approximately to a maximum of 120,000 gross shares.

### **Payments for share-based plans that ended in 2023**

In February 2024, the Board of Directors approved outcomes of the Performance and Restricted share plans 2021–2023.

#### **PERFORMANCE SHARE PLAN 2021–2023:**

The performance measure for the Performance Share Plan 2021–2023 was based on segments Earnings Per Share (EPS) and segments Return on Capital Employed (ROCE), both with an equal weight of 50%. Both targets did not meet the minimum level and thereby, no payments were conducted.

#### **RESTRICTED SHARE PLAN 2021–2023:**

The three-year restriction period of the Restricted Share Plan 2021–2023 ended after financial year 2023. Some key employees participate in the share-based incentive plan, including a member of the Management Team. The financial threshold value for segments Return on Capital Employed (ROCE) applied for the Management Team member was achieved. The rewards paid corresponded to a total of 4,600 Nokian Tyres plc gross shares. The rewards were paid at the end of March 2024. A precondition for the payment of the share reward based on the Restricted Share Plan was that the employment relationship of a participant with Nokian Tyres continued until the payment date of the reward.

The total number of shares of the company did not change due to payments for share-based plans that ended in 2023.

The Board of Directors anticipates that no new shares will be issued based on the share-based incentive schemes and that the schemes will, therefore, have no dilutive effect on the registered number of the company's shares.

### **Significant risks, uncertainties, and ongoing disputes**

Several uncertainties can impact Nokian Tyres' business and financial performance. The Group has adopted a risk management policy, approved by the Board of Directors, which supports the achievement of strategic goals and ensures business continuity. The risk management process aims to identify and evaluate threats and opportunities and to plan and implement practical measures for each risk. Nokian Tyres describes the overview of its risk management systems in the Corporate Governance Statement.

For example, the following risks could potentially have an impact on Nokian Tyres' business:

#### **ECONOMIC AND GEOPOLITICAL UNCERTAINTY**

Nokian Tyres is exposed to risks related to consumer confidence and macroeconomic and geopolitical conditions. Political tensions and increasing global uncertainty may lead to economic recession, create trade barriers, and cause global or regional crises that may significantly affect product demand or cause widespread disruptions in production and supply chain. These factors may adversely affect Nokian Tyres' financial performance and the collection of trade receivables.

*Risk mitigation measures:* continuous monitoring of the operating environment and markets. The company's ability to respond quickly and adapt its operations to a changing environment. Acting in accordance with the contingency plan.

#### **CHANGES IN CONSUMER BEHAVIOR**

The tire wholesale and retail landscape is evolving with digitalization to meet changing consumer needs. Nokian Tyres aims to adapt to changes in the sales channel and to innovate and develop new products and services that appeal to customers and consumers. Despite extensive testing of products, issues related to product quality and inability to meet customer needs or demands of

performance and safety can harm Nokian Tyres' reputation and brand, thereby negatively affecting the company's financial profitability and growth opportunities.

*Risk mitigation measures:* ensuring high-quality research and development activities. Continuous monitoring of the markets and customer needs. Sufficient resources for product testing. Developing distribution channels and network.

#### **IMPLEMENTATION OF THE INVESTMENT PROJECT IN ROMANIA**

To ensure tire availability, Nokian Tyres is investing in new zero CO2 emission production capacity in Romania. Delay in the planned start of commercial production and the ramp-up of production processes may negatively affect Nokian Tyres' financial performance and growth opportunities, especially in Central Europe.

*Risk mitigation measures:* close monitoring and management of the investment project. Preparation and continuous follow-up of a risk management plan. Ability to quickly react to significant changes. Retention and recruitment of skilled personnel.

#### **CURRENCY MARKET**

Nokian Tyres' operations are exposed to currency risks arising from currency transactions and the translation of subsidiary financial statements, which may affect Nokian Tyres' results and profitability. The most significant currency risks are caused by the Swedish and Norwegian krona and the US and Canadian dollar. Approximately 60% of the Group's sales are generated outside the euro-zone.

*Risk mitigation measures:* hedging against the effects of exchange rate fluctuations (see note 29 to the financial statements).

#### INFORMATION TECHNOLOGY AND CYBERSECURITY

The availability of information systems and network services is crucial to Nokian Tyres. Unplanned interruption in critical information systems and network services may cause disruption to the continuity of operations. These systems and services may also be exposed to cyberattacks, which may lead to a leakage of confidential information, violation of data privacy regulations or intellectual property rights, production and delivery interruptions, or reputational damage. Risk analyses and projects related to cybersecurity, data protection, and customer information are continuously a special focus area for the company.

*Risk mitigation measures:* sufficient investments and resources in IT infrastructure and capabilities, as well as cybersecurity. Appropriate plans to respond to disruptions in information systems and network services, including backup systems and recovery plans. Continuous monitoring of cybersecurity and data protection and vulnerability management. Employee training.

#### DIVERSIFIED CUSTOMER BASE

Building a diversified customer base and fostering strong customer relationships help reduce sales risk and create long-term business stability. Excessive concentration of the customer base can make the company dependent on a limited number of large customers, exposing the business to risks and potentially leading to a decline in sales and profitability.

*Risk mitigation measures:* continuous monitoring of the markets and proactive response to changes in the customer base. Deepening cooperation with existing key customers, for example, in the development of new products. Expanding the customer base geographically and in selected segments within current markets. Developing the distribution network and services, especially in key growth areas.

#### ENVIRONMENT, SOCIAL RESPONSIBILITY AND GOVERNANCE

Various aspects of corporate sustainability, including product quality, safety, the environment, and human rights, are increasingly important. Legislation and regulation, particularly around environmental, social responsibility and governance (ESG) issues, are increasing and affecting all actors in the value chain. Non-compliance with laws, regulations, or standards by Nokian Tyres or its suppliers, customers, or partners, neglecting new and tightening requirements, or incorrectly interpreting them may result in additional costs for Nokian Tyres or lead to fines and damage the company's reputation and brand. Over-reliance on individual suppliers increases the risk related to the availability of sustainable raw materials.

*Risk mitigation measures:* active monitoring of upcoming laws and regulations. Development and implementation of internal guidance, processes and training to ensure compliance. Strong commitment to achieving ESG targets. Expanding the supplier network. Regular environmental, human rights, and quality audits.

#### CLIMATE CHANGE

Tire industry may be subject to risks caused by climate change, such as changes in consumer tire preferences and regulatory changes. Extreme weather events may also affect natural rubber production, and fluctuations in raw material prices as well as new environmental fees may increase, potentially impacting profitability. Nokian Tyres is committed to reducing GHG emissions from its operations to combat climate change. The company calculates the GHG emissions from its operations annually and reduces them systematically.

*Risk mitigation measures:* increasing use of recyclable and renewable raw materials. Membership in industry associations helps identify new sustainable product development and business opportunities.

#### EMPLOYEE RETENTION AND COMPETENCE

Nokian Tyres' success relies heavily on employing the right people in the right positions. Failure to attract competent and committed professionals, coupled with an inability to provide a motivating work environment, may have an adverse impact on the implementation of Nokian Tyres' strategy and the achievement of its financial targets.

*Risk mitigation measures:* creating an attractive and safe workplace, including modern work tools and competitive salaries and other benefits. Developing employer brand to attract the best talent. Ensuring critical competencies and targeted recruitment.

#### Legal proceedings

In January 2024, the European Commission 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.

Lawsuits in the United States and Canada followed the news of the European Commission inspection. Nokian Tyres was named as a defendant in these lawsuits, along with other tire manufacturers. The lawsuits allege violations by the defendants of antitrust laws with respect to new replacement tires for passenger cars, vans, trucks and busses sold in the relevant jurisdictions. The U.S. lawsuits have been consolidated to a multidistrict litigation in the U.S. District Court for the Northern District of Ohio. Nokian Tyres considers the lawsuits to be without merit, however, the ultimate outcome of which cannot be predicted at this time.

In May 2017, the Finnish Financial Supervisory Authority filed a request for investigation with the National Bureau of Investigation regarding possible securities market offences. In October 2020, the prosecutor announced the decision to press charges against a total of six persons who acted as Board members and the President and CEO of Nokian Tyres in 2015–2016. The prosecutor also claimed a corporate fine against the company. In addition, four persons who were employees at Nokian Tyres in 2015 were charged for abuse of inside information. The District Court of Helsinki dismissed all charges and claims by the prosecutor in its ruling in June 2022. The decision is not yet legally binding, and the prosecutor has appealed against the decision of the District Court. The proceedings are ongoing in the Appeal Court.

#### Tax disputes

There are no ongoing tax disputes in Nokian Tyres entities. Routine tax audits in Nokian Tyres Group entities may possibly lead to a reassessment of taxes.

#### Matters after the review period

After the review period, on January 23, 2025 Nokian Tyres plc received a notification of change in shareholding pursuant to Chapter 9, Section 5 of the Securities Markets Act. The details of the notification are available at [company.nokiantyres.com/news-and-media/press-releases](http://company.nokiantyres.com/news-and-media/press-releases).

On February 4, 2025, Nokian Tyres announced changes to the Management Team to increase consumer focus, global synergies and operational excellence. New members joining the Management Team are Tommi Alhola (SVP Passenger Car Tyres, Central Europe) and Lauri Halme (SVP Passenger Car Tyres, North America). The new Management Team structure will enable a dedicated focus on Nokian Tyres' growth regions to achieve the company's long-term objectives. As part of the organizational changes, the company will reorganize all Manufacturing facilities under one leadership and combine Marketing and Communications in one strategic global function.

#### Nokian Tyres' Management Team as of March 1, 2025:

Paolo Pompei, President and CEO  
Niko Haavisto, CFO  
Tommi Alhola, SVP Passenger Car Tyres, Central Europe  
Elisa Erkkilä, SVP Legal, General Counsel  
Lauri Halme, SVP Passenger Car Tyres, North America  
Adrian Kaczmarczyk, SVP Operations  
Jukka Kasi, SVP Products & Innovation  
Päivi Leskinen, SVP Human Resources  
Manu Salmi, SVP Heavy Tyres, SVP Manufacturing (interim)

Päivi Antola, SVP Communications, Investor Relations and Brand, is leaving Nokian Tyres to join another company.

#### Guidance for 2025

In 2025, Nokian Tyres' net sales and segments operating profit are expected to grow compared to the previous year.

#### Assumptions for 2025

Tire demand in Nokian Tyres' markets is expected to remain at the previous year's level in 2025. Development of global economy and geopolitical uncertainties may cause volatility to the company's business environment.

Nokian Tyres' sales growth is based on increasing capacity in the Romanian and US factories as well as good availability of finished goods inventories.

#### The proposal for the use of profits by the Board of Directors

The distributable funds in the Parent company total EUR 773.2 million.

The Board of Directors proposes to the 2025 Annual General Meeting that the distributable funds are to be used as follows:

a dividend of	0.25 EUR/share
be paid out, totaling	EUR 34.5 million
retained in equity	EUR 738.7 million
<b>Total</b>	<b>EUR 773.2 million</b>

The Board of Directors proposes that a dividend of EUR 0.25 per share shall be paid to shareholders who are registered in the company's shareholder register maintained by Euroclear Finland Oy on the dividend record date of May 9, 2025. The payment date proposed by the Board of Directors is May 20, 2025.

No material changes have taken place in the financial position of the company since the end of the financial year. The liquidity of the company is good, and the proposed distribution of profits does not compromise the financial standing of the company as perceived by the Board of Directors.

Notice to the 2025 Annual General Meeting will be published during the week commencing March 17, 2025.

Helsinki, February 4, 2025

Nokian Tyres plc  
Board of Directors

# Consolidated key financial indicators

Figures in EUR million unless otherwise indicated	2024	2023*	2022	2021	2020	2019	2018	2017	2016	2015
Net sales	1,289.8	1,173.6	1,350.5*	1,714.1	1,313.8	1,595.8	1,595.6	1,572.5	1,391.2	1,360.1
change, %	9.9%	-13.1%	-21.2%*	30.5%	-17.1%	0.0%	1.5%	13.0%	2.3%	-2.1%
Operating margin (EBITDA) <sup>1</sup>	126.0	147.0	170.2*	425.6	275.9	441.7	465.8	463.7	395.2	378.6
Depreciation and amortization	124.2	114.9	110.1*	140.5	131.0	125.2	93.4	98.3	84.7	82.6
Impairments <sup>2</sup>	-	-	3.4*	17.0	24.9					
Operating profit (EBIT)	1.8	32.1	56.7*	268.2	120.0	316.5	372.4	365.4	310.5	296.0
% of net sales	0.1%	2.7%	4.2%*	15.6%	9.1%	19.8%	23.3%	23.2%	22.3%	21.8%
Profit before tax	-31.5	14.2	11.2*	258.2	106.0	336.7	361.7	332.4	298.7	274.2
% of net sales	-2.4%	1.2%	0.0*	15.1%	8.1%	21.1%	22.7%	21.1%	21.5%	20.2%
Return on equity, %	-1.7%	-23.4%	-11.5%*	13.1%	5.2%	24.6%	20.0%	15.1%	18.7%	19.6%
Return on capital employed, %	0.5%	2.2%	3.1%	13.7%	6.0%	17.6%	23.3%	22.4%	19.9%	20.3%
Total assets	2,423.7	2,325.2	2,209.7	2,383.5	2,336.7	2,332.6	2,092.9	1,877.4	1,975.7	1,754.8
Interest-bearing net debt	613.1	223.6	140.9	-98.7	-17.2	41.1	-315.2	-208.3	-287.4	-209.7
Equity ratio, %	52.5%	58.0%	64.9%	68.4%	65.3%	75.9%	71.0%	78.2%	73.8%	70.8%
Gearing, %	48.2%	16.6%	9.8%	-6.1%	-1.1%	2.3%	-21.2%	-14.2%	-19.7%	-16.9%
Net cash from operating activities	77.4	82.4	-4.3	396.5	422.4	219.8	536.9	234.6	364.4	283.4
Capital expenditure	350.1	252.1	129.7	119.6	149.9	290.1	226.5	134.9	105.6	101.7
% of net sales	27.1%	21.5%	9.6%	7.0%	11.4%	18.3%	14.2%	8.6%	7.6%	7.5%
R&D expenditure	24.8	24.3	29.6	31.9	22.7	22.7	20.8	21.8	20.3	18.7
% of net sales	1.9%	2.1%	2.2%	1.9%	1.7%	1.3%	1.3%	1.4%	1.5%	1.4%
Dividends	34.5 <sup>3</sup>	75.8	76.0	76.0	165.9	158.4	218.1	214.2	208.0	202.0
Personnel, average during the year	3,850	3,754	3,517*	4,941	4,859	4,942	4,790	4,630	4,433	4,421

\*The figures for years 2023 and 2022 are comparable and present continuing operations.

<sup>1</sup>DA in EBITDA includes impairments from 2020 onwards.

<sup>2</sup>Impairments are presented from 2020 onwards.

<sup>3</sup>The Board's proposal to the Annual General Meeting.

# Per share data

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Earnings per share, EUR	-0.17	-2.36	-1.27	1.49	0.62	2.89	2.15	1.63	1.87	1.80
change, %	-93.0%	85.8%	-185.1%	140.2%	-78.5%	78.1%	32.4%	-13.0%	3.6%	15.1%
Earnings per share (diluted), EUR	-0.17	-2.36	-1.27	1.49	0.62	2.89	2.14	1.61	1.86	1.80
change, %	-93.0%	85.8%	-185.1%	140.2%	-78.5%	35.2%	32.5%	-13.2%	3.2%	15.0%
Earnings per share continuing operations, EUR	-0.17	0.09	0.11							
change, %	-282.8%	-17.9%	0.0%							
Earnings per share discontinued operations, EUR	-	-2.45	-1.38							
change, %	-100.0%	77.5%	0.00							
Cash flow per share, EUR	0.56	0.60	-0.03	2.87	3.05	3.89	3.91	1.72	2.70	2.12
change, %	-6.0%	-2020.0%	-101.1%	-6.0%	-21.5%	-0.7%	127.2%	-36.3%	27.4%	-12.7%
Dividend per share, EUR	0.25	0.55	0.55	0.55	1.20	1.14	1.58	1.56	1.53	1.50
Dividend payout ratio, %	-150.9%	-23.3%	-43.3%	88.5%	192.9%	39.5%	73.9%	96.7%	82.6%	83.9%
Equity per share, EUR	9.23	9.77	10.37	11.78	11.01	12.76	10.79	10.74	10.75	9.24
P/E ratio	-44.4	-3.5	-7.5	22.3	46.4	8.9	12.5	23.3	19.0	18.4
Dividend yield, %	3.4%	6.7%	5.7%	4.0%	4.2%	4.5%	5.9%	4.1%	4.3%	4.5%
Market capitalization Dec 31	1,021.1	1,147.5	1,330.9	4,626.1	4,003.7	3,560.6	3,702.9	5,188.7	4,814.0	4,458.3
Number of shares during the year, average, million units	137.87	137.98	138.25	138.22	138.46	138.17	137.26	136.25	134.86	133.63
diluted, million units	137.87	137.98	138.25	138.22	138.46	138.38	138.14	137.28	135.56	133.74
Number of shares Dec 31, million units	137.87	137.87	138.25	138.22	138.22	138.72	137.79	136.75	135.68	134.39
Number of shares entitled to a dividend, million units	137.87	137.87	138.25	138.22	138.22	138.92	138.07	137.28	135.93	134.69

# Formulas for the key financial indicators

## Definitions

Return on equity, % =	$\frac{\text{Profit for the period} \times 100}{\text{Total equity (average)}}$
Return on capital employed, % =	$\frac{\text{Profit before tax} + \text{interest and other financial expenses} \times 100}{\text{Total assets (average)} - \text{non-interest-bearing debt}}$
Equity ratio, % =	$\frac{\text{Total equity} \times 100}{\text{Total assets} - \text{advances received}}$
Gearing, % =	$\frac{\text{Interest-bearing net debt} \times 100}{\text{Total equity}}$
Earnings per share, EUR =	$\frac{\text{Profit for the period attributable to the equity holders of the parent}}{\text{Average adjusted number of shares}^1 \text{ during the year}}$
Earnings per share (diluted <sup>2</sup> ), EUR =	$\frac{\text{Profit for the period attributable to the equity holders of the parent}}{\text{Average adjusted and diluted}^2 \text{ number }^1 \text{ of shares during the year}}$
Cash flow per share, EUR =	$\frac{\text{Cash flow from operations}}{\text{Average adjusted number of shares}^1 \text{ during the year}}$
Dividend per share, EUR =	$\frac{\text{Dividend for the year}}{\text{Number of shares entitled to a dividend}}$
Dividend payout ratio, % =	$\frac{\text{Dividend for the year} \times 100}{\text{Net profit}}$
Equity per share, EUR =	$\frac{\text{Equity attributable to equity holders of the parent}}{\text{Adjusted number of shares}^1 \text{ on the balance sheet date}}$
P/E ratio =	$\frac{\text{Share price, Dec 31}}{\text{Earnings per share}}$
Dividend yield, % =	$\frac{\text{Dividend per share}}{\text{Share price, Dec 31}}$

<sup>1</sup>Without treasury shares

<sup>2</sup>The share options affect the dilution as the average share market price for the financial year exceeds the defined subscription price

# SUSTAINABILITY STATEMENT

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

Teamwork between the sustainability team, purchasing and R&D



“

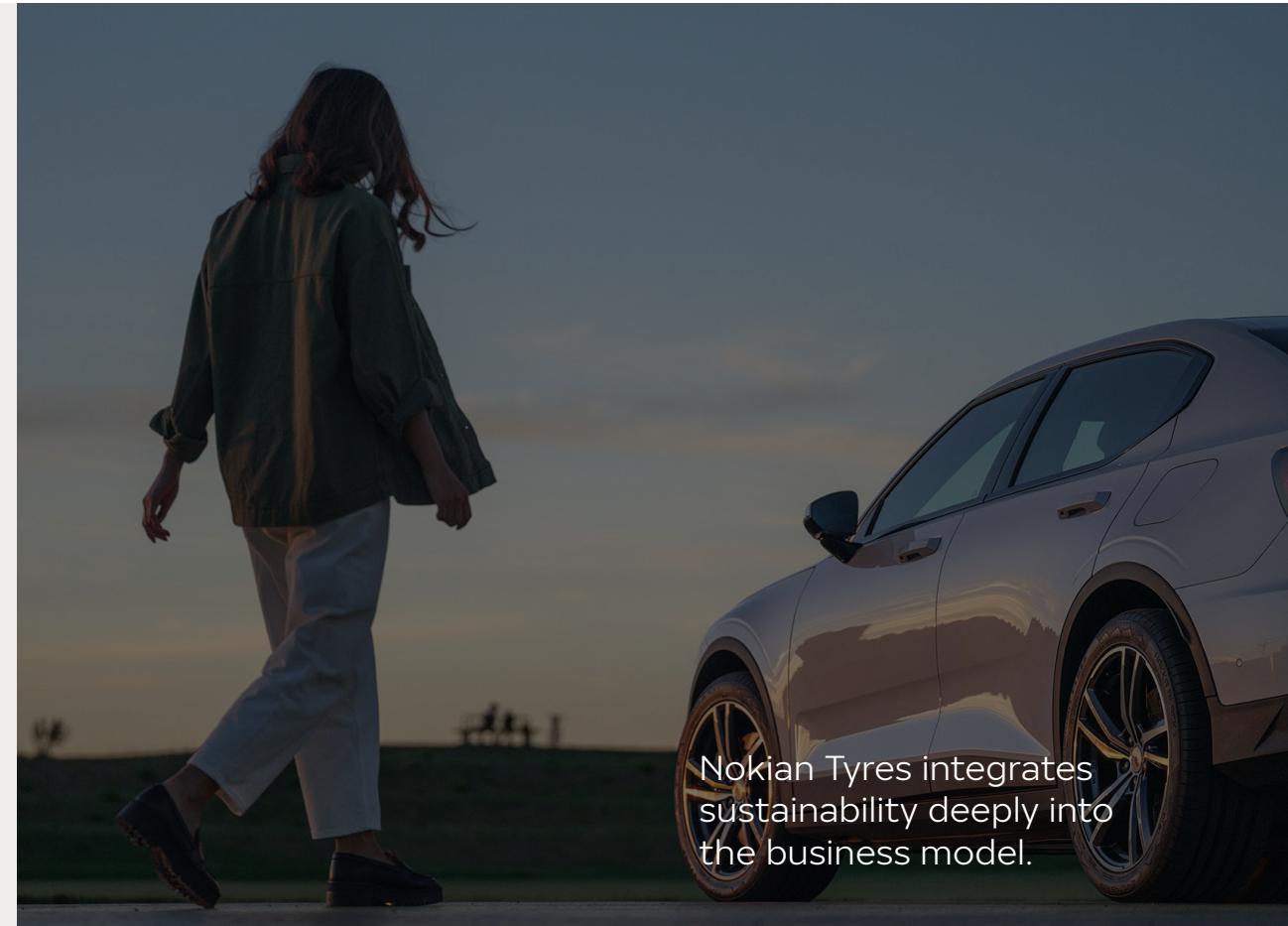
**THE PRINCIPLES OF  
SUSTAINABLE SAFETY  
GUIDE EVERYTHING  
THAT WE DO**

# General information

ESRS 2 General disclosures

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[General information](#)  
[Environmental information](#)  
[Social information](#)  
[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

### Strategy, targets, and follow-up

Board of Directors (incl. People and Sustainability Committee)

Group's Management Team

Sustainability Steering Group

GHG Steering Group

### Action plans and day-to-day leadership of sustainability

VP, Quality and Sustainability

Sustainability  
working group

Safety  
management  
working group

Environmental  
working group

Energy  
efficiency  
working group

Sustainable  
purchasing  
working group

All units and supervisors

Personnel

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.

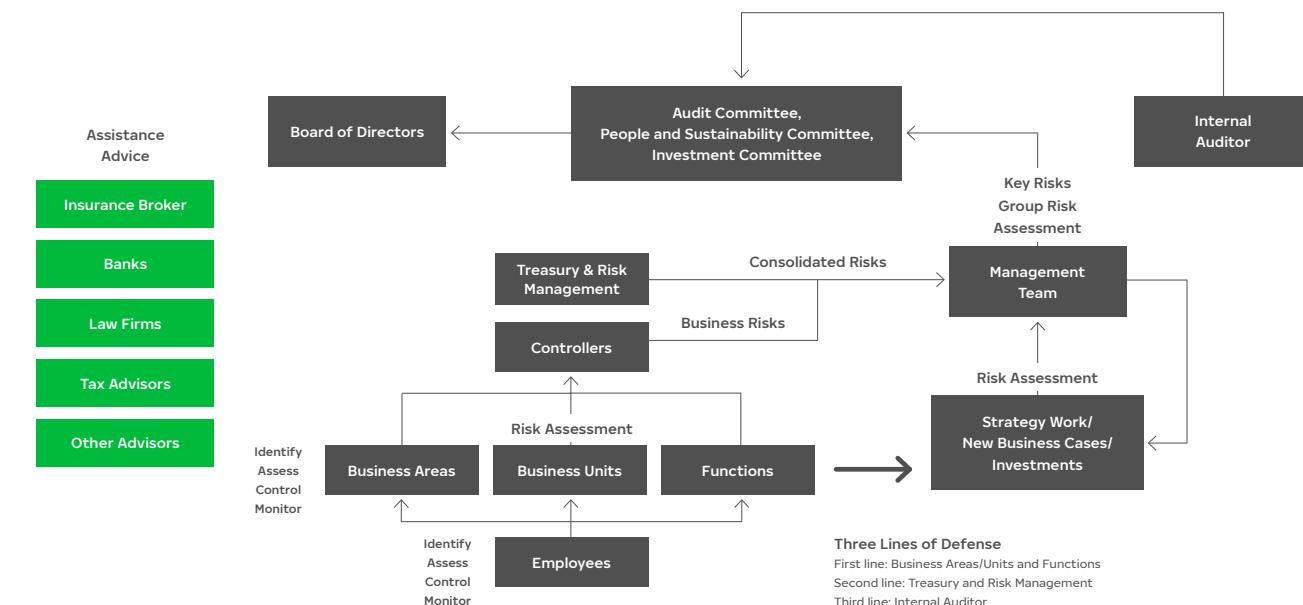
## GOV-2 Addressing sustainability matters

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.

## 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 (CO<sub>2</sub>e) emissions. The CO<sub>2</sub>e 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 CO<sub>2</sub>e emission tire factory in the world. More information about what zero CO<sub>2</sub>e 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.



## Upstream



## 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.

## 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.



## Operations

## Logistics

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



## Downstream

## 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.



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

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

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 <sub>2</sub> e emission factory in the tire industry and supports the company's strategy by increasing production capacity. More information about what zero CO <sub>2</sub> 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 <sub>2</sub> 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
Adverse human rights impacts related to working conditions and equality in the supply chain and outsourced operations	Actual negative impact (Upstream value chain)	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.	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.

## 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 CO<sub>2</sub>e/production ton, and the second KPI to Scope 3 emissions from product use, in t CO<sub>2</sub>e/production ton. Sustainalytics' 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 microplastics 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

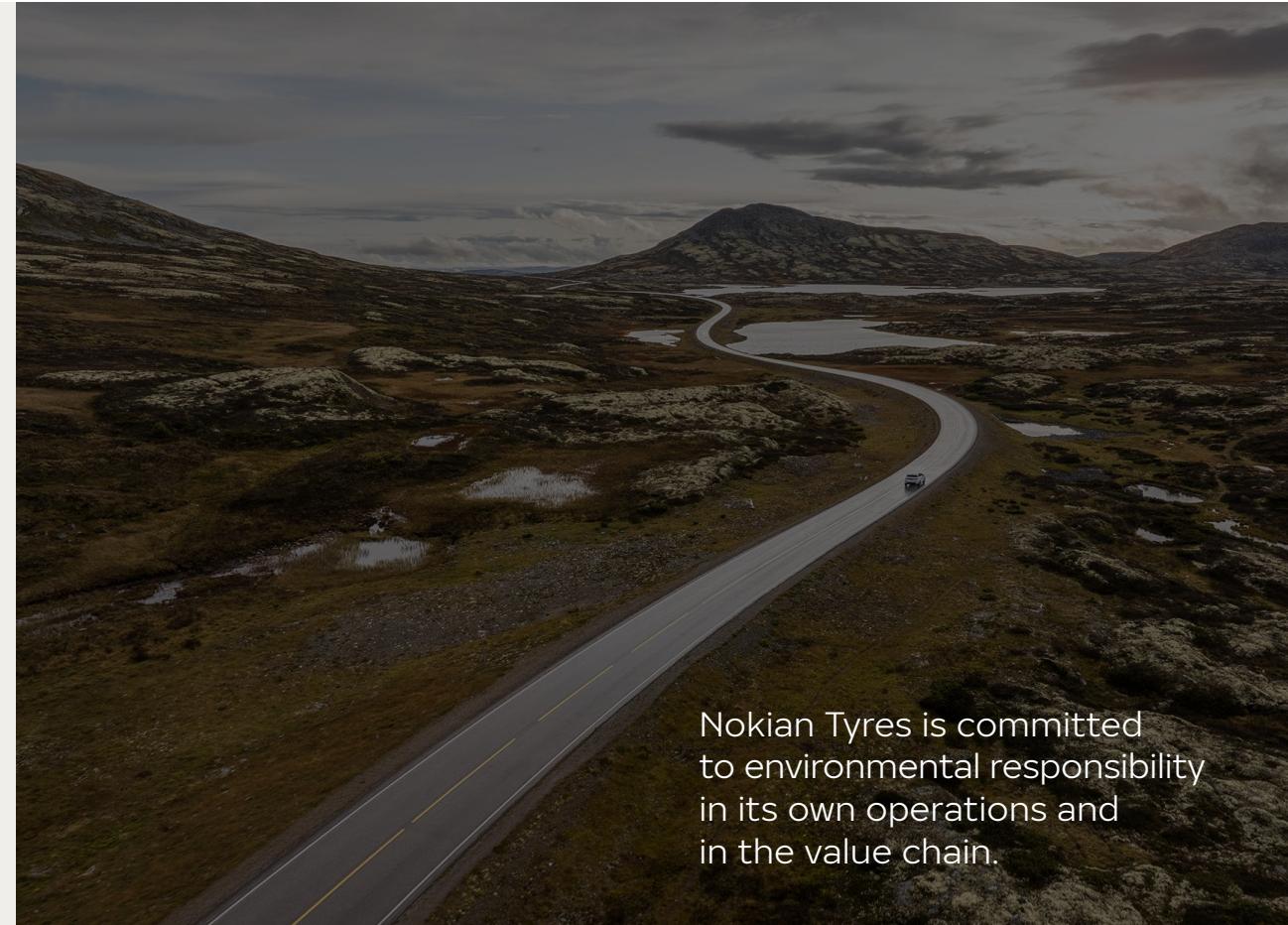
The ESRS Disclosure Requirements covered by this Sustainability Statement are presented in the ESRS Content Index on pages **127–130**. An index of datapoints deriving from other EU legislation is presented on pages **131–136**.

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 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 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 CO<sub>2</sub> 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 ad 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)	Code (2)	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 (8)	Category enabling activity (19)	Category transitional activity (20)	
		Turnover (3)	Proportion of turnover, 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)			
A. TAXONOMY-ELIGIBLE ACTIVITIES		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		%	E	T
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	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%																
<b>TOTAL</b>		<b>1,289.8</b>	<b>100%</b>																

\*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)	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)		
A. TAXONOMY-ELIGIBLE ACTIVITIES		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		%	E T
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	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	Y	6.0%*		
Of which enabling		15.4	3.8%	97%	0%	0%	0%	3%	0%	Y	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%															
<b>TOTAL</b>		<b>400.1</b>	<b>100%</b>															

\*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)	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)		
A. TAXONOMY-ELIGIBLE ACTIVITIES		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		%	E T
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	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	Y	10.3%*		
Of which enabling		4.7	11.9%	100%	0%	0%	0%	0%	0%	Y	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%															
<b>TOTAL</b>		<b>39.2</b>	<b>100%</b>															

\*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.

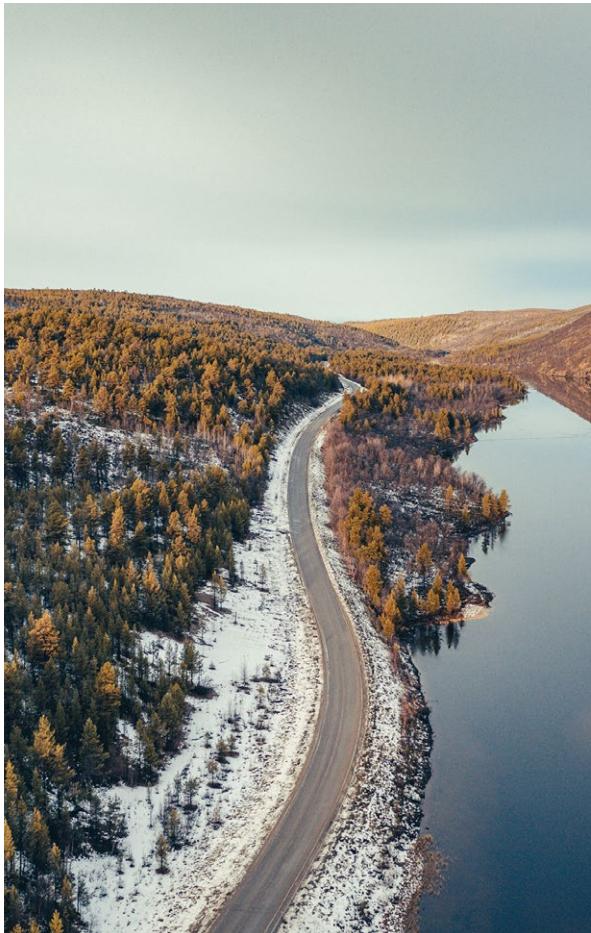
No

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"><li>• Negative impacts due to greenhouse gas emissions from own operations (Scope 1 and 2)</li><li>• Negative impacts due to greenhouse gas emissions in the value chain (Scope 3)</li><li>• Opportunity of increased revenue and/or cost savings due to climate-friendly technologies</li><li>• Opportunity of increased revenue from competitive product portfolio</li><li>• Opportunity of increased revenue due to innovative and low-carbon raw materials</li><li>• Risk of increasing costs related to tire raw materials</li><li>• Risk of further environmental fees (e.g. additional taxes, certification costs)</li></ul>	Environmental, Safety, and Quality Guideline, Code of Conduct, Supplier Code of Conduct, Sustainable Natural Rubber Policy	<p><b>Nokian Tyres is committed to environmental responsibility, focusing on reducing greenhouse gas emissions, improving energy efficiency, and prioritizing renewable energy.</b></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 CO<sub>2</sub>e 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 CO<sub>2</sub>e 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 CO<sub>2</sub> equivalent unit, CO<sub>2</sub>e. 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 CO<sub>2</sub>e 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 CO<sub>2</sub>e 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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
<b>(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)</b>	<b>113,596</b>	<b>131,426</b>
Share of fossil sources in total energy consumption (%)	29.9%	36.2%
<b>(7) Consumption from nuclear sources (MWh)</b>	<b>55,280</b>	<b>90,000</b>
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
<b>(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)</b>	<b>211,089</b>	<b>141,661</b>
Share of renewable sources in total energy consumption (%)	55.6%	39.0%
<b>Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)</b>	<b>379,966</b>	<b>363,087</b>

## 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) <sup>11</sup>	1,289.8	1,173.6	
Net sales (other) (EUR million)	-	-	
<b>Total net sales (Financial Statements) (EUR million)</b>	<b>1,289.8</b>	<b>1,173.6</b>	

## 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

CO<sub>2</sub>e 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 <sup>2</sup>	
								2022	
<b>Scope 1 GHG emissions</b>									
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)	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						
<b>Scope 2 GHG emissions</b>									
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	26,562	28,566	28,840	101%					
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	21,390	17,340	7,803	45%	15,250	8,750	1,250	7.4%	
<b>Significant scope 3 GHG emissions</b>									
Total Gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> eq)	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	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	88%					
7) Employee commuting <sup>1</sup>		1,059	1,239	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%				
<b>Total GHG emissions</b>									
Total GHG emissions (location-based) (tCO <sub>2</sub> eq)	7,189,330	8,114,515	7,687,022	95%					
Total GHG emissions (market-based) (tCO <sub>2</sub> eq)	7,184,158	8,103,289	7,665,985	95%					

<sup>1</sup>Includes the tire factories in Finland and in the US.

<sup>2</sup>2030 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 CO<sub>2</sub>e 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 <sub>2</sub> eq/€)	0.006	0.007	86%
Total GHG emissions (market-based) per net sales (tCO <sub>2</sub> eq/€)	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 CO<sub>2</sub>e 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, CO<sub>2</sub> 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 CO<sub>2</sub>e/vehicle was calculated from the total fleet report. The total leased vehicles' CO<sub>2</sub>e 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 CO<sub>2</sub> 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 CO<sub>2</sub>e. 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"><li>Negative impacts in terms of pollution of air, water and soil</li><li>Adverse health and environmental impacts from the use of chemicals</li><li>Opportunity to develop more environmentally sustainable products (more durable products and safer chemicals)</li><li>Risk of increasing regulatory obligations related to pollution</li></ul>	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/m<sup>3</sup> 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

	Health and environmental hazards	Health hazards	Health and environmental hazards
T			
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"><li>Negative biodiversity impacts in raw material sourcing</li><li>Risk of increasing regulation related to deforestation and other biodiversity-related issues</li></ul>	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"><li>Negative impacts through the use of virgin resources</li><li>Risk of increasing regulation on materials (e.g. traceability)</li></ul>	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"><li>Negative impacts caused by improper management of end-of-life tires</li></ul>	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"> <li>• Polymers from renewable sources</li> <li>• Mass-balance approach</li> <li>• Recycled rubber crumbs</li> </ul>
Natural rubber	22	Natural rubber	<ul style="list-style-type: none"> <li>• Guayule as an alternative for natural rubber</li> <li>• Recycled rubber crumbs</li> </ul>
Fillers	28	Silica, carbon black	<ul style="list-style-type: none"> <li>• More extensive use of recycled carbon black is under investigation</li> <li>• Active research of different renewable fillers, for instance forest industry's side stream-based materials</li> </ul>
Reinforcement materials	15	Steel, textile	<ul style="list-style-type: none"> <li>• Increasing the share of recycled steel in reinforcement materials is being researched</li> <li>• Researching the use of renewable or recycled sources for textiles</li> </ul>
Chemicals	12	Several sources	<ul style="list-style-type: none"> <li>• Increasing renewable or recycled oil and resin content in tires</li> <li>• Reduction and elimination of harmful chemicals and search of alternative options from either recycled or renewable resources</li> </ul>

## 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 CO<sub>2</sub>e 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.

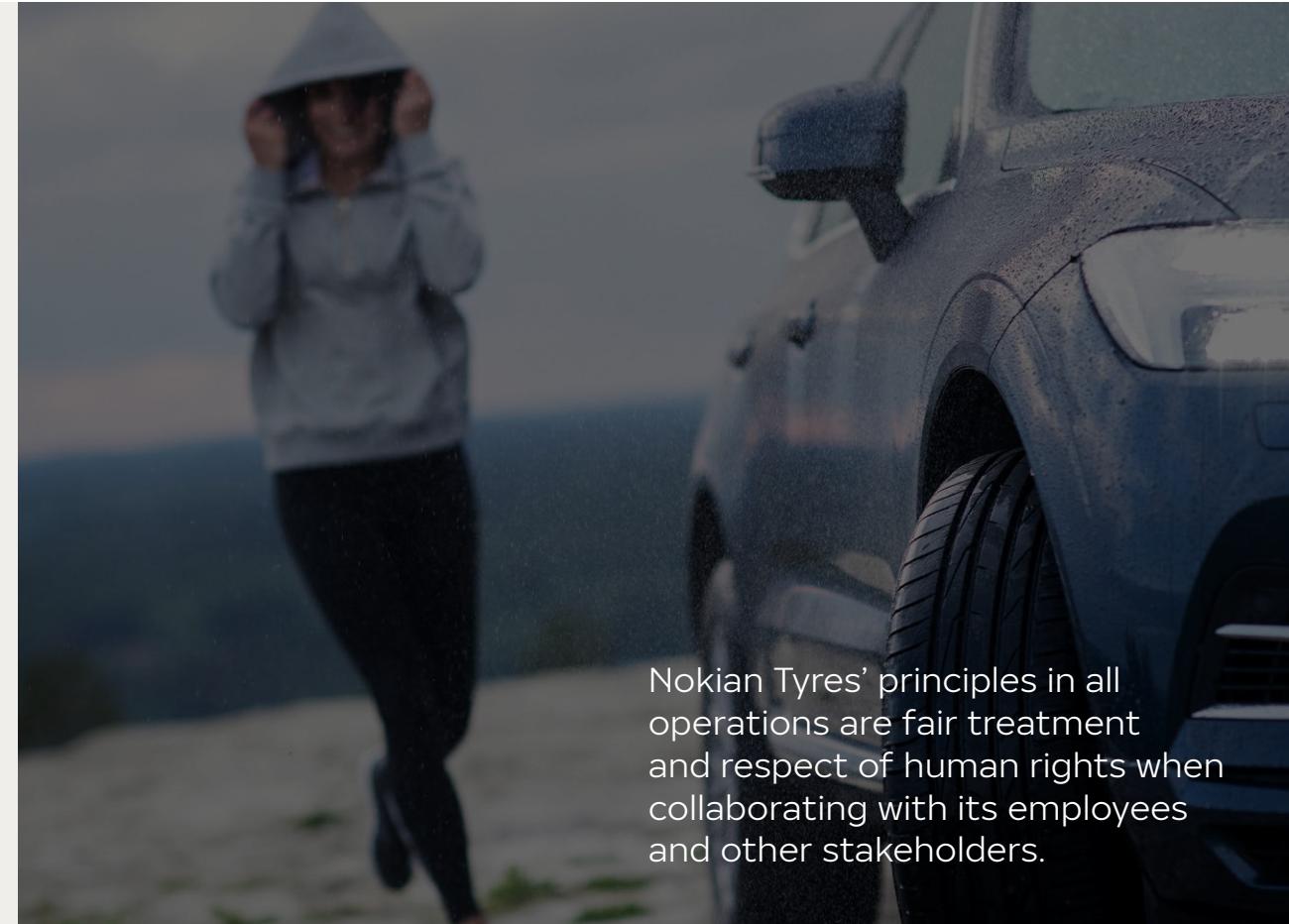
In tire retreading, the tread of an old tire is removed, after which a new, safe tread is attached to the tire, which will again last for its next service life. The tire frame gives the tire its shape and makes it sturdy and suitably flexible. The old tire frame can be retreaded, even if its tread has 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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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"><li>Positive impacts through improved employee health, well-being, and motivation</li><li>Adverse impacts on employee health, well-being and motivation</li><li>Adverse impacts on employee safety</li><li>Opportunity of an attractive employer brand through outstanding employee well-being and working environment</li></ul>	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"> <li>Positive impacts by offering secure work and fair working conditions</li> </ul>	Code of Conduct, Total Rewards Philosophy and Guideline	<p><b>Nokian Tyres respects the freedom of association and the freedom of workers to organize.</b></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"> <li>Opportunity of a competitive advantage and improved innovation capabilities through competent workforce</li> <li>Positive impacts from improved skills and career development of employees</li> <li>Positive impacts from improved health, well-being and motivation, improved company culture and employer reputation through inclusivity and equality</li> </ul>	People Review, Code of Conduct, Total Rewards Philosophy and Guideline	<p><b>Employees own their development and career, while managers support them by providing resources and learning opportunities where possible.</b></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. 2023	Vs. external global benchmark
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](http://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 or 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	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.)	
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
Total	5.4	Total	5.4	Over 50	4.9
				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 (CO<sub>2</sub>e) emissions. The CO<sub>2</sub>e 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 <sup>1</sup>	0.6	-2.8
Total remuneration ratio <sup>2</sup>	25.2	-

<sup>1</sup>Gender 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.

<sup>2</sup>Total 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"><li>• Working conditions</li><li>• Equal treatment and opportunities for all</li><li>• Other work-related rights</li></ul>	Adverse human rights impacts related to working conditions and equality in the supply chain and outsourced operations	Procurement Guideline, Sustainable Natural Rubber Policy, Supplier Code of Conduct	<p>Nokian Tyres is committed and further expects its suppliers, for example, to:</p> <ul style="list-style-type: none"><li>• Actively prevent child labor</li><li>• Provide its employees at least with the minimum wage as required by local laws</li><li>• Provide its employees with a safe working environment</li><li>• 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</li><li>• 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</li><li>• Ensure that labor rights related safeguards apply to all employees, with no distinction being made on discriminatory grounds or employment status.</li></ul>

### 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.

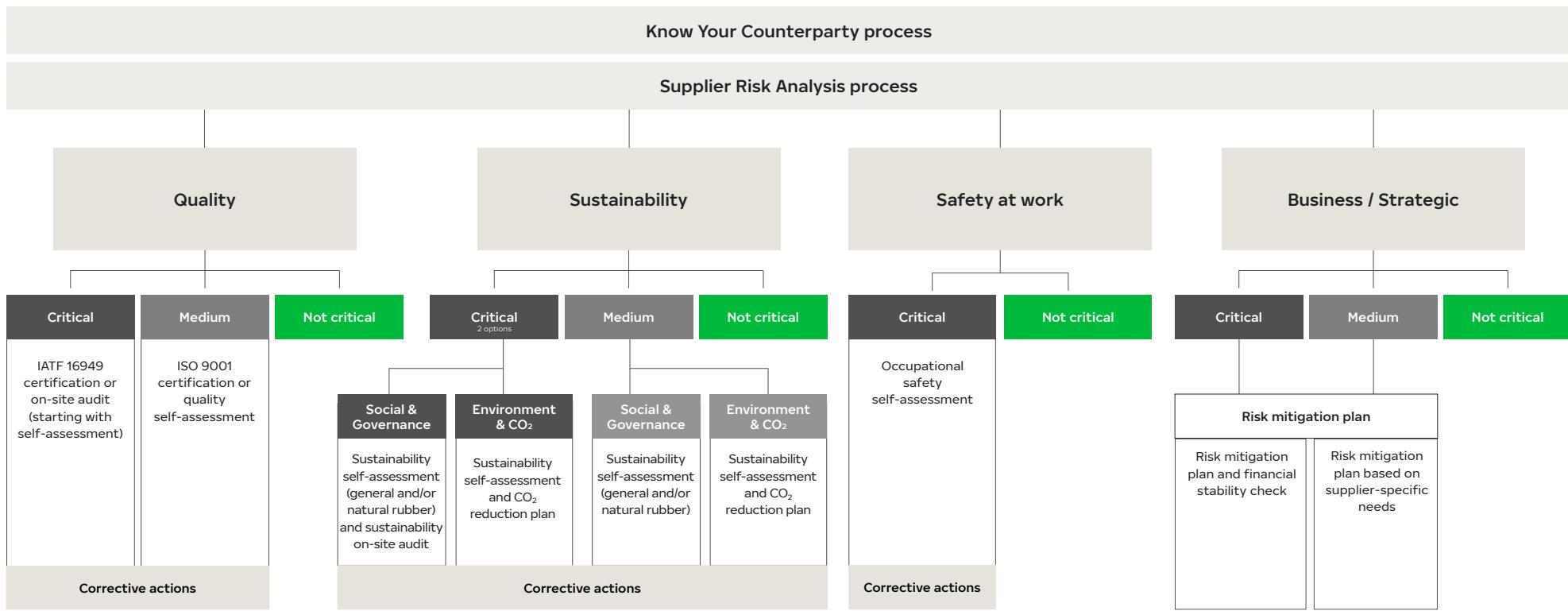
The backgrounds of all new suppliers are checked according to Nokian Tyres' Due Diligence process before supplier approval. Nokian Tyres assesses the possible risks associated with the suppliers according to the model presented on the next page. The assessment model has four different categories: quality, 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/lopenhetsloven](http://www.nokiantyres.no/fakta-om-bedriften/lopenhetsloven) and [www.vianor.no/bedriftskunder/om-oss/lopenhetsloven](http://www.vianor.no/bedriftskunder/om-oss/lopenhetsloven), respectively. (Norwegian Transparency Act 2021, Section 5 Duty to account for due diligence)

## Supplier risk management process



■ Critical

■ Medium

■ No additional actions needed

## + 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

### Supplier Assessment Target for 2024 2024

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/](https://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](mailto: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
<b>Health and safety</b>	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>
<b>Quality information and responsible marketing</b>	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><b>Nokian Tyres' Code of Conduct defines its approach to marketing and communications.</b></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><b>Nokian Tyres' Code of Conduct and Data Protection Policy respect the protection of privacy and adhere to privacy legislation.</b></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/](http://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](mailto: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](mailto: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.

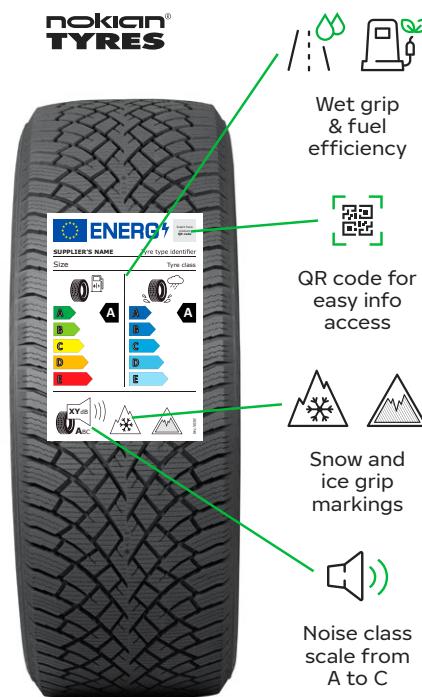
The flagship Nordic winter tires, the non-studded Nokian Tyres Hakkapeliitta R5 EV and studded Nokian Tyres Hakkapeliitta 10 EV, are specially designed for electric vehicles. Both feature noise-reducing innovations, including an interior foam layer that minimizes noise inside the vehicle.

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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**Governance information**



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"><li>Positive impacts from ethical and sustainable sourcing practices</li><li>Opportunity for being a preferred partner for suppliers through good and fair relationship management</li></ul>	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](http://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 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

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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
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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		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 1 Indicator number 3 Table #2 of Annex 1				Material	84
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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	-
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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 S2-BM-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	-
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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<sub>x</sub> and SO<sub>x</sub> 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 <sub>x</sub> , t			
Tire factory in the US	3.3	2.8	2.0

SO <sub>x</sub> , t	2024	2023	2022
Tire factory in the US	0.6	0.5	0.4

(GRI 305: Emissions 2016. GRI 305-7 Nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>))

## 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 m <sup>3</sup>			
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 m <sup>3</sup>			
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 m <sup>3</sup>			
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
<b>Waste generated</b>			
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	-	-	-
<b>Non-hazardous waste diverted from disposal</b>	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
<b>Hazardous waste directed to disposal</b>	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	-	-	-
<b>Non-hazardous waste directed to disposal</b>	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	-	-	-
<b>Non-recycled waste</b>	3,768	3,740	3,250
Percentage of non-recycled waste	33%	39%	44%
<b>Total waste (t)</b>	11,362	9,562	7,314

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



# CORPORATE GOVERNANCE STATEMENT

MAKING THE WORLD SAFER,  
OVER AND OVER AGAIN

Launch team ramping up the Romania factory



“

WHEN LEARNING  
HOW TIRES ARE MADE  
THERE IS ALWAYS  
SOMETHING NEW TO  
DISCOVER

# Corporate Governance Statement 2024

## I Introduction

Nokian Tyres plc (Nokian Tyres or Company) complies without deviation with the Finnish Corporate Governance Code (Code) in force, adopted by the Securities Market Association. The Code is available in its entirety at [www.cgfineand.fi/en/corporate-governance-code](http://www.cgfineand.fi/en/corporate-governance-code). The Company's Board of Directors has approved the Corporate Governance Statement on February 4, 2025.

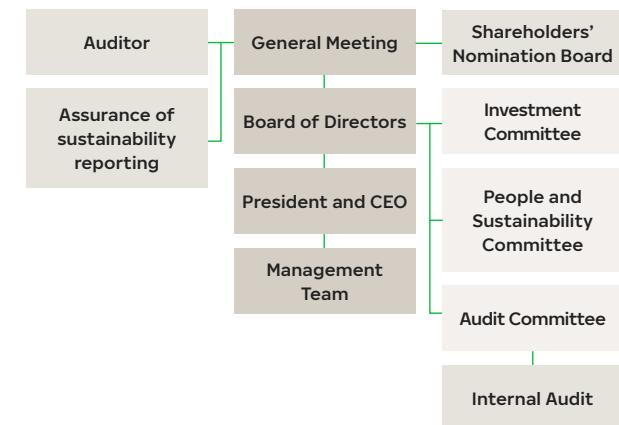
The Corporate Governance Statement will be published as part of the Report by the Board of Directors in the Annual Report 2024. This Corporate Governance Statement and updated information about the governance and remuneration of the Company is available on the Company's website at [company.nokiantyres.com/investors/corporate-governance](http://company.nokiantyres.com/investors/corporate-governance).

Nokian Tyres' corporate governance is based on the regulatory framework and administrative organization described in the pictures on the right. The Company's auditor verifies that the Corporate Governance Statement and its related descriptions of the internal reporting controls and risk management correspond to the financial reporting process.

## Nokian Tyres' regulatory framework for Corporate Governance

External framework	Internal framework
<ul style="list-style-type: none"><li>• Finnish Limited Liability Companies Act</li><li>• Laws and regulations relating to publicly listed companies in Finland</li><li>• Corporate Governance Code published by the Securities Market Association</li><li>• Rules and regulations of the Nasdaq Helsinki, the European Securities and Markets Authority, and the Financial Supervisory Authority</li></ul>	<ul style="list-style-type: none"><li>• Articles of Association</li><li>• Code of Conduct</li><li>• Charters of the Board of Directors, the Committees and the Internal Audit</li><li>• Nokian Tyres' policies, guidelines and instructions</li></ul>

## Nokian Tyres' administrative organization



## II Governance bodies

Nokian Tyres is a Finnish limited liability company, and its registered place of business is Nokia, Finland. The parent company Nokian Tyres plc and its subsidiaries form the Nokian Tyres Group (Group). The administrative bodies of Nokian Tyres, i.e., the General Meeting, the Board of Directors, and the President and CEO, are responsible for the administration and operation of the Group. The General Meeting elects the members of the Board of Directors, and the Chair and possibly the Deputy Chair of the Board of Directors upon the proposal by the Shareholders' Nomination Board. The Board of Directors appoints the Company's President and CEO. The President and CEO is assisted by the Group's Management Team in leading the Company's operations.

### General Meeting

Nokian Tyres' highest decision-making power is held by the General Meeting, whose tasks and procedures are outlined in the Finnish Limited Liability Companies Act and the Articles of Association. The Annual General Meeting decides, among others, the following matters:

- adoption of the Company's annual accounts
- profit distribution
- discharging the Board of Directors and the President and CEO from liability
- number of members in the Board of Directors, the election of the Board members and the auditor, and their remuneration
- amendments to the Articles of Association, share issues, and acquisition of the Company's own shares
- adoption of the Remuneration Policy at least every four years and the Remuneration Report annually. Resolutions of the General Meeting regarding the policy and the report are advisory.

The Annual General Meeting is held by the end of May of each year on a date determined by the Board of Directors, either in Nokia, Tampere, Helsinki or entirely without a meeting venue, as virtual meeting. In virtual meetings, shareholders may exercise their full decision-making power, including the right to present questions and to vote, by using remote connection and technical means.

An Extraordinary General Meeting is called whenever the Board of Directors considers this to be necessary or if an auditor or a group of shareholders with a holding of a total of at least one-tenth of all the shares in the Company requires it in writing to address a particular issue.

A shareholder may request the General Meeting to discuss a specific issue falling within the competence of the General Meeting, if they send a written request to the Board of Directors before the deadline posted on Nokian Tyres' website for submitting such requests. In 2024, this date was March 8, 2024. No requests were submitted by the shareholders.

Notice of a General Meeting is published as a stock exchange release and on the Company's website. The notice sets out the agenda of the meeting.

Nokian Tyres' Articles of Association are available on the Company's website at [company.nokiantyres.com/investors/corporate-governance/articles-of-association](http://company.nokiantyres.com/investors/corporate-governance/articles-of-association).

Shareholders are entitled to participate in the General Meeting if they are registered in the Company's shareholders' register, maintained by Euroclear Finland Ltd, on the record date separately indicated by the Company. A holder of nominee registered shares can be temporarily registered in the shareholders' register of the Company for purposes of participation in the General Meeting.

The following persons are usually present in the Annual General Meeting: the Chair of the Board of Directors, the Board members, the President and CEO, members of the Group's Management Team and the auditor. Board member candidates shall be present at the General Meeting deciding on their election, unless there is a particularly compelling reason for their absence.

The Annual General Meeting for 2024 was held on April 30, 2024 in Helsinki, Finland.

The meeting

- adopted the Financial Statements
- discharged the Board of Directors and the President and CEO from liability for the fiscal year 2023
- adopted Nokian Tyres' Remuneration Report for governing bodies and the Remuneration Policy, which shall be applied until the 2028 Annual General Meeting, unless a revised policy is presented to the General Meeting before that
- decided on the payment of dividend
- authorized the Board of Directors to resolve on the second installment of dividend
- decided on the composition of the Board of Directors and their remuneration and the election of the auditor and its remuneration
- authorized the Board of Directors to decide on the repurchase of the Company's own shares as well as on the issuance of shares and special rights entitling to shares and to decide on donations.

The documents related to the Annual General Meeting are available on the Company's website at [company.nokiantyres.com/investors/corporate-governance/annual-general-meeting](http://company.nokiantyres.com/investors/corporate-governance/annual-general-meeting).

## Shareholders' Nomination Board

Nokian Tyres' Shareholders' Nomination Board (Nomination Board) was established by the decision of the Annual General Meeting in 2020. According to the Charter of the Nomination Board, the duties of the Nomination Board consist of

- the preparation of proposals to the General Meeting concerning the number, composition, Chair and possible Deputy Chair of the Board of Directors
- the preparation of proposal for remuneration of the members of the Board of Directors and the Board committees
- seeking prospective successor candidates for the members of the Board of Directors.

The Nomination Board consists of the representatives of Nokian Tyres' four largest shareholders, registered in Euroclear on the first banking day of June, who accept the assignment. In addition, the Nomination Board includes the Chair of the Board of Directors. The Nomination Board gives its proposal to the Board annually no later than January 31 preceding the next Annual General Meeting.

The members of the Nomination Board are not entitled to remuneration from the Company on the basis of their membership unless otherwise decided by the General Meeting.

The following members were appointed to the Nomination Board in 2024:

- Pauli Anttila (Investment Director, Solidium Oy), appointed by Solidium Oy
- Timo Sallinen (Director, Head of Listed Securities, Varma Mutual Pension Insurance Company), appointed by Varma Mutual Pension Insurance Company
- Mikko Mursula (Deputy CEO, Investments, Ilmarinen Mutual Pension Insurance Company), appointed by Ilmarinen Mutual Pension Insurance Company
- Marie Karlsson (Chief Investment Officer, Nordic, Finnish and Swedish Equities at Nordea Asset Management) appointed by Nordea funds
- Jukka Hienonen, Chair of the Board of Directors, Nokian Tyres plc.

In January 2025, Solidium Oy appointed Petter Söderström as a member of the Nomination Board after Pauli Anttila left the service of Solidium Oy.

The proposals by the Nomination Board to the Annual General Meeting 2025 were published on January 17, 2025. Before this, the Nomination Board had five meetings. The members' attendance rate was 100%. The Nomination Board had four male members and one female member.

The Charter of the Nomination Board is available at [company.nokiantyres.com/Investors/corporate governance/Shareholders' nomination board/charter](#).



## Board of Directors

### Operation of the Board of Directors

The Board of Directors is responsible for the Nokian Tyres' corporate governance and the appropriate organization of its operations pursuant to the Finnish Limited Liability Companies Act and other regulations. The Board of Directors holds the general authority in company-related issues, unless other Company bodies have the authority under the applicable legislation 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 Directors' Charter. The key tasks include:

- approving Consolidated Financial Statements, Half Year Reports and Interim Reports
- presenting matters to the General Meeting
- appointing and dismissing the President and CEO
- organizing of financial control.

In addition, the Board of Directors reviews and decides on matters of principle as well as issues that carry financial and business significance, such as:

- the Group's strategy and financial objectives
- the Group's budget, and investment plans
- the Group's risk management and reporting procedures
- decisions concerning the structure and organization of the Group
- significant individual investments, acquisitions, divestments, and reorganizations
- the Group's financing policies
- reward and incentive schemes for the Group's management
- monitoring compliance with the applicable legal and regulatory requirements and the corporate policies, such as Code of Conduct, approved by the Board of Directors
- appointing Board committees
- monitoring and evaluating the actions of the President and CEO.

The President and CEO ensures that the Board members have the necessary and sufficient information on the Company's operations. The Board of Directors assesses its activities and operating methods by carrying out a self-evaluation once a year.

### Composition of the Board of Directors

According to the Articles of Association of Nokian Tyres, the Board of Directors comprises no fewer than four and no more than nine members. The proposal regarding the composition and remuneration of the Board of Directors is prepared by the Nomination Board for the General Meeting. The number of Board members and the composition of the Board of Directors shall be such that the Board is capable of efficiently carrying out its tasks, while taking into account the requirements set by the Company's operations and its stage of development. The elected Board members must be qualified for the task and able to devote enough time for the Board duties.

Members of the Board of Directors are elected at the Annual General Meeting for a one-year term of office that begins after the closing of the Annual General Meeting and ends at the closing of the next Annual General Meeting. In 2024, the Annual General Meeting elected nine Board members and appointed the Chair and the Deputy Chair of the Board of Directors upon the proposal by the Nomination Board.



## Board of Directors, December 31, 2024



**Jukka Hienonen**  
Chair of the Board  
b. 1961, male   
Member of the Board since 2020  
Member of the People and  
Sustainability Committee.  
Member of the Shareholders'  
Nomination Board.  
**Education:** Master of Science  
(Economics)  
**Main occupation:** Board professional  
**Key positions of trust:** –  
**Shareholdings:** 52,100\*



**Pekka Vauramo**  
Deputy Chair of the Board  
b. 1957, male   
Member of the Board since 2018  
Member of the Investment  
Committee.  
**Education:** Master of Science  
(Technology)  
**Main occupation:** Board professional  
**Key positions of trust:** Chair of  
the Board: Huhtamäki Oyj  
**Shareholdings:** 12,863\*



**Elina Björklund**  
b. 1970, female   
Member of the Board since 2024  
Chair of the People and  
Sustainability Committee.  
**Education:** M.Sc. (Econ), IDBM pro  
(International Design Business  
Management -program)  
**Main occupation:** CEO, EBIT Oy  
**Key positions of trust:**  
Chair of the Board: Reima Group  
Ltd., Helsinki School of Economics  
Support Foundation and Corporate  
Advisory Board. Member of the  
Board: Taaleri Plc, Urlus Foundation.  
Chair of the commission: LSR  
Foundation of Economic Education  
Foundation. Member of the  
commission: EVA Finnish Business  
and Policy Forum.  
**Shareholdings:** 3,767\*



**Susanne Hahn**  
b. 1976, female   
Member of the Board since 2022  
Member of the People and  
Sustainability Committee.  
**Education:** University Diploma of  
Economics  
**Main occupation:** Founding and  
Managing Partner of SKV Invest &  
affiliates  
**Key positions of trust:**  
Chair of the Board: Zefyron GmbH.  
Member of the Board: Klingele  
Paper & Packaging SE & Co KG,  
HyperPark Ltd., SENTImotion GmbH,  
1886Technologies GmbH and Invest  
BW – Innovation & Investment  
funding program of the state of  
Baden-Württemberg.  
**Shareholdings:** 13,679\*



**Markus Korsten**  
b. 1970, male   
Member of the Board since 2023  
Member of the Investment  
Committee.  
**Education:** Study of Applied Physics,  
Dipl. Ing. (FH)  
**Main occupation:** Board professional  
**Key positions of trust:** Member of  
the Board: Zefyron GmbH.  
**Shareholdings:** 5,037\*

\*Including own holdings and controlled entities.



**Elisa Markula**  
b. 1966, female   
Member of the Board since 2024  
Member of the Audit Committee.  
**Education:** Master of Science (Economics)  
**Main occupation:**  
CEO, VR-Group Plc  
**Key position of trust:** Member of the Board: Finland Chamber of Commerce (Deputy Chair), Service Sector Employers Paita (Member of the Executive Committee)  
Member of the Supervisory Board: Varma Mutual Pension Insurance Company.  
**Shareholdings:** 2,651\*



**Christopher Ostrander**  
b. 1968, male   
Member of the Board since 2021  
Chair of the Investment Committee.  
**Education:** B.Sc. (Mechanical Engineering); M.Sc. (Engineering Management); MBA  
**Main occupations:** CEO, CEO8 Consulting  
**Key positions of trust:** Chair of the Board: Kensington Hill Partners II, LLC, and Kensington Hill Capital, LLC. Chair of the Board of Trustees: University of Findlay. Limited Partner Advisor: Tamarind Hill Management, LLC. Strategic Partner: SKV Invest. Board of Advisors: Bluegrass Alpha Partners. Shareholdings: 8,427\*



**Jouko Pölönen**  
b. 1970, male   
Member of the Board since 2021  
Chair of the Audit Committee.  
**Education:** M.Sc. (Econ & Bus. Adm.), Authorized Public Accountant, eMBA  
**Main occupation:** President and CEO, Ilmarinen Mutual Pension Insurance Company  
**Key positions of trust:** Chair of the Board: The Finnish Foundation for Share Promotion. Member of the Board: The Finnish Pension Alliance TELA, Finance Finland FFI and Excellence Finland.  
**Shareholdings:** 32,457\*



**Reima Rytsölä**  
b. 1969, male   
Member of the Board since 2023  
Member of the Audit Committee.  
**Education:** M.Soc.Sc (Econ)  
**Main occupation:** CEO, Solidium Oy  
**Key positions of trust:**  
Member of the Board: Metso Corporation and Stora Enso Oyj.  
**Shareholdings:** 10,037\*

\*Including own holdings and controlled entities.

More detailed information concerning the Board members is available on the Company's website at [company](http://nokiantyres.com/investors/corporate-governance/board-of-directors). [nokiantyres.com/investors/corporate-governance/board-of-directors](http://nokiantyres.com/investors/corporate-governance/board-of-directors).

## Independence of the members of the Board of Directors

At its organizing meeting, all elected Board members were assessed by the Board of Directors to be independent of the Company and of the significant shareholders, except Reima Rytsölä, who was assessed to be independent of the Company and not independent of a significant shareholder (Solidium Oy) in accordance with the recommendation in the Code.

## The Board of Directors meetings and members' attendance at meetings

The Board's key priorities in 2024 included, among others, appointment of the new President and CEO, factory investments in Oradea and Dayton, and topics related to long-term growth strategy. The Board visited the factory in Oradea, Romania, and the Investment Committee visited US factory in Dayton, Tennessee.

The Board of Directors convened a total of 12 times in 2024.

Member of the Board	Number of meetings	Meeting attendance %
Jukka Hienonen (Chair)	12/12	100%
Pekka Vauramo (Deputy Chair)	12/12	100%
Elina Björklund (Member since*)	9/9	100%
Susanne Hahn	12/12	100%
Markus Korsten	12/12	100%
Veronica Lindholm (Member until*)	4/4	100%
Elisa Markula (Member since*)	9/9	100%
Christopher Ostrander	10/12	83%
Jouko Pöölönen	12/12	100%
George Rietbergen (Member until*)	3/4	75%
Reima Rytsölä	12/12	100%

\*April 30, 2024

## Diversity of the Board of Directors

Nokian Tyres sees diversity as a success factor enabling the achievement of the Company's strategic goals and business growth. In practice, diversity includes factors such as complementary expertise of the members, their education and experience in different professional areas and industrial sectors in which the Group mainly operates, age, nationality and balanced gender diversity. Leadership experience and personal competencies are also considered in the composition of the Board of Directors. These objectives can be achieved with thorough and early preparation when considering the Board composition.



The members of the Board of Directors have relevant experience in the following: CEO experience, tire industry, consumer goods industry, international experience especially in the Nordic, Central European and North American markets, financing, corporate risk management, and corporate governance. The Nomination Board evaluates the realization of diversity when preparing a proposal for the composition of the Board of Directors to the General Meeting. The objectives regarding diversity are considered to be met in sufficient quantity.

The principles concerning the election of the Board of Directors and its diversity are available on the Company's website at [company](#). [nokiantyres.com/investors/corporate-governance/board-of-directors](http://nokiantyres.com/investors/corporate-governance/board-of-directors).

### Committees of the Board of Directors

The Board of Directors will decide on the committees and their chairs and members each year. In 2024, the Board of Directors had three committees: Audit Committee, People and Sustainability Committee and Investment Committee, which the Board of Directors decided to establish in its organizing meeting on April 30, 2024.

Each committee must include no fewer than three members having the competence and expertise necessary for working in the committee. At least one member of the Audit Committee must have expertise in accounting or auditing. The majority of the members of the Audit Committee must be independent of the Company, and at least one member must be independent of the Company's major shareholders. The majority of the members of the People and Sustainability Committee must be independent of the Company.

Age



■ 30–39, 0  
■ 40–49, 1  
■ 50–59, 6  
■ 60–69, 2

Tenure



■ 1 year, 2  
■ 2–3 years, 3  
■ 4–5 years, 3  
■ 6–7 years, 1  
■ More than 7 years, 0

Gender



■ Female, 3 (33%)  
■ Male, 6 (67%)

Nationality



■ Finland, 6  
■ Germany, 2  
■ USA, 1

Information in the graphs reflect the composition of the Board on December 31, 2024.

The President and CEO and the other members of the Group's Management Team may not act as members of the Audit Committee or the People and Sustainability Committee. The committees have no independent decision-making power; collective decisions are made by the Board of Directors, which is responsible for carrying out the tasks assigned to the committees.

### Audit Committee

The Audit Committee assists the Board of Directors in its regulatory duties and reports to the Board of Directors. According to the Committee Charter, the Audit Committee

- controls that bookkeeping, financial administration, financing, internal control, internal auditing, audit of the accounts, risk management and compliance function are appropriately arranged in the Company
- follows and assesses the reporting process for Financial Statements as well as any significant changes in the accounting policies and the items valued in the balance sheet
- processes the general description of the mechanisms of internal auditing and risk management of the financial reporting process, which forms part of the Corporate Governance Statement
- follows the statutory auditing of the financial statement and the Consolidated Financial Statements and assesses the independence of the statutory auditor and the offering of services other than auditing services by the auditor
- handles the auditor's report and possible audit minutes as well as the supplementary report presented by the auditor to the committee
- prepares the draft resolution on selecting the auditor
- monitors and assesses how agreements and other legal acts between the Company and its related parties meet the requirements of the ordinary course of business and arm's length terms in accordance with applicable laws and regulations.

As a general rule, the Company's chief auditor participates in the committee's meetings.

### Audit Committee members, meetings and meeting attendance in 2024

Member of the Audit Committee	Number of meetings	Meeting attendance %
Jouko Pölönen (Chair)	5/5	100%
Elisa Markula (Member since*)	3/3	100%
Christopher Ostrander (Member until*)	2/2	100%
Reima Rytsölä	5/5	100%

\*April 30, 2024

### People and Sustainability Committee

The main duties and working principles of the People and Sustainability Committee are defined in a written charter and they include:

- preparing a proposal to the Board of Directors on the Company's President and CEO and on the salary and other incentives paid to the President and CEO
- preparing a proposal to the Board of Directors on the nominations, salaries and other incentives of the Group's Management Team members
- reviewing and submitting a proposal to the Board of Directors on the allocation and criteria of the Nokian Tyres share-based incentive plans and on the other incentive plans
- preparation of the Remuneration Policy and the Remuneration Report for the Board of Directors and the President and CEO
- preparing sustainability issues for the Board of Directors and monitoring developments in the operating environment and regulation relating to sustainability
- preparing and reviewing the Sustainability Statement as part of the Report by the Board of Directors and Annual Report.

### People and Sustainability Committee members, meetings and meeting attendance in 2024

Member of the People and Sustainability Committee	Number of meetings	Meeting attendance %
Veronica Lindholm (Chair until*)	1/1	100%
Elina Björklund (Chair since*)	4/4	100%
Susanne Hahn	5/5	100%
Jukka Hienonen	5/5	100%
Pekka Vauramo (Member until*)	1/1	100%

\*April 30, 2024

### Investment Committee

The Investment Committee focuses on the Company's strategic investments to ensure that they maximize shareholder value. According to the Committee Charter, the Committee has the following responsibilities:

- guide, oversee, and review the performance of the Company's strategic investment options
- review and provide input to the Company's strategic investment options prior to management's strategic planning session each year and before presenting to the Board of Directors
- work with management and outside advisors to identify potential strategic targets for mergers and acquisitions
- evaluate, review, and make recommendations with respect to other related matters as may be determined by the Committee.

In addition, the Committee also performs other tasks assigned to it by the Board of Directors, as well as other matters which the Committee deems appropriate to prepare and discuss.

## Investment Committee members, meetings and meeting attendance in 2024

Member of the Investment Committee	Number of meetings	Meeting attendance %
Christopher Ostrander (Chair)	2/2	100%
Markus Korsten	2/2	100%
Pekka Vauramo	2/2	100%

## President and CEO

The President and CEO is responsible for

- conducting the Group's business and managing the Company operations in accordance with the Finnish Limited Liability Companies Act and the instructions and guidelines provided by the Board of Directors
- preparing the Group's strategy and objectives for the Board of Directors
- informing the Board of Directors regarding the development of the Company's business and financial situation
- implementing the approved strategy and plans
- ensuring the legal compliance of the Company's bookkeeping
- arranging reliable asset management.

The President and CEO is elected by the Board of Directors. Jukka Moisio was the Company's President and CEO since May 27, 2020. In a stock exchange release issued on March 27, 2024, Nokian Tyres plc's President and CEO Jukka Moisio announced to the Board of Directors his intention to retire from the Company during 2024. The Company announced on July 20, 2024, that Paolo Pompei has been appointed as the new CEO of Nokian Tyres plc. Pompei started in the position on January 1, 2025. Jukka Moisio continued as CEO until Pompei's commencement.

## Jukka Moisio

b. 1961, male

Education: Master of Science (Economics), MBA

Position: President and CEO May 27, 2020–December 31, 2024

### Key experience:

2008–2019 Huhtamäki Oyj, President and CEO

2004–2008 Ahlstrom Oyj, President and CEO

1991–2004 Ahlstrom Oyj, various management positions

1989–1991 McKinsey & Company, Associate

### Key positions of trust:

Chair of the Board: Paulig Oy and Sulapac Oy

Member of the Board: Metsä Board Corporation and

Cargotec (Vice Chair of the Board)

## Shareholdings on December 31, 2024

	Number of shares
Jukka Moisio, President and CEO	22,921*

\*Including own holdings and controlled entities.

## Management Team

The Group's Management Team is responsible for assisting the President and CEO in preparing the Company's strategy and in operative management. Members of the Management Team carry the main responsibility for their business areas and functions. The Management Team has no activities based on the applicable legislation or the Articles of Association. According to the Group's meeting practices, the Management Team assembles approximately 12 times per year. In addition to the President and CEO, the heads of the business units, business areas and functions participate in the meetings.



## Management Team, December 31, 2024

**Jukka Moisio**

b. 1961, male  
President and CEO  
**Education:** Master of Science (Economics), Master of Business Administration  
**Shareholdings:** 22,921\*

**Päivi Antola**

b. 1971, female  
Communications, Investor Relations and Brand  
**Education:** Master of Arts, CEFA  
**Shareholdings:** 5,799\*

**Elisa Erkkilä**

b. 1967, female  
Legal and Compliance  
**Education:** Master of Laws, Trained on the Bench, Master of Comparative Laws  
**Shareholdings:** 0\*

**Niko Haavisto**

b. 1972, male  
Finance  
**Education:** Master of Science (Economics)  
**Shareholdings:** 11,250\*

**Anna Hyvönen**

b. 1968, female  
Passenger Car Tyres and Vianor  
**Education:** Licentiate of Science (Technology)  
**Shareholdings:** 22,010\*

**Adrian Kaczmarczyk**

b. 1971, male  
Operation Excellence  
**Education:** Dipl. Ing. Engineering, Master of Business Administration  
**Shareholdings:** 3,420\*

**Jukka Kasi**

b. 1966, male  
Products and Innovations  
**Education:** Master of Science (Technology)  
**Shareholdings:** 48,616\*

**Päivi Leskinen**

b. 1965, female  
Human Resources  
**Education:** Master of Social Sciences  
**Shareholdings:** 1,182\*

**Manu Salmi**

b. 1975, male  
Heavy Tyres and Nokia Factory  
**Education:** Master of Military Sciences, Master of Science (Economics), Master of Business Administration  
**Shareholdings:** 31,657\*

\*Including own holdings and controlled entities.

More detailed information concerning the Group's Management Team is available on the Company's website at [company.nokiantyres.com/investors/corporate-governance/group-management-team](http://company.nokiantyres.com/investors/corporate-governance/group-management-team).

### III Descriptions of mechanisms of internal control and risk management

#### Internal control

The purpose of the Group's internal control mechanisms is to ensure that the Company's operation is in line with the applicable laws and regulations and the Nokian Tyres' Code of Conduct. As regards the financial reporting process, the purpose of the Group's internal control mechanisms is to ensure that the financial reports released by the Company have been compiled in accordance with the accounting principles applied by the Company and that they contain essentially correct information on the Group's financial position, and to ensure that financial reporting is accurate and reliable.

Nokian Tyres has defined group-level policies and instructions for the key operative units specified below in order to ensure efficient and profitable Company operations. Internal controls are specific mechanisms to manage and mitigate risks.

The Group's business consists of Passenger Car Tyres, Heavy Tyres, and Vianor business units. Passenger Car Tyres is further divided into the following business areas: Nordics, Central Europe, and North America. Heavy Tyres and Passenger Car Tyres business units are responsible for their own operations, financial results, risk management, balance sheet and investments, supported by different functions. The Group's sales companies serve as product distribution channels in local markets.

The Board of Directors is responsible for the functionality of the internal control mechanisms, which are managed by the Company's management and implemented throughout the organization. Internal control is an integral part of all activities of the Group at all levels. Nokian Tyres' operative management bears the main responsibility for operational control. Every supervisor is obliged to

ensure sufficient control over the activities belonging to his or her responsibility and to continuously monitor the functionality of the control mechanisms. The Chief Financial Officer (CFO) is responsible for organizing financial administration and reporting processes and the internal control thereof. Finance function is responsible for internal and external accounting; its tasks include, among others, producing financial information concerning the different areas and ensuring the accuracy of this information.

The preparation process of the Consolidated Financial Statements (IFRS), the related control measures, and the task descriptions and areas of responsibility related to the reporting process are defined. The Company's Finance function produces the consolidations and information for the group level and the different areas. Each legal entity within the Group produces its own information in compliance with the instructions provided and in line with local legislation. The Group's Finance function is centrally responsible for the interpretation and application of financial reporting standards as well as for monitoring compliance with these standards.

Effective internal control requires sufficient, timely, and reliable information in order for the Company's management to be able to monitor the achievement of targets and the efficiency of the control mechanisms. This refers to financial information as well as other kinds of information received through IT systems and other internal and external channels. The instructions on financial administration and other matters are shared on the Company's intranet, and training is organized for personnel with regard to these instructions when necessary. Communication with the business units is continuous. The Company's financial performance is internally monitored by means of monthly reporting complemented with updated forecasts. The financial results are communicated to Company's personnel immediately after the official stock exchange releases have been published.



## Investor relations and communications

The goal of Nokian Tyres' Investor Relations is to regularly and consistently provide the stock market with essential, correct, sufficient, and up-to-date information that is subsequently used to determine the share value. The operations are based on equality, openness, and accuracy. More detailed information concerning the IR and communication principles is available on the Company's website at [company.nokiantyres.com/investors/investor-relations/ir-principles](http://company.nokiantyres.com/investors/investor-relations/ir-principles).

## Risk management

The purpose of the Enterprise Risk Management (ERM) is to ensure that Nokian Tyres' management and the Board of Directors have sufficient information in decision making, both in strategy-setting and performance-driving, of risks that could have impact on creating, preserving, and realizing value of Nokian Tyres Group. The ERM provides a structured framework to proactively manage risks, protect reputation and business continuity, and enhance decision-making processes. Its holistic approach considers both financial and non-financial risks.

The Enterprise Risk Management Policy, approved by the Board of Directors, defines the framework for ERM and promotes risk awareness and proper management of risks in the Group. The management of financial risks is defined on the Treasury Policy approved by the Board of Directors.

The Group ERM framework is organized into five interrelated components:

- Governance and Culture
- Strategy and Objective-Setting
- Performance and Risk Assessment
- Review and Revision
- Information, Communication and Reporting.

Nokian Tyres' Board of Directors, assisted by the Audit Committee, oversees the Group's overall enterprise risk management, provides oversight of the strategy, and carries out governance responsibilities to support management in achieving strategy and business objectives under the direction of the Board of Directors.

The President and CEO and the Group's Management Team hold overall responsibility for the risk management in the Group. The ERM is not a separate function but integrated into existing business processes and practices at all levels of the organization. Each Business Unit, Business Area and function is responsible for maintaining sufficient and systematic risk assessment and reporting on the own responsibility area. The line management is operationally accountable for managing the most relevant risks as part of its daily activities and each employee is encouraged to identify, report and manage the risks within their area of responsibility.

Treasury and Risk Management in Finance coordinates the overall ERM framework and process, supports the businesses in implementation and performs specified risk management tasks e.g. the Group risk review. Treasury and Risk Management is responsible for improving and maintaining the methods, tools, and reporting associated with the ERM.

The ERM is part of the general management and internal control system. The integrated management system complies with the requirements of international standards.

The Nokian Tyres Group ERM framework is based on the COSO framework and SFS-ISO 31000 standard and the Code for listed companies. All operative factories are certified to ISO 9001 (quality), ISO 14001 (environment), and ISO 45001 (safety) standards. The Group is committed to the UN Global Compact framework for responsible and sustainable business practices.

Internal Audit is an outsourced service reporting to the Board of Directors and providing independent assurance on the effectiveness of risk management and compliance processes.

The most significant risks and uncertainties known to the Company are described in the Report by the Board of Directors.

## IV Other information provided

### 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 Nokian Tyres Group's Internal Audit is organized by outsourcing principle. The outsourced Internal Audit team reports administratively to the CFO and functionally to the Audit Committee providing independent assurance on the effectiveness of risk management and compliance processes. Each year, the Audit Committee approves the focus areas for Internal Audit.

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.

In 2024 Internal Audit has performed audits in accordance with the annual audit plan covering manufacturing locations and Business Area activities and processes. Internal Audit has also collaborated with compliance and other assurance functions in Nokian Tyres.

## Related party transactions

Nokian Tyres determines and monitors related parties in accordance with the International Accounting Standards (IAS 24, Related Party Disclosures) and other applicable regulations. The Company has procedures in place to identify and define its related parties and assesses and monitors related party transactions to ensure that all conflicts of interest and the Company's decision-making process are appropriately taken into account. The Audit Committee monitors and assesses how agreements and other legal acts between the Company and its related parties meet the requirements of ordinary activities and arm's length terms in accordance with applicable laws and regulations. The Company's financial management monitors and supervises related party transactions as part of the Company's normal reporting and monitoring procedures and reports to the Audit Committee on a regular basis. The Company only has related party transactions that are a part of normal business, and the information regarding them is provided in the Annual Report. The decision-making processes have furthermore been structured in order to avoid conflict of interests. In case the Company would have any transactions that are not part of the Nokian Tyres' ordinary course of business or are not implemented under arm's length terms, such transactions shall be handled by the Audit Committee and approved by the Board of Directors and provided in the Annual Report.

## Insider management

Nokian Tyres complies with the guidelines for insider trading drawn up by Nasdaq Helsinki Ltd. Furthermore, the Company has drawn up separate Insider Guidelines that have been approved by the Board of Directors and that supplement other insider regulations and include instructions about insider administration.

Nokian Tyres does not maintain a permanent insider register. Insiders are identified on a case-by-case basis for specific projects. Project-specific insider lists are drawn up of people involved in insider projects of the Company. Persons in possession of insider

information are not allowed to trade in Nokian Tyres' financial instruments until the insider project has expired, or it has been published. Those entered into a project-specific insider list are notified of their entry into the said list and the duties it entails, as well as the termination of the insider project.

Nokian Tyres maintains a separate list of persons discharging managerial responsibilities and their closely associated persons. In 2024, the persons discharging managerial responsibilities in the Company, as defined in the Market Abuse Regulation, were the members of the Board of Directors, the President and CEO and the CFO.

Persons discharging managerial responsibilities in the Company are allowed to trade with Nokian Tyres' financial instruments only for a period of 30 days after the publication day of the Company's Financial Statement Report, Half Year Report, or Interim Report. The same applies also to the members of the Group's Management Team and persons who participate in the preparation, maintaining, and/or publication of the Company's financial reports. The said trading restriction also applies to persons who process financial reporting and forecasts of the Nokian Tyres Group.

Nokian Tyres' General Counsel is responsible for the management of insider matters in the Company and the related communication (trading restrictions, notification and publication of management transactions). The CFO is the Group General Counsel's substitute for insider matters.

## Whistleblowing

The Company has had a whistleblowing channel available since 2011. In 2024, the channel was renewed, and employees and third parties can now report any suspected misconduct, any suspected violations of the Company's Code of Conduct or other policies or guidelines through a web-based channel managed by an external service provider.

Nokian Tyres' Whistleblowing Policy defines the purpose and scope of the whistleblowing channel and the principles and processes governing the review and investigation of reports. All messages received in the channel are handled confidentially and they are encrypted. Anonymous reports are allowed. Nokian Tyres tolerates no retaliation against the reporter. 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 at least once a year.

## Audit

The auditor has an important role as a controlling body appointed by the shareholders. The audits give shareholders an independent opinion on how the Financial Statements and Report by the Board of Directors of the Nokian Tyres have been drawn up and the accounting and administration of the Company have been managed. In addition to his duties under the valid regulations, the auditor reports all audit findings to the Group's management.

During the financial year 2024, the Company's auditor was authorized public accountant firm Ernst & Young Oy with Mikko Järventausta acting as the Chief Auditor. Ernst and Young Oy also carried out the assurance of the Company's sustainability reporting for the financial year 2024 in accordance with the transitional provisions of the amended Finnish Companies Act (1252/2023).

The following table presents fees by type paid for the years ended December 31:

Fees by type paid, EUR	2024	2023
The Group's audit fees	1,034,000	1,081,000
Fees paid to the auditor for services other than auditing services	70,000	24,000
<b>Total</b>	<b>1,104,000</b>	<b>1,105,000</b>

# FINANCIAL STATEMENTS

MAKING THE WORLD SAFER,  
OVER AND OVER AGAIN

Nokian Heavy Tyres product manager with a customer



“

CUSTOMER FEEDBACK  
IS ONE OF THE  
MOST IMPORTANT  
ELEMENTS OF TIRE  
DEVELOPMENT

# Consolidated income statement, IFRS

EUR million	Note	2024	2023
<b>Net sales</b>	1	1,289.8	1,173.6
Cost of sales	3, 7, 8	-1,056.0	-932.5
<b>Gross profit</b>		233.8	241.1
Other operating income	4	2.4	3.7
Selling, marketing and R&D expenses	7, 8	-157.6	-143.1
Administration expenses	6, 7, 8	-75.9	-71.1
Other operating expenses	5, 7, 8	-1.0	1.4
<b>Operating profit</b>		1.8	32.1
Financial income	9	37.0	68.5
Financial expenses	10	-70.2	-86.3
<b>Result before tax</b>		-31.5	14.2
Tax expense	11	8.7	-1.7
Result for the period, continuing operations		-22.8	12.5
Result for the period, discontinued operations	2	-	-338.0
<b>Result for the period</b>		-22.8	-325.5
Attributable to:			
<b>Equity holders of the parent</b>		-22.8	-325.5
Earnings per share (EPS) for the profit attributable to the equity holders of the parent:	12		
Basic, euros		-0.17	-2.36
Diluted, euros		-0.17	-2.36
Continuing operations, euros		-0.17	0.09
Discontinued operations, euros		-	-2.45

EUR million	Note	2024	2023
<b>Consolidated statement of comprehensive income</b>			
<b>Result for the period</b>		-22.8	-325.5
Other comprehensive income, items that may be reclassified subsequently to profit and loss, net of tax			
Cash flow hedges	11	-0.8	-8.9
Translation differences on foreign operations		27.0	-33.5
Reclassification of discontinued operations		-	366.3
Total other comprehensive income for the period, net of tax		26.2	323.8
<b>Total comprehensive income for the period</b>		3.3	-1.7
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		3.3	-1.7

# Consolidated statement of financial position, IFRS

EUR million	Note	2024	2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	1,176.8	885.2
Right of use assets	15	124.5	124.7
Goodwill	14	61.5	62.3
Other intangible assets	14	16.7	13.8
Investments in associates	17	0.1	0.1
Non-current financial investments	17	3.1	2.9
Other receivables	16, 18	21.0	14.1
Deferred tax assets	19	54.8	55.0
		1,458.4	1,158.1
<b>Current assets</b>			
Inventories	20	452.1	471.7
Trade and other receivables	21, 29	332.8	273.0
Current tax assets		4.4	7.6
Cash and cash equivalents	22	176.1	414.9
		965.3	1,167.1
<b>Total assets</b>	<b>1</b>	<b>2,423.7</b>	<b>2,325.2</b>

Changes in net working capital arising from operative business are partly covered by EUR 500 million domestic commercial paper program.

Interest-bearing liabilities include EUR 85.2 million of non-current and EUR 44.4 million of current lease liabilities.

EUR million	Note	2024	2023
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		25.4	25.4
Share premium		181.4	181.4
Treasury shares		-16.6	-16.7
Translation reserve		10.3	-16.7
Fair value and hedging reserves		0.8	1.6
Paid-up unrestricted equity reserve		238.2	238.2
Retained earnings		832.9	934.3
		1,272.4	1,347.6
<b>Total equity</b>		<b>1,272.4</b>	<b>1,347.6</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	19	3.7	26.7
Interest-bearing liabilities	27, 29	741.9	495.6
Other liabilities		1.2	0.5
		746.8	522.7
<b>Current liabilities</b>			
Trade and other payables	28	347.8	306.5
Current tax liabilities		7.8	3.8
Provisions	26	1.6	1.8
Interest-bearing liabilities	27, 29	47.3	142.9
		404.5	454.9
<b>Total liabilities</b>	<b>1</b>	<b>1,151.3</b>	<b>977.6</b>
<b>Total equity and liabilities</b>		<b>2,423.7</b>	<b>2,325.2</b>

# Consolidated statement of cash flows, IFRS

EUR million	Note	2024	2023
<b>Result for the period</b>		<b>-22.8</b>	12.5
Result for the discontinued operations		-	-338.0
<b>Adjustments for</b>			
Loss on sale of discontinued operations		-	335.6
Depreciation, amortization and impairment	7	<b>124.2</b>	114.9
Financial income and expenses	9, 10	<b>33.3</b>	17.9
Gains and losses on sale of intangible assets, other changes		-1.1	0.8
Income taxes	11	<b>-8.7</b>	1.7
<b>Cash flow before changes in working capital</b>		<b>124.9</b>	145.4
<b>Changes in working capital</b>			
Current receivables, non-interest-bearing, increase (-) / decrease (+)		<b>-63.8</b>	-4.0
Inventories, increase (-) / decrease (+)		<b>16.2</b>	-40.5
Current liabilities, non-interest-bearing, increase (+) / decrease (-)		<b>33.9</b>	1.0
<b>Changes in working capital</b>		<b>-13.6</b>	-43.5
<b>Financial items and taxes</b>			
Interest and other financial items, received		<b>7.6</b>	10.8
Interest and other financial items, paid		<b>-36.3</b>	-21.0
Income taxes paid		<b>-5.2</b>	-9.3
<b>Financial items and taxes</b>		<b>-33.9</b>	-19.5
<b>Cash flow from operating activities (A)</b>		<b>77.4</b>	82.4

EUR million	Note	2024	2023
<b>Cash flows from investing activities</b>			
Cashflow from discontinued operations		-	199.2
Acquisitions of property, plant and equipment and intangible assets	13, 14	<b>-350.1</b>	-252.2
Proceeds from sale of property, plant and equipment and intangible assets		0.8	0.3
Other cash flow from investing activities		0.0	0.0
<b>Cash flows from investing activities (B)</b>		<b>-349.3</b>	-52.7
<b>Cash flow from financing activities:</b>			
Purchase of treasury shares	23	-	4.4
Change in current financial receivables, increase (-) / decrease (+)		0.0	1.2
Change in current financial borrowings, increase (+) / decrease (-)		-102.1	-161.3
Proceeds from non-current financial borrowings		253.5	398.8
Payments of lease liabilities		-46.0	-41.2
Dividends received		0.0	0.0
Dividends paid		-72.0	-72.1
<b>Cash flow from financing activities (C)</b>		<b>33.5</b>	129.8
<b>Change in cash and cash equivalents, increase (+) / decrease (-) (A+B+C)</b>		<b>-238.5</b>	159.5
Cash and cash equivalents at the beginning of the period		414.9	259.0
Effect of exchange rate fluctuations on cash held		-0.3	-3.6
Cash and cash equivalents at the end of the period	22	<b>176.1</b>	414.9

# Consolidated statement of changes in equity, IFRS

EUR million	Note	Equity attributable to equity holders of the parent						Paid-up unrestricted equity reserve	Retained earnings	Total equity
		Share capital	Share premium	Treasury shares	Translation reserve	Fair value and hedging reserves				
Equity, Jan 1, 2023		25.4	181.4	-16.6	-349.5	10.5	238.2	1,343.5	1,433.1	
Result for the period								-325.5	-325.5	
<b>Other comprehensive income, net of tax:</b>										
Cash flow hedges						-8.9			-8.9	
Translation differences					332.8				332.8	
<b>Total comprehensive income for the period</b>					332.8	-8.9		-325.5	-1.7	
Dividends paid	23							-76.0	-76.0	
Acquisition of treasury shares				-4.4					-4.4	
Share-based payments	24			4.3				-5.1	-0.8	
Other changes	19							-2.6	-2.6	
<b>Total transactions with owners for the period</b>				-0.1				-83.7	-83.8	
Equity, Dec 31, 2023		25.4	181.4	-16.7	-16.7	1.6	238.2	934.3	1,347.6	
Equity, Jan 1, 2024		25.4	181.4	-16.7	-16.7	1.6	238.2	934.3	1,347.6	
Result for the period								-22.8	-22.8	
<b>Other comprehensive income, net of tax:</b>										
Cash flow hedges						-0.8			-0.8	
Translation differences					27.0				27.0	
<b>Total comprehensive income for the period</b>					27.0	-0.8		-22.8	3.3	
Dividends paid	23							-75.8	-75.8	
Acquisition of treasury shares				0.1					-	
Share-based payments	24			0.1				-0.2	-0.1	
Other changes	19							-2.5	-2.5	
<b>Total transactions with owners for the period</b>				0.1				-78.5	-78.5	
Equity, Dec 31, 2024		25.4	181.4	-16.6	10.3	0.8	238.2	832.9	1,272.4	

# Accounting policies for the consolidated financial statements

## Basic information

Nokian Tyres plc is a Finnish public corporation founded in accordance with the Finnish laws and domiciled in the city of Nokia. The shares of Nokian Tyres plc have been quoted on Nasdaq Helsinki since 1995.

Nokian Tyres Group develops and manufactures summer, winter and all-season tires for passenger cars and vans as well as special tires for heavy machinery. The Group also manufactures retreading materials and retreads tires. The largest and most extensive tire retail chain in the Nordic countries, Vianor, is a part of the Group. The core business units in the Group are Passenger Car Tyres, Heavy Tyres, and Vianor.

The Board of Directors of Nokian Tyres plc has approved the financial statements for publication at its meeting on February 4, 2025. In accordance with the Finnish Limited Liability Companies Act, the shareholders can approve or reject the financial statements or make a decision on altering the financial statements in the Annual General Meeting arranged after its publication. A copy of the consolidated financial statements is available from the company's headquarters at Pirkkalaistie 7, 37100 Nokia and at [company.nokiantyres.com](http://company.nokiantyres.com).

## Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards and in compliance with the IAS and IFRS standards as well as the SIC and IFRIC interpretations in force on December 31, 2024. The International Financial Reporting Standards refer to the standards

and related interpretations to be applied within the Community as provided in the Finnish Accounting Act and the provisions issued on the basis of this Act, and in accordance with the procedure laid down in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards. The notes to the consolidated financial statements comply with the Finnish accounting and corporate laws.

The information in the financial statements is presented in millions of euros and is prepared under the historical cost convention except as disclosed in the following accounting policies.

## New and amended standards and interpretations (IAS 8.28)

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1
- Lease liability measurement in a sale and leaseback transaction – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

## Standards that have been issued but that are not yet effective

The new and amended standards and interpretations relevant to the Group that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Presentation and Disclosure in Financial Statements – IFRS 18 (January 1, 2027)

The Group is currently assessing the impact of the amendments to determine the impact that they will have on the Group's accounting policy disclosures. The IFRS are under constant development. The Group will adopt each standard and interpretation on the effective date or from the beginning of the following financial period.

## Use of estimates

The preparation of the consolidated financial statements in accordance with the IFRS standards requires the Group management to use estimates and assumptions that affect the amount of assets and liabilities shown in the statement of financial position at the time of preparation, the presentation of contingent assets and liabilities in the financial statements, and the amount of revenues and expenses during the reporting period. Estimates have been used to determine the number of items reported in the financial statements, measure assets (Notes 13,14,15), test goodwill and other assets for impairment (Note 14), and for the future use of deferred tax assets (Note 19). The estimates made in the

context of the preparation of financial statements are based on the management's best judgment at the end of the reporting period. The realization of the estimates and assumptions is continuously monitored.

The Group follows the IFRS 16 standard's guidelines when determining lease periods. For lease contracts that have been defined as valid until further notice, an expected lease term pursuant to the management's judgment is applied. The determination of the expected lease term considers the financial impacts of any sanctions included in the lease contracts, such as sanctions related to the early termination of the contract. Options for extending and terminating the lease term have been considered when determining the length of the lease term, pursuant to the guidelines of the standard. The extension option is counted into the lease term if it is reasonably certain that the option will be used and, correspondingly, if it is reasonably certain that the option to terminate will not be used, the term covered by the option is counted into the lease term. Whenever a contract contains a lease component and a non-lease component, the Group separates the non-lease components, such as maintenance, services, etc. using the separate prices that are listed in the lease contracts or on the basis of an estimate. If the lease term is valid until further notice, the management's judgment will be applied and, accordingly, the contracts will be booked for three years.

The company's risks include strategic, operational, and financial risks. The key risks included in the estimates include the country risk as well as the risks related to the challenging tire pricing environment related to the development of raw material prices. The risks are regularly monitored and assessed as part of the risk management program. The most material risks are presented in Note 33.

By the time of the approval of the financial statements, the company is not aware of such major sources of estimation uncertainty at the end of the reporting period nor of such key assumptions concerning the future that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for what has been disclosed in Note 14.

## Decisions based on management judgment

The management has exercised separate judgment as regards the recognition of the cloud service deployment costs, as was assessed in the meeting of the recognition criteria under the decision issued by IFRIC in spring 2021. The company's management estimates the completed and current cloud service contracts. The commissioning costs for cloud services will be recognised when the company is able to specify the recognised commodity and the commodity is under the company's control.

The material part of the company's sales consists of standard sales of goods between companies, where invoicing occurs with standard terms upon goods delivery, and which involves no substantial need for estimates. However, the company's management has exercised judgment when estimating the time when control over the product is transferred away from the company under reseller agreements.

The management has set climate goals for the company, which are taken into account in the preparation of the consolidated financial statements, for example in impairment testing and in depreciation times and accounting values of intangible and tangible fixed assets. The management follows the possible impacts of climate change to the risks and opportunities of the business focusing on i.a. product portfolio, purchase of raw-materials, energy, logistics and product development. Currently, these do not have a material impact on the preparation of the financial statements. Impairment tests for goodwill take into account i.e. possible changes in the product portfolio when the future cash flows are estimated.

During the 2022 fiscal year, the company announced that it will invest in new production capacity in Europe. The new factory to be built in Romania in 2023–2025 is the industry's first carbon dioxide-free factory. The Group's climate work steering group supervises and monitors the progress of the Group's work aimed at reducing greenhouse gas emissions.

## Principles of consolidation

The consolidated financial statements include the financial statements of the parent company Nokian Tyres plc as well as all the subsidiaries in which the Parent company owns, directly or indirectly, more than 50% of the voting rights or in which the Parent company otherwise exercises control. Control exists when the Group, through participation in an investee, is exposed or entitled to its variable returns and is able to affect the returns through exercising power over the investee.

Associated companies in which the Group has 20% to 50% of the voting rights and in which it exercises significant influence, but not control, have been consolidated using the equity method. If the Group's share of the associated company's losses exceeds its holding in the associated company, the carrying amount will be recorded in the statement of financial position at nil value. Losses in excess of that value will be ignored unless the Group has obligations toward the associated companies. Investments in associates include the carrying amount of the investment in an associated company according to the equity method, and any possible other non-current investments in the associated company, which are, in substance, part of a net investment in the associated company. The Group has no associated companies at the end of financial year 2024 or 2023.

A joint arrangement refers to a contractual undertaking, in which the Group has agreed to share control over material financial and business principles with one or more parties. A joint arrangement is either a joint operation or a joint venture. In a joint venture, the Group holds rights to the net assets of the arrangement, whereas in a joint operation, the Group holds rights to the assets and carries obligations on the liabilities of the arrangement. Nokianvirran Energia Oy is a joint operation as the parties share control according to a specific Mankala principle where the company is not intended to make profit while the parties have agreed to utilize the total output. Nokianvirran Energia Oy is accounted for as a Group company using the proportionate consolidation method on each row according to the 32.3% shareholding.

The acquired subsidiaries have been consolidated using the acquisition method, according to which the acquired company's assets and liabilities are measured at fair value on the date of acquisition. The cost of goodwill is the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Acquisition-related costs, except for the costs to issue debt or equity securities, are expensed. Possible contingent consideration is measured at fair value on the date of acquisition and is classified as a liability. Contingent consideration classified as a liability is measured at fair value on each reporting date and the following gain or loss is recognised in the income statement. Under IFRS, goodwill is not amortized but is rather tested annually for impairment. Subsidiaries acquired during the financial year have been consolidated from the acquisition date and those divested until the divestment date.

All internal transactions, receivables, liabilities, and unrealized margins as well as the distribution of profits within the Group are eliminated while preparing the consolidated financial statements.

Russian subsidiaries were sold during 2023 and were classified as discontinued operations.

## Foreign currency items

Transactions in foreign currencies have been recorded at the exchange rates effective on the transaction date. In the statement of financial position, all items in foreign currencies unsettled on the reporting date are measured at the European Central Bank's closing exchange rate. The quotations of the relevant central bank are applied if the European Central Bank does not quote a specific currency. As the European Central Bank suspended the quotation of the ruble exchange rate in March 2022 the Group started using the WM/Refinitiv FX benchmark rate for the ruble. Foreign exchange gains and losses related to business operations and financing activities have been recorded under financial income and expenses.

## Foreign Group companies

The statements of the financial position of foreign subsidiaries have been converted into euros using the European Central Bank's closing rates, and the monthly income statements use the average rate for the period. As the European Central Bank suspended the quotation of the ruble exchange rate in March 2022 the Group started using the WM/Refinitiv FX benchmark rate for the ruble. The translation differences arising from the subsidiaries' income statements and statements of financial position have been recorded under other comprehensive income and in the translation reserve within equity as a separate item. The translation differences arising from the elimination of foreign company acquisition cost and from the profits and losses incurred after the acquisition have been recorded under other comprehensive income as a separate item and in the translation reserve within equity. If the settlement of a loan to a foreign operation is neither planned nor likely to occur in the foreseeable future, then the loan is considered as a net investment in a foreign operation and the foreign exchange gains and losses arising on the item are recognised in other comprehensive income and accumulated in the translation reserve in equity.

When a subsidiary is divested fully or in part, the related accumulated conversion differences are brought from equity to the income statement and entered as a gain or loss on the sale.

## Operating result

The Group has defined operating result as follows: operating result is the net sum of net sales plus other operating income less the cost of sales, selling, marketing and R&D expenses, administration expenses, and other operating expenses. Operating result does not include exchange rate gains or losses. When the operating result is positive, the term operating profit can be used.

# Notes to the consolidated financial statements

## 1. Net sales and operating segments

### Accounting policies

#### Revenue recognition

The Nokian Tyres Group develops and manufactures summer, winter and all-season tires for passenger cars and delivery vehicles as well as special tires for heavy machinery. The Group includes the tire retail chain Vianor. The Group manufactures retreading materials and performs tire retreading. The Group's business units are Passenger Car Tyres, Heavy Tyres, and Vianor. The chosen business structure describes, for example, the different nature of the sales revenue from the business units and the cyclical nature of their operations. Geographical areas provide further information on the regional magnitudes of the business functions and the various uncertainties contained within the market. The company is managed through the aforementioned business units and geographical areas.

The company's performance obligation is met and the recognition as income is made when a product or service is delivered. The sales of services and products create separate performance obligations. The material part of the company's net sales consists of standard B2B sales of goods, where invoicing occurs with standard terms upon goods delivery. Income for the

sales of products is booked when the material risks and benefits related to the ownership of goods, their right of possession, and actual control have been transferred to the buyer in accordance with the terms of contract, and when the payment is probable. Net sales also include the sale of services to a small extent. Income from services is booked once the services have been performed. The company's business is not characterized by overdue recognition; instead, there is one performance obligation that corresponds to a single recognition date. Invoicing occurs with standard terms upon goods delivery.

Revenue for both products and services is reported under net sales. Even the longest payment terms are a maximum of 12 months. Therefore, the financing component has not been separately indicated. Refunds have a minor impact on the financial statements. The company mainly operates in the replacement tire market, where product refund practices may differ from the original equipment market. As a rule, the contract templates that are widely employed by the group do not allow for returning products that have already been sold at the customer's initiative, unless the delivery is defective or a separate provision for this has been made in the specific contract.

Refunds and other factors affecting the selling price are monitored when determining the trading price. When calculating net sales, sales income is adjusted with indirect taxes and discounts. The company mainly sells tires to its own direct customers, granting them volume-based discounts. When recognizing goods, the company considers the discounts given to customers. During the financial year, the estimate is based on customers' estimates on future volumes and, on the other hand, on volumes that have already been realized. At the time of the closing of the financial statements, the discount is based on the realized volume at that time.

Advances from customers are not considered a material item as regards in the financial statements or when compared to net sales. Invoiced sales discounts are booked as refunds for trade receivables. Advances received from customers are not booked as trade receivables but instead as debts.

The products sold by the company have a standard warranty period. Furthermore, in limited markets, a so-called Hakka Guarantee is offered for selected Hakka products that covers tire punctures not covered by the standard warranty.

The Group's Management Team is the chief operating decision maker. The segment information is presented in respect of the business and geographical segments. Business segments are based on the internal organization and financial reporting structure. Segment performance is evaluated based on operating result and is measured consistently with profit or loss in the consolidated financial statements.

The business segments comprise of entities with operating activities providing products and services. The segments are managed as separate entities.

Pricing of inter-segment transactions is based on current market prices and the terms of evaluating profitability and resources allocated to segments are based on profit before interests and taxes.

Segment assets and liabilities include items directly attributable to a segment and items that can be allocated on a reasonable basis. The unallocated items contain tax and financial items together with joint Group resource items. Capital expenditure comprises of additions to intangible assets and property, plant and equipment used in more than one period.

### Business segments

**Passenger Car Tyres** business unit develops, manufactures and sells winter, summer and all-season tires for passenger cars, SUVs, and vans.

**Heavy Tyres** business unit comprises tires for forestry machinery, special tires for agricultural machinery, tractors and industrial machinery as well as retreading and truck tire business.

**Vianor tire chain** sells car and van tires as well as truck tires. In addition to Nokian Tyres brand, Vianor sells other leading tire brands and other automotive products and services.

**Other operations and eliminations** contain business development and Group management unallocated to the segments and eliminations between different business segments.

### Operating segments

2024 EUR million	Passenger Car Tyres	Heavy Tyres	Vianor	Other operations and eliminations	Group
<b>Net sales from external customers</b>	725.2	204.9	353.6	6.1	1,289.8
Services			86.9		86.9
Sales of goods	725.2	204.9	266.7	6.1	1,202.9
Inter-segment net sales	54.8	30.2	1.3	-86.2	
Net sales	779.9	235.1	354.9	-80.1	1,289.8
<b>Operating result</b>	-15.6	30.0	-3.8	-8.8	1.8
% of net sales	-2.0%	12.8%	-1.1%	11.0%	0.1%
Financial income and expenses				-33.3	
Result before tax				-31.5	
Tax expense				8.7	
Result for the period				-22.8	
<b>Assets</b>	1,735.4	203.9	202.5	15.9	2,157.6
Unallocated assets				266.1	
<b>Total assets</b>					2,423.7
<b>Liabilities</b>	239.6	47.9	48.1	0.0	335.6
Unallocated liabilities					815.7
<b>Total liabilities</b>					1,151.3
Capital expenditure	325.3	10.8	8.0	6.0	350.1
Depreciation and amortization	84.6	10.9	27.6	1.1	124.2
Other non-cash expenses	4.6	-0.6	-0.3	0.0	3.7

2023 EUR million	Passenger Car Tyres	Heavy Tyres	Vianor	Other operations and eliminations	Group
<b>Net sales from external customers</b>	602.7	223.0	343.2	4.8	1,173.6
Services			83.6		83.6
Sales of goods	602.7	223.0	259.6	4.8	1,090.1
Inter-segment net sales	50.7	34.2	0.8	-85.7	
Net sales	653.4	257.1	344.0	-80.9	1,173.6
<b>Operating result</b>	4.1	32.8	3.4	-8.2	32.1
% of net sales	0.6%	12.8%	1.0%	10.2%	2.7%
Financial income and expenses				-17.8	
Result before tax					14.2
Tax expense					-1.7
<b>Result for the period</b>					12.5
 Assets	1,364.9	206.3	217.4	34.2	1,822.8
Unallocated assets					502.4
<b>Total assets</b>					2,325.2
 Liabilities	200.0	49.6	44.2	7.0	300.9
Unallocated liabilities					676.8
<b>Total liabilities</b>					977.6
 Capital expenditure	226.8	8.8	7.7	8.8	252.1
Depreciation and amortization	73.5	11.3	25.6	4.5	114.9
Other non-cash expenses	-1.0	2.5	0.7	-0.3	1.9

## Geographical information

2024	Nordics	Other Europe	Americas	Other countries	Other	Group
EUR million						
<b>Net sales</b>	<b>696.2</b>	<b>319.6</b>	<b>270.3</b>	<b>3.7</b>	<b>-</b>	<b>1,289.8</b>
Services	86.9	-	-	-	-	86.9
Sales of goods	609.3	319.6	270.3	3.7	-	1,202.9
Assets	966.8	579.1	621.2	0.0	-9.4	2,157.6
Unallocated assets						266.1
<b>Total assets</b>						<b>2,423.7</b>
Capital expenditure	66.7	250.0	33.4	0.0	0.0	350.1
2023	Nordics	Other Europe	Americas	Other countries	Other	Group
EUR million						
<b>Net sales</b>	<b>671.7</b>	<b>226.0</b>	<b>268.7</b>	<b>7.2</b>	<b>-</b>	<b>1,173.6</b>
Services	83.6	-	-	-	-	83.6
Sales of goods	588.2	226.0	268.7	7.2	-	1,090.1
Assets	993.3	277.5	561.2	0.3	-9.4	1,822.8
Unallocated assets						502.4
<b>Total assets</b>						<b>2,325.2</b>
Capital expenditure	79.9	104.9	67.2	0.0	0.0	252.1

## Notes concerning geographical segments

The business segments are operating in four geographic regions: Nordics, Other Europe, Americas and other countries. Other contains items that are not allocated to any geographic region. In presenting information on the basis of geographical segments, segment revenue is based on the location of the customers and segment assets are based on the location of the assets.

## 2. Acquisitions and disposals

### Accounting policies

#### Non-current assets held for sale and discontinued operations

A non-current asset, or a group of disposable items, is classified as being held for sale if the amount corresponding to its carrying amount will primarily be generated from the sale of the asset instead of being generated from the continued use of the asset. Non-current assets held for sale, and assets related to discontinued operations, are measured at their carrying amounts, or the lower fair value less the costs to sell, if the amount corresponding to its carrying amount will primarily be generated from the sale of the asset and if the sales transaction is most likely to take place.

A discontinued operation is a part of the entity that has been divested or classified as being held for sale and represents a separate core business area or a geographic operating area. The result for the period of discontinued operations is presented as a separate item in the income statement and the comparative information in the income statement is restated accordingly.

The Group's financial statements for 2024 and 2023 do not include any non-current assets held for sale.

### Acquisitions

There were no significant acquisitions during 2024 or 2023.

### Disposals

There were no significant disposals or classifications as discontinued operations during 2024.

In March 2023, Nokian Tyres plc announced the completion of the sale of its operations in Russia to PJSC Tatneft, after which all Nokian Tyres' operations in Russia ended and the company's personnel in Russia was transferred to the new owner. The closing date of sale transaction of Russian operations is considered to be March 16, 2023, when the sale price was received. Sale of Kazakhstan operations was also signed during March 2023. Sale of transaction does not include any post-deal conditional terms. The sold operations were part of the Passenger Car Tyres business segment.

Starting from March 1, 2023, Russian and Kazakhstan subsidiaries profit and loss were classified as discontinued operation. The result of 2023 for Russian and Kazakhstan subsidiaries are presented as follows:

### Discontinued operations

EUR million	2023
Net sales	13.5
Operating expenses	-16.4
Operating profit	-2.9
Net financial items	-0.5
<b>Result before tax, discontinued operations</b>	<b>-3.4</b>
Tax expense	1.2
<b>Result for the year, discontinued operations</b>	<b>-2.2</b>
Profit from sale	30.5
Loss from sale – translation differences	-366.3
<b>Result for the period, discontinued operations</b>	<b>-338.0</b>

Earnings per share from the result attributable to the equity holders of the parent:

2023
Basic, euros
Diluted, euros
Continuing operations, euros
Discontinued operations, euros

**Profit from sale – discontinued operations**

EUR million	2023
Sale price	288.0
Profit from sale – Parent company and Nokian Tyres Holding Oy	124.2
Non-current assets	42.3
Current assets	284.1
<b>Total assets</b>	<b>326.4</b>
Non-current liabilities	4.7
Current liabilities	52.1
<b>Total liabilities</b>	<b>56.8</b>
Disposed net assets	269.6
Other group items and transactions costs	12.1
Remaining intercompany items	0.0
<b>Profit from sale</b>	<b>30.5</b>

Profit from sale is adjusted by other group items e.g. bad debt provision EUR +2.9 million and deferred tax EUR +9.4 million reversals.

**3. Cost of sales**

EUR million	2024	2023
Raw materials	274.7	294.5
Goods purchased for resale	242.3	274.2
Wages and social security contributions on goods sold	74.3	71.6
Other costs	213.6	179.0
Depreciation of production	77.2	71.4
Sales freights	78.2	68.4
Warehousing	69.4	60.8
Change in inventories	26.3	-87.3
<b>Total</b>	<b>1,056.0</b>	<b>932.5</b>

**4. Other operating income**

EUR million	2024	2023
Gains on sale of property, plant and equipment	0.5	0.2
Other income	1.9	3.5
<b>Total</b>	<b>2.4</b>	<b>3.7</b>

## 5. Other operating expenses

### Accounting policies

#### Research and development costs

Research costs are recognized as part of selling, marketing, and R&D expenses for the financial period in which they incurred.

#### Government grants

Grants received from governments or other parties are recognized adjustments to the related expenses in the income statement for the period.

EUR million	2024	2023
Losses on sale and disposals of tangible fixed assets	0.0	0.0
Expensed credit losses and provisions	0.0	-1.8
Other expenses	0.9	0.3
<b>Total</b>	<b>1.0</b>	<b>-1.4</b>

## 6. Auditor's fees

EUR million	2024	2023
Audit fee	1.0	1.1
Tax services	-	0.0
Other services	0.1	0.0
<b>Total</b>	<b>1.1</b>	<b>1.1</b>

Ernst & Young Oy has been the company's principal auditor since March 30, 2021.

## 7. Depreciation, amortization and impairment losses

### Accounting policies

#### Property, plant, and equipment

Depreciation is based on the following expected useful lives:

Buildings	20–40 years
Machinery and equipment	4–20 years
Other tangible assets	10–40 years
Land is not depreciated.	

The expected useful lives are reviewed at each reporting date, and if they differ materially from previous estimates, the depreciation schedules are changed accordingly.

#### Research and development costs

Development costs are capitalized once certain criteria associated with commercial and technical feasibility have been met. Capitalized development costs primarily comprising materials, supplies, and direct labor costs as well as the related overheads are amortized systematically over their expected useful life. The amortization period is 3–5 years.

#### Impairment

On the reporting date, the Group shall assess whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset in question

is estimated. Goodwill and intangible assets not yet available for use are tested for impairment at least annually. To assess impairment, the Group's assets are allocated to cash-generating units on the smallest group that is largely independent of other units and the cash flows of which can be separated.

The recoverable amount is the higher of fair value of the asset less costs to sell and a value in use. As a rule, value in use is based on the discounted future cash flows that the corresponding asset or the cash-generating unit can derive. The impairment recognized in the income statement is the amount by which the carrying amount of the asset exceeds the corresponding recoverable amount, and in the statement of financial position, it is allocated first to reduce the carrying amount of any goodwill of the unit and then pro rata against the other assets. An impairment loss recognized in prior periods will be reversed if the estimates used to determine the recoverable amount change. However, a reversal of impairment loss shall not exceed the carrying amount that would have been determined in the statement of financial position without the recognized impairment loss in prior periods. Impairment loss on goodwill is not reversed under any circumstances.

#### Goodwill and other intangible assets

Goodwill is not amortized. The amortization schedule for other intangible assets is 3–10 years.

**Depreciation and amortization by asset category**

EUR million	2024	2023
Intangible rights	3.8	3.7
Other intangible assets	0.8	1.0
Buildings	9.6	7.5
Machinery and equipment	61.9	59.3
Right of use asset	45.6	41.4
Other tangible assets	2.5	2.2
<b>Total</b>	<b>124.2</b>	<b>114.9</b>

**Depreciation and amortization by function**

EUR million	2024	2023
Production	77.2	71.4
Selling, marketing and R&D	35.9	32.8
Administration	11.1	10.7
<b>Total</b>	<b>124.2</b>	<b>114.9</b>

**8. Personnel expenses**

EUR million	2024	2023
Wages and salaries	209.6	193.2
Pension contributions - defined contribution plans	22.8	22.5
Share-based payments	-0.2	-4.7
Other social security contributions	24.1	21.1
<b>Total</b>	<b>256.3</b>	<b>232.2</b>

Information on the employee benefits and loans of the key management personnel is presented in note 34 Related party transactions.

Other than production wages and salaries were EUR 182.1 (160.6) million in 2024.

**Personnel**

	2024	2023
Group employees		
Average	3,850	3,754
At the end of the review period	3,810	3,433

**9. Financial income**

EUR million	2024	2023
Interest income		
Financial assets measured at amortized cost	7.4	10.4
Dividend income		
Non-current financial investments measured at fair value through other comprehensive income	0.0	0.0
Exchange rate gains and changes in fair value		
Financial assets and liabilities at amortized cost	10.9	31.0
Foreign currency derivatives	18.4	26.7
Other financial income	0.1	0.3
<b>Total</b>	<b>37.0</b>	<b>68.5</b>

**10. Financial expenses**

EUR million	2024	2023
Interest expenses		
Financial liabilities measured at amortized cost	-33.0	-21.1
Interest rate derivatives designated as hedges	2.0	2.7
Lease liabilities	-4.5	-4.0
Exchange rate losses and changes in fair value		
Financial assets and liabilities at amortized cost	-15.9	-38.6
Foreign currency derivatives	-16.1	-22.8
Other financial expenses	-2.8	-2.6
<b>Total</b>	<b>-70.2</b>	<b>-86.3</b>

## 11. Tax expense

### Accounting policies

#### Income taxes

The tax expense of the Group includes taxes based on the profit or loss for the period or the dividend distribution of the Group companies as well as any change in deferred tax, and the adjustment of taxes from prior periods. The penalty interests on those are recorded as financial expenses. The tax impact of items recorded directly in equity or other comprehensive income is correspondingly recognized directly in equity or in other comprehensive income. The share of associated companies' profit or loss is shown on the income statement calculated from the net result, and it thereby includes the impact of taxes.

Nokian Tyres aims for predictability and transparency in taxation in its operating countries. OECD, European Union and changing tax legislation and reporting requirements in different countries create challenges in taxation and tax reporting. Complying with the reporting requirements demands continuous system and process development as well as support from local tax experts.

International business environment in nature exposes to usual tax audits and disputes in different countries. Nokian Tyres has established a Tax Policy and harmonized practices in the Group's operating countries in order to clarify responsibilities and to reduce tax risks. Nokian Tyres does not have significant tax disputes ongoing and no specific tax risks are identified currently. Nokian Tyres has conducted pre-emptive discussions with authorities in different countries in order to agree on the taxation of its operations or changes in the corporate structure to minimize tax risks.

Nokian Tyres is in the scope of the Pillar Two Model Rules. Therefore, the Group applies the mandatory temporary exception for deferred taxes in IAS 12. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities arising from Pillar Two income taxes.

The Group has undertaken an impact assessment of the potential exposure to Pillar Two income taxes based on its 2024 financial information. Based on the assessment the Group determines that it is not subject to Pillar Two "top-up" taxes. The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules.

EUR million	2024	2023
Current tax expense	-12.8	-11.0
Adjustment for prior periods	0.7	-0.8
Change in deferred tax	20.8	10.0
<b>Total</b>	<b>8.7</b>	<b>-1.7</b>

### The reconciliation of tax expense recognized in the income statement and tax expense using the domestic corporate tax rate (2024: 20.0%, 2023: 20.0%):

EUR million	2024	2023
Result before tax	-31.5	14.2
Taxes calculated according to the Finnish tax rate of 20%	6.3	-2.8

EUR million	2024	2023
Effect of deviant tax rates in foreign subsidiaries	-1.6	-1.1
Withholding taxes	-	-0.2
Tax exempt revenues	0.4	17.4
Non-deductible expenses	-0.5	-13.9
Losses on which no deferred tax benefits recognized	0.0	0.0
Adjustment for prior periods	3.9	-0.8
Utilization of previously unrecognized tax losses	0.1	0.0
Other items	0.2	-0.3
<b>Tax expense</b>	<b>8.7</b>	<b>-1.7</b>

### Income tax relating to components of other comprehensive income:

2024 EUR million	Before tax amount	Net of Tax benefit	Net of tax amount
Cash flow hedges	-1.3	0.5	-0.8
Translation differences on foreign operations	27.0		27.0
<b>Total</b>	<b>25.7</b>	<b>0.5</b>	<b>26.2</b>

2023 EUR million	Before tax amount	Net of Tax benefit	Net of tax amount
Cash flow hedges	-11.2	2.2	-8.9
Translation differences on foreign operations	332.8		332.8
<b>Total</b>	<b>321.6</b>	<b>2.2</b>	<b>323.8</b>

## 12. Earnings per share

### Accounting policies

#### Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to the equity holders of the parent for the period by the weighted average number of shares outstanding during the period. The average number of treasury shares has been deducted from the number of shares outstanding.

For the calculation of the diluted earnings per share, the diluting impact of all potentially diluting share conversions have been taken into account. The Group has had share options and previously convertible bonds as diluting instruments. At present, the Group does not have either. The dilution of share options has been computed using the treasury stock method. In dilution, the denominator includes the shares obtained through the assumed conversion of the options, and the repurchase of treasury shares at the average market price during the period with the funds generated by the conversion. The assumed conversion of options is not taken into account for the calculation of earnings per share if the effective share subscription price defined for the options exceeds the average market price for the period. The convertible bonds are assumed to have been traded for company shares after the issue.

EUR million	2024	2023
<b>Result attributable to the equity holders of the parent</b>	<b>-22.8</b>	-325.5
Result for the period to calculate the diluted earnings per share	<b>-22.8</b>	-325.5
Result for the period, continuing operations	<b>-22.8</b>	12.5
Result for the period, discontinued operations	-	-338.0
<b>Shares, 1,000 pcs</b>		
Weighted average number of shares	<b>137,869</b>	137,982
Dilutive effect of the options	-	-
Diluted weighted average number of shares	<b>137,869</b>	137,982
<b>Earnings per share, euros</b>		
Basic	<b>-0.17</b>	-2.36
Diluted	<b>-0.17</b>	-2.36
Continuing operations	<b>-0.17</b>	0.09
Discontinued operations	-	-2.45

## 13. Property, plant and equipment

### Accounting policies

#### Property, plant and equipment

The values of the property, plant, and equipment acquired by the Group companies are based on their costs. Any proceeds from selling items produced while bringing an item of PPE into the location and condition intended are not deducted from the acquisition price but instead recorded in profit or loss. The assets of acquired subsidiaries are measured at fair value on the date of acquisition. Depreciation is calculated

on a straight-line basis from the original acquisition cost, based on the expected useful life. Depreciation includes any impairment losses.

In the statement of financial position, the property, plant, and equipment are stated at cost less accumulated depreciation and impairment losses. The borrowing costs of the items included in property, plant, and equipment, and requiring a substantial construction period, are capitalized for the period needed to produce the investment for the intended purpose. Other borrowing costs are recognized as expenses in the period that they were incurred.

Regular maintenance and repair costs are recognized as expenses for the period. Expenses incurred from significant modernization or improvement projects are recorded in the statement of financial position if the company gains future economic benefits in excess of the originally assessed standard of performance of the existing asset. Modernization and improvement projects are depreciated on a straight-line basis over their useful lives. Gains and losses from the divestment and disposal of property, plant, and equipment are determined as the difference of the net disposal proceeds and the carrying amounts. Sales gains and losses are included in the operating profit in the income statement.

#### Government grants

Grants received for the acquisition of property, plant, and equipment reduce the acquisition cost.

#### Borrowing costs

The borrowing costs of items included in property, plant, and equipment or other intangible assets, and requiring a substantial construction period, are capitalized for the period needed to produce the investment for the intended purpose. Other borrowing costs are recognized as expenses for the period in which they incurred. The Group has not capitalized borrowing costs in 2024 or 2023.

2024 EUR million	Land property	Buildings	Machinery and equipment	Other tangible assets	Advances and fixed assets under construction	Total	2023 EUR million					
							Land property	Buildings	Machinery and equipment	Other tangible assets	Advances and fixed assets under construction	Total
Accumulated cost, 1 Jan 2024	27.6	274.1	1,049.9	51.4	244.5	1,647.5						
Increase	0.1	3.4	22.0	0.8	323.6	349.9						
Decrease	0.0	-0.1	-1.7	0.0	0.0	-1.9						
Transfers between items		115.8	127.4	14.8	-264.8	-6.8						
Other changes	0.0	0.0	0.0	0.0	0.0	0.0						
Exchange differences	0.0	8.2	16.7	0.6	1.8	27.2						
Accumulated cost, 31 Dec 2024	27.7	401.4	1,214.2	67.5	305.1	2,015.9						
Accum. Depreciation, 1 Jan 2024	0.0	-93.2	-656.9	-12.2		-762.3						
Depreciation for the period		-9.6	-61.9	-2.5		-74.0						
Impairment						-						
Decrease		0.1	1.4	0.0		1.5						
Other changes		0.0	0.0	0.0		0.0						
Exchange differences		-0.7	-3.5	-0.2		-4.3						
Accum. Depreciation, 31 Dec 2024	0.0	-103.4	-720.9	-14.9		-839.1						
Carrying amount, 31 Dec 2024	27.7	298.0	493.3	52.7	305.1	1,176.8						

2023 EUR million	Land property	Buildings	Machinery and equipment	Other tangible assets	Advances and fixed assets under construction	Total	2023 EUR million					
							Land property	Buildings	Machinery and equipment	Other tangible assets	Advances and fixed assets under construction	Total
Accumulated cost, 1 Jan 2023	20.9	395.8	1,416.9	123.1	113.4	2,070.2						
Increase	14.0	0.1	12.7	-4.4	231.8	254.3						
Decrease	-2.2	-122.9	-429.4	-65.6	-5.7	-625.8						
Transfers between items	-5.0	9.3	83.0	0.7	-91.8	-3.8						
Other changes		0.0	-10.7	-0.1	0.0	-10.7						
Exchange differences	-0.1	-8.3	-22.7	-2.3	-3.3	-36.7						
Accumulated cost, 31 Dec 2023	27.6	274.1	1,049.9	51.4	244.5	1,647.5						
Accum. Depreciation, 1 Jan 2023	-1.7	-190.6	-1,028.6	-74.3		-1,295.2						
Depreciation for the period		-7.5	-59.1	-2.2		-68.8						
Impairment						-						
Decrease	1.6	103.1	406.7	62.4		573.8						
Other changes		0.0	10.5	0.1		10.6						
Exchange differences		1.8	13.7	1.8		17.2						
Accum. Depreciation, 31 Dec 2023	0.0	-93.2	-656.9	-12.2		-762.3						
Carrying amount, 31 Dec 2023	27.6	180.9	392.9	39.2	244.5	885.2						

## 14. Intangible assets

### Accounting policies

#### Goodwill and other intangible assets

Goodwill arising from business combinations is recognized as the amount by which the aggregate of the transferred consideration, any non-controlling interest in what has been acquired, and any previously held interest exceeds the fair value of the net assets acquired. Goodwill is not amortized but is tested for impairment annually as well as whenever an indication of possible impairment exists.

Other intangible assets include customer relationships, capitalized development costs, patents, copyrights, licenses, and software. Intangible rights acquired in business combinations are measured at fair value and amortized on a straight-line basis over their useful lives. Other intangible assets are measured at cost and amortized on a straight-line basis over their useful lives. An intangible asset is only recorded in the statement of financial position if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and cost can be measured reliably. Subsequent expenses related to the assets are only recorded in the statement of financial position if the company gains future economic benefits in excess of the originally assessed standard of performance of the existing asset; otherwise, costs are recognized as expenses at the time of occurrence.

In the statement of financial position, intangible assets are recorded at cost less accumulated amortization and impairment losses. The borrowing costs of items included in other intangible assets, and requiring a substantial construction period, are capitalized for the period needed to produce the investment for the intended purpose. Other borrowing costs are recognized as expenses in the period that they are incurred.

2024 EUR million	Other			
	Goodwill	Intangible rights	intangible assets	Total
Accumulated cost, 1 Jan 2024	76.6	84.5	27.1	188.2
Increase		1.0	0.0	1.0
Decrease			-0.6	-0.6
Transfers between items		6.5	0.3	6.8
Other changes	0.0	0.0	0.0	0.0
Exchange differences	-0.6	0.0	-0.1	-0.7
Accumulated cost, 31 Dec 2024	76.0	91.9	26.7	194.7
Accum. Depreciation, 1 Jan 2024	-14.3	-74.9	-22.9	-112.1
Depreciation for the period		-3.8	-0.8	-4.6
Impairment				-
Decrease			0.3	0.3
Other changes	-0.3		0.0	-0.3
Exchange differences	0.0	0.0	0.1	0.1
Accum. Depreciation, 31 Dec 2024	-14.5	-78.6	-23.3	-116.5
Carrying amount, 31 Dec 2024	61.5	13.3	3.4	78.2

2023 EUR million	Other			
	Goodwill	Intangible rights	intangible assets	Total
Accumulated cost, 1 Jan 2023	78.0	90.4	44.3	212.7
Increase	0.5	0.3	0.9	0.9
Decrease	-0.1	-17.3	-17.4	-17.4
Transfers between items		3.7	0.1	3.8
Other changes	-0.5	-10.1	0.0	-10.6
Exchange differences	-0.9	0.0	-0.2	-1.1
Accumulated cost, 31 Dec 2023	76.6	84.5	27.1	188.2
Accum. Depreciation, 1 Jan 2023	-14.5	-81.4	-37.8	-133.7
Depreciation for the period		-3.7	3.0	-0.7
Impairment				-
Decrease	0.1	11.6	11.7	11.7
Other changes	0.3	10.1	0.1	10.4
Exchange differences	0.0	0.0	0.2	0.2
Accum. Depreciation, 31 Dec 2023	-14.3	-74.9	-22.9	-112.1
Carrying amount, 31 Dec 2023	62.3	9.6	4.2	76.1

## Impairment losses

The company considers the relationship between its market capitalization and its book value when reviewing for indicators of impairment. As of December 31, 2024 the market capitalization EUR 1.0 billion of the company was below the book value EUR 1.3 billion of its equity, indicating a potential impairment of goodwill.

No impairment losses have been booked from the intangible assets based on the impairment tests for goodwill in 2024.

## Impairment tests for goodwill

Goodwill has been allocated to the Group's cash-generating units that have been defined according to the business organization. Impairment testing is performed by comparing the carrying amount of those cash-generating units that include goodwill with their expected recoverable amount. An impairment loss is recognized if the recoverable amount of the cash-generating unit is less than the carrying amount. The calculations have included the investment in the new passenger car tire factory in Romania. The factory is technically ready to start commercial tire deliveries.

## Allocation of goodwill prior tests

EUR million	Dec 31, 2024
Passenger Car Tyres	60.6
Heavy Tyres	0.9
Vianor	-
<b>Total goodwill</b>	<b>61.5</b>

The recoverable amount of a cash-generating unit is based on calculations of the value in use. The cash flow forecasts used in these calculations are based on five-year financial plans approved by the management. The estimated sales and production volumes are based on the current condition and scope of the existing assets including the investment to the new production capacity in Romania. The key assumptions used in the plans include product selection, country-specific sales distribution, margin on products, and their past actual outcomes. Assumptions are also based on commonly used growth, demand and price forecasts provided by market research institutes.

The discount rate used is the weighted average cost of capital (WACC) after taxes defined for the Group. The calculation components are risk-free rate of return, market risk premium, industry-specific beta co-efficient, borrowing cost and the capital structure at market value at the time of testing. The discount rate used for Passenger Car Tyres is 8.5 (8.4) percent and for Heavy Tyres is 7.6 (7.7) percent. Vianor has not been tested in 2024 as the whole goodwill allocated to Vianor has been impaired in 2021. Future cash flows after the forecast period approved by the management have been capitalized as a terminal value using a steady two percent growth rate and discounted with the discount rate specified above. The assumption for the net sales growth rate has been two percent. The sensitivity tests have been performed using net sales and gross margin. A possible impairment would require a significant weakening of the key assumptions from the financial plans approved by the management.

The testing indicated no need to recognize impairment losses either in Passenger Car Tyres or in Heavy Tyres. The recoverable amount in Passenger Car Tyres considerably exceeds the carrying amount of the cash-generating unit. The new factory investment in Romania is increasing the amount of capital expenditure in the planning period by EUR 130.0 million. Due to the nature of the new factory investment a significant amount of the recoverable amount of the cash flow is generated in the terminal value. The recoverable amount in Heavy Tyres significantly exceeds the carrying amount of the cash-generating unit.

## Allocation of goodwill after tests

EUR million	Impairment loss	Goodwill Dec 31, 2024
Passenger Car Tyres	60.6	- 60.6
Heavy Tyres	0.9	- 0.9
Vianor	-	-
<b>Total goodwill</b>	<b>61.5</b>	<b>61.5</b>

## 15. Right of use assets

### Accounting policies

#### Lease agreements

In accordance with IFRS 16, all of the assets related to lease agreement (right-of-use assets) and future lease payment obligations (lease liabilities) are recognized in the statement of financial position at the inception of the contract. Nokian Tyres primarily acts as a lessee. The vast majority of leases recognized as Right-of-use assets under IFRS 16 comprise Vianor chain real estate and warehouses.

#### The Group as lessee

Nokian Tyres recognizes a leased asset and the related lease liability at the lease commencement date, except for short-term leases and low value leases.

- A lease is considered short term if the lease term is 12 months or less and no option included.
- A lease is considered of low value if the business level materiality thresholds are not met.

The Group applies this guideline to all asset classes, with the exception of vehicle leases, which are also recognized under IFRS

16 even if their contract term is below 12 months or the related asset is deemed of low value.

The lease term is determined as the non-cancelable period of the lease, taking extension and termination options into consideration, if it is reasonably certain that the Group will exercise such options. If the lease term is indefinite (valid until further notice), management judgment is used to estimate the expected lease term and the indefinite contracts will be booked on the basis of the planning period, usually for three years.

Lease liability under IFRS 16 is recorded at the commencement date of the lease and measured at the present value of the lease payments during the lease term. The criteria used to determine the discount rate by lease agreement are the geographical location, currency, maturity of the risk-free interest rate, and the lessee's credit risk premium. When the agreement includes a lease component and a non-lease component, Nokian Tyres separates the non-lease components, such as maintenance or services, based on either the stand-alone prices given in the lease agreement or by using estimates. The lease liability is remeasured with a corresponding effect to the related leased asset when there is a change in the future lease payments due to contract renegotiation, index changes, or a reassessment of options.

The leased asset consists of the initial lease liability and any initial direct costs less any incentives granted by the lessor. It is valued at cost less accumulated depreciation and impairment losses. Any remeasurement is in line with the remeasurement of the lease liability. The right-of-use asset is depreciated in a straight-line basis over the lease term.

#### The Group as a lessor

The lessor will classify each lease agreement into either finance or operating lease in accordance with the IFRS 16 standard. If the lease transfers substantially all of the risk and rewards incidental to the ownership of the asset, it is considered to be a finance lease; otherwise, the lease is considered to be an operating lease.

Assets held under finance leases are recorded in the statement of the financial position as receivables at an amount equal to the net investment in the lease. Assets held under operating leases are included in intangible assets and property, plant, and equipment in the statement of the financial position. These assets are depreciated over their useful lives, consistent with assets in the company's own use. Income from operating leases is recorded in the income statement on a straight-line basis over the lease term.

From the Group's point of view, operating as a lessor is limited.

2024				
EUR million	Land property	Buildings	Machinery and equipment	Total
Accumulated cost, Jan 1, 2024	1.4	241.6	4.8	247.8
Increase	0.2	44.9	4.9	50.0
Decrease	-0.1	-21.8	-1.2	-23.0
Other changes	0.0	0.0	0.0	0.0
Exchange differences	0.0	-3.1	0.0	-3.1
<b>Accumulated cost, Dec 31, 2024</b>	<b>1.5</b>	<b>261.7</b>	<b>8.5</b>	<b>271.6</b>
Accum. Depreciation, Jan 1, 2024	-0.3	-120.9	-1.9	-123.1
Depreciation for the period	-0.1	-43.4	-2.1	-45.6
Decrease	0.1	19.0	1.2	20.2
Other changes	0.0	0.0	0.0	0.0
Exchange differences	0.0	1.3	0.0	1.3
<b>Accum. Depreciation, Dec 31, 2024</b>	<b>-0.4</b>	<b>-144.0</b>	<b>-2.8</b>	<b>-147.1</b>
<b>Carrying amount, Dec 31, 2024</b>	<b>1.1</b>	<b>117.7</b>	<b>5.7</b>	<b>124.5</b>

2023				
EUR million	Land property	Buildings	Machinery and equipment	Total
Accumulated cost, Jan 1, 2023	1.2	230.9	4.8	236.9
Increase	0.2	45.0	2.2	47.5
Decrease	-0.1	-28.9	-2.2	-31.2
Other changes	-	0.8	-	0.8
Exchange differences	-	-6.2	0.0	-6.2
<b>Accumulated cost, Dec 31, 2023</b>	<b>1.4</b>	<b>241.6</b>	<b>4.8</b>	<b>247.8</b>
Accum. Depreciation, Jan 1, 2023	-0.2	-110.5	-2.4	-113.1
Depreciation for the period	-0.1	-39.7	-1.6	-41.4
Decrease	0.0	26.7	2.1	28.8
Other changes	-	0.0	-	0.0
Exchange differences	-	2.6	0.0	2.6
<b>Accum. Depreciation, Dec 31, 2023</b>	<b>-0.3</b>	<b>-120.9</b>	<b>-1.9</b>	<b>-123.1</b>
<b>Carrying amount, Dec 31, 2023</b>	<b>1.1</b>	<b>120.7</b>	<b>3.0</b>	<b>124.7</b>

Expenses arising from leases of low-value amounted to EUR 0.6 (0.2) million and short-term leases amounted to EUR 6.0 (2.7) million in 2024. These contracts are not included in the right of use assets. Interest expenses from right of use assets were EUR 4.5 (4.0) million.

## 16. Carrying amounts and fair values of financial assets and liabilities

### Accounting policies

#### Financial assets and liabilities

##### Classification of financial instruments

When recognizing a financial asset in its statement of financial position, the Group classifies it into one of the following measurement categories:

- Amortized cost
- Fair value through other comprehensive income
- Fair value through profit or loss.

These categories apply to subsequent measurement and profit or loss recognition. The classification is based on the business model for managing the asset and the contractual cash flow characteristics of the asset.

A financial asset is classified as subsequently measured at amortized cost when the objective is to hold financial assets to collect contractual cash flows that are payments of principal and interest on the principal amount outstanding. In the Group, in principle this measurement category includes trade receivables, loan receivables, and cash and cash equivalents, including liquid short-term investments in money market instruments.

A debt instrument in the financial assets is classified as subsequently measured at fair value through other comprehensive income when the objective is to both hold the financial assets to collect contractual cash flows that are payments of principal and interest on the principal amount outstanding and sell the financial assets.

If there are business objectives for the holding of a financial asset other than the foreaid, it is classified as subsequently measured at fair value through profit or loss. The Group's derivative assets are included in this category. However, when recognizing an investment in an equity instrument in its statement of financial position, the Group may make an irrevocable election to present subsequent changes in fair value in other comprehensive income. The election is made on an instrument-by-instrument basis. The Group typically designates investments in quoted and unquoted shares that are not held for trading as at fair value through other comprehensive income.

The measurement category of a financial liability is either at amortized cost or at fair value through profit or loss. A financial liability is classified as at fair value through profit or loss if it is held-for-trading, is a derivative, or is specifically designated as such. Other financial liabilities are subsequently measured at amortized cost. The financial liabilities of the Group are classified as measured at amortized cost except for derivative liabilities.

##### Measurement of financial instruments

At initial recognition, all financial assets and liabilities are measured at fair value taking into account any transaction costs, and in the statement of financial position, they are included in current or non-current assets or liabilities depending on the maturity of the item. Financial assets and financial liabilities are subsequently measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss in accordance with the measurement category of the item.

##### Impairment of financial assets

At each reporting date, the Group recognizes a loss allowance for expected credit losses on a financial asset that is not measured at fair value through profit or loss. When measuring the expected credit losses, the Group reviews the actual credit losses, current conditions, and forecasts of the future economic conditions.

For trade receivables, the Group follows the simplified approach whereby the impairment recognized in trade receivables corresponds to the lifetime expected credit losses for trade receivables.

EUR million	Note	Carrying amount	2024			2023			
			Fair value			Carrying amount	Fair value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>									
Fair value through profit or loss									
Derivatives held for trading	30	1.9	-	1.9	-	2.6	-	2.6	-
Derivatives designated as hedges	30	14.1	-	14.1	-	3.3	-	3.3	-
Unquoted securities	17	2.9	-	-	2.9	2.7	-	-	2.7
Amortized cost									
Trade and other receivables	21	276.3	-	276.3	-	226.6	-	226.6	-
Money market instruments	22	-	-	-	-	50.7	-	50.7	-
Cash in hand and at bank	22	176.1	-	176.1	-	364.2	-	364.2	-
Fair value through other comprehensive income									
Unquoted shares	17	0.2	-	-	0.2	0.2	-	-	0.2
<b>Total financial assets</b>		<b>471.5</b>	-	<b>468.4</b>	<b>3.1</b>	<b>650.4</b>	-	<b>647.4</b>	<b>2.9</b>
<b>Financial liabilities</b>									
Fair value through profit or loss									
Derivatives held for trading	30	1.1	-	1.1	-	1.7	-	1.7	-
Derivatives designated as hedges	30	13.2	-	13.2	-	1.0	-	1.0	-
Amortized cost									
Interest-bearing financial liabilities	27	659.6	-	676.8	-	508.2	-	518.6	-
Trade and other payables	28	160.6	-	160.6	-	155.9	-	155.9	-
<b>Total financial liabilities</b>		<b>834.6</b>	-	<b>851.7</b>	-	<b>666.8</b>	-	<b>677.2</b>	-

The carrying amount of financial assets corresponds to the maximum exposure to the credit risk on the reporting date. See note 29 for the impairments in respect of trade receivables. Other financial assets measured at amortized cost and fair value through other comprehensive income are not subject to material impairment.

Fair value measurements have been classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. Quoted prices in active markets for identical assets or liabilities).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

All items measured at fair value through profit or loss excluding unquoted securities have been classified to Level 2 in the fair value hierarchy and items include Group's derivative financial instruments. To establish the fair value of these instruments the Group uses generally accepted valuation models with inputs based on observable market data.

Level 3 includes unquoted securities measured at fair value through profit or loss, and unquoted shares measured at fair value through other comprehensive income since cost is assessed to represent the fair value.

Financial assets and liabilities not measured at fair value but for which the fair value can be measured are categorised in Level 2 in the fair value hierarchy. Level 2 includes financial assets and financial liabilities measured at amortized cost. Their fair values are based on the future cash flows that are discounted with market interest rates on the reporting date.

There were no transfers between different levels during the financial year.

**17. Investments in associates and non-current financial investments**

EUR million	Investments in associates	Unquoted securities	Unquoted shares
Accumulated cost, Jan 1, 2024	0.1	2.7	0.2
Net exchange differences	-	0.2	-
<b>Carrying amount, Dec 31, 2024</b>	<b>0.1</b>	<b>2.9</b>	<b>0.2</b>
Carrying amount, Dec 31, 2023	0.1	2.7	0.2

**18. Other non-current receivables**

EUR million	2024	2023
Other non-current receivables	20.9	14.1
<b>Total</b>	<b>20.9</b>	<b>14.1</b>

## 19. Deferred tax assets and liabilities

Accounting policies						
Deferred taxes						
Deferred taxes are measured with tax rates enacted by the reporting date, to reflect the net tax effects of all temporary differences between the financial reporting and the tax bases of assets and liabilities. The most material temporary differences arise from the amortization and depreciation differences of intangible assets and property, plant, and equipment, measuring the net assets of business combinations at fair value, measuring financial assets and hedging instruments at fair value, internal profits in inventory, provisions, appropriations, and unused tax losses. Deferred tax liabilities will also be recognized from the subsidiaries' non-distributed retained earnings if profit distribution is likely and will result in tax consequences.						
Deferred tax assets relating to the temporary differences are recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized before expiration. In assessing the recoverability of deferred tax assets compared to the expiration of tax losses and the future taxable profits, the Group relies on management judgment. Deferred taxes are not recorded on goodwill that is not deductible for tax purposes.						
Nokian Tyres has reported deferred tax assets and liabilities in its financial statements which are expected to be realized in the profit and loss based on the management assessment. Management assessments on uncertain tax situations are based on external expertise.						

EUR million	Dec 31, 2023	Adjustments between items	Recognized in income statement	Recognized in other comprehensive income	Net exchange differences	Dec 31, 2024
<b>Deferred tax assets</b>						
Inventories	9.3		1.3			10.6
Property, plant and equipment and intangible assets	1.8		4.1			5.9
Lease liabilities	28.5		-0.8		0.2	27.9
Provisions and accruals	-0.7	0.3	4.6			4.2
Tax losses carried forward	33.5	0.6	-5.8			28.3
Cash flow hedges	0.0		-	1.1		1.1
Other items	0.1	0.3	8.6			9.0
<b>Total</b>	<b>72.6</b>	<b>1.2</b>	<b>12.0</b>	<b>1.1</b>	<b>0.2</b>	<b>87.1</b>
Deferred tax assets offset against deferred tax liabilities	-17.6		-14.6			-32.3
<b>Deferred tax assets</b>	<b>55.0</b>	<b>1.2</b>	<b>-2.6</b>	<b>1.1</b>	<b>0.2</b>	<b>54.8</b>
<b>Deferred tax liabilities</b>						
Property, plant and equipment and intangible assets	14.9	0.5	-8.0			7.4
Right of use assets	27.4		-0.4		-0.2	26.8
Untaxed reserves	0.0		0.6			0.6
Undistributed earnings in subsidiaries	-		-			-
Cash flow hedges	0.4		-	0.5		1.0
Other items	1.7	-0.4	-1.1			0.2
<b>Total</b>	<b>44.3</b>	<b>0.1</b>	<b>-8.8</b>	<b>0.5</b>	<b>-0.2</b>	<b>36.0</b>
Deferred tax liabilities offset against deferred tax assets	-17.6		-14.6			-32.3
<b>Deferred tax liabilities</b>	<b>26.7</b>	<b>0.1</b>	<b>-23.4</b>	<b>0.5</b>	<b>-0.2</b>	<b>3.7</b>

EUR million	Dec 31, 2022	Adjustments between items	Recognized in income statement	Recognized in other comprehensive income	Net exchange differences	Dec 31, 2023
<b>Deferred tax assets</b>						
Inventories	9.9		-0.6			9.3
Property, plant and equipment and intangible assets	1.1		0.7			1.8
Lease liabilities	25.8		2.7			28.5
Provisions and accruals	3.1	-2.0	-2.0		0.3	-0.7
Tax losses carried forward	20.2		13.3			33.5
Cash flow hedges	0.0		-	0.0		0.0
Other items	0.7		-0.7			0.1
<b>Total</b>	<b>60.9</b>	<b>-2.0</b>	<b>13.5</b>	<b>0.0</b>	<b>0.3</b>	<b>72.6</b>
Deferred tax assets offset against deferred tax liabilities	-37.4		19.7			-17.6
<b>Deferred tax assets</b>	<b>23.5</b>	<b>-2.0</b>	<b>33.2</b>	<b>0.0</b>	<b>0.3</b>	<b>55.0</b>
<b>Deferred tax liabilities</b>						
Property, plant and equipment and intangible assets	17.7	0.3	-3.1			14.9
Right of use assets	24.8		2.6			27.4
Untaxed reserves	0.6		-0.6			0.0
Undistributed earnings in subsidiaries	9.2	-1.4	-7.7			-
Cash flow hedges	2.6		-	-2.2		0.4
Other items	0.0	1.4	0.2			1.7
<b>Total</b>	<b>54.8</b>	<b>0.3</b>	<b>-8.6</b>	<b>-2.2</b>	<b>0.0</b>	<b>44.3</b>
Deferred tax liabilities offset against deferred tax assets	-37.4		19.7			-17.6
<b>Deferred tax liabilities</b>	<b>17.5</b>	<b>0.3</b>	<b>11.1</b>	<b>-2.2</b>	<b>0.0</b>	<b>26.7</b>

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

On 31 December 2024, the Group had carry forward losses for EUR 140.8 (136.2) million, on which a deferred tax asset has been recognised. EUR 134.2 million of these carry forward losses will expire during years 2030–2034 and EUR 6.5 million will not expire. The Group also had carry forward losses for EUR 2.1 (3.4) million, on which no deferred tax asset was recognized. It is not probable that future taxable profit will be available to offset these losses. EUR 2.1 million of these losses will expire in five years. The carry forward losses have mainly arisen from Finnish companies as a result of the Russia exit and the resulting investments. Forecasts prepared by the Group's management show that due to the increase in the company's production capacity and the current transfer pricing model, the carry forward losses will be able to be used before they expire.

The Group has utilized previously unrecognized tax losses from prior periods with EUR 0.3 (0.1) million in 2024.

The adjustments include EUR 1.1 million of adjustments that are booked through retained earnings. The adjustments are not applied to previous years because retrospective correction of previous years' estimates is not possible.

## 20. Inventories

### Accounting policies

#### Inventories

Inventories are measured at the lower of cost or the net realizable value. Cost is primarily determined in accordance with standard cost accounting. The cost of finished goods and work in progress includes raw material purchase costs, direct manufacturing wages, other direct manufacturing costs, and a share of production overheads, borrowing costs excluded. Net realizable value is the estimated sales price in ordinary activities less the costs associated with the completion of the product and the estimated necessary costs incurred to make the sale of the product. Allowance is recorded in obsolete items.

EUR million	2024	2023
Raw materials and supplies	116.1	108.1
Work in progress	11.7	11.3
Finished goods	324.2	352.3
<b>Total</b>	<b>452.1</b>	<b>471.7</b>

Annually an additional expense is recognized in the carrying amounts of all separate inventory items to avoid them exceeding their maximum probable net realizable values. In 2024 EUR 7.1 million expense was recognized to decrease the carrying amount of the inventories to reflect the net realizable value (EUR 6.1 million in 2023).

## 21. Trade and other receivables

### Accounting policies

#### Revenue recognition

Trade receivables have been recorded on the balance sheet according to the originally invoiced amount, and items in other currencies have been recognized at the closing rate reported by the European Central Bank. Trade receivables will change if the receivables are booked as a credit loss. There are three types of credit loss provisions: group-level IFRS 9, local, and statutory credit loss provision. Revenue from contracts with customers is reported under net sales, and credit losses are reported separately from net sales under other business expenses.

EUR million	2024	2023
Trade receivables	274.0	224.2
Accrued revenues and deferred expenses	18.3	14.9
Derivative financial instruments		
Designated as hedges	1.9	3.0
Measured at fair value through profit or loss	1.9	2.6
Current tax assets	4.4	7.6
Value added tax receivables	24.4	23.6
Other receivables	12.3	4.7
<b>Total</b>	<b>337.1</b>	<b>280.5</b>

The carrying amount of trade and other receivables corresponds to the maximum exposure to the credit risk on the reporting date.

The carrying amount of trade and other receivables is a reasonable approximation of their fair value. See note 29 for the impairments in respect of trade receivables.

### Significant items under accrued revenues and deferred expenses

EUR million	2024	2023
Annual discounts, purchases	3.7	2.7
Financial items	1.2	1.1
Social security contributions	0.1	0.3
Insurances	1.4	1.6
Other items	12.0	9.3
<b>Total</b>	<b>18.3</b>	<b>14.9</b>

## 22. Cash and cash equivalents

### Accounting policies

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand and other current investments, such as commercial papers and bank deposits.

EUR million	2024	2023
Cash in hand and at bank	176.1	364.2
Money market instruments	-	50.7
<b>Total</b>	<b>176.1</b>	<b>414.9</b>

## 23. Equity

### Accounting policies

#### Treasury shares

The acquisition cost of treasury shares repurchased by the Group is recognized as a deduction in equity. The consideration received for the treasury shares when sold, net of transaction costs and tax, is included in equity.

### Dividend

The dividend proposed by the Board of Directors at the Annual General Meeting has not been recognized in the financial statements. Dividends are only accounted for on the basis of the decision of the Annual General Meeting.

### Reconciliation of the number of shares

EUR million	Number of shares, 1,000 pcs	Share capital	Share premium	Paid-up unrestricted equity reserve	Treasury shares	Total
Jan 1, 2023	138,251	25.4	181.4	238.2	-16.6	428.5
Acquisition/conveyance of treasury shares	-384				-0.1	-0.1
<b>Dec 31, 2023</b>	<b>137,867</b>	<b>25.4</b>	<b>181.4</b>	<b>238.2</b>	<b>-16.7</b>	<b>428.4</b>
Jan 1, 2024	137,867	25.4	181.4	238.2	-16.7	428.4
Acquisition/conveyance of treasury shares	2				0.1	0.1
<b>Dec 31, 2024</b>	<b>137,870</b>	<b>25.4</b>	<b>181.4</b>	<b>238.2</b>	<b>-16.6</b>	<b>428.4</b>

The nominal value of shares was abolished in 2008, hence no maximum share capital of the Group exists anymore. All outstanding shares have been paid for in full.

Below is a description of the reserves within equity:

#### Share premium

Before the nominal value of shares was abolished, the amount exceeding the nominal value of shares received by the company in connection with share issue and share subscription were recognised in share premiums.

#### Translation reserve

Translation reserve includes the differences arising from the translation of the foreign subsidiaries' financial statements. The gains and losses from the net investments in foreign units and hedging those net investments are also included in translation reserve once the requirements of hedge accounting have been met.

#### Fair value and hedging reserves

The fair value and hedging reserves comprise of two sub reserves: a fair value reserve for financial assets measured at fair value through other comprehensive income and a hedging fund for changes in the fair value of the derivative financial instruments used for cash flow hedging.

#### Paid-up unrestricted equity reserve

After the nominal value of shares was abolished, the entire share subscription made by option rights are entered in the paid-up unrestricted reserve.

#### Treasury shares

No share repurchases were made during the review period, and the company did not possess any own shares on December 31, 2024.

Nokian Tyres has an agreement from 2017 with a third-party service provider concerning the share-based incentive program for key personnel. The third party owns Nokian Tyres' shares related to the incentive program until the shares are given to the participants of the program. In accordance with IFRS, these repurchased shares have been reported as treasury shares in the Consolidated

Statement of Financial Position. On December 31, 2024, the number of these shares was 1,052,242 (1,054,507). On December 31, 2024, this number of shares corresponded to 0.76 (0.76) percent of the total shares and voting rights in the company.

#### Dividends

After the balance sheet date, the Board of Directors proposed that a dividend of EUR 0.25 (0.55) per share be paid.

#### Specification of the distributable funds

The distributable funds on December 31, 2024, total EUR 773.2 (859.4) million and are based on the balance of the Parent company and the Finnish legislation.

## 24. Long-term incentive plans for the Group management team and key personnel

### Accounting policies

#### Share-based payments

Performance shares are measured at fair value on the grant date and are expensed to employee benefit expenses on a straight-line basis over the vesting period and retention period. The equity-settled amounts are recorded as an increase in equity. The expense determined on the grant date is based on the Group's estimate of the number of shares that are assumed to vest at the end of the vesting period. The impact of non-market-based conditions is not included in the fair value of the share; instead, it is taken into account in the final number of shares that are assumed to vest at the end of the vesting period. The Group updates the assumption of the final number on each reporting date. The fair values of cash settled amounts are similarly updated on each reporting date and recorded in equity. The changes in estimated values in both share and cash settled amounts are booked to the income statement.

### Long-term incentive plans

In February 2019, the Board of Nokian Tyres plc decided to establish a new share-based long-term incentive scheme for the Company's management and selected key employees. The decision included a Performance Share Plan (PSP) as the main structure and a Restricted Share Plan (RSP) as a complementary structure for specific situations. The purpose of the share-based incentive plans is to harmonize the goals of the Company's owners and key

personnel in order to increase the value of the Company in the long term, to commit key personnel to the Company and its strategic target and to offer a competitive rewards system for personnel. The Performance Share Plan is targeted to the President and CEO, Group Management Team members and other key employees.

The Performance Share Plan consists of annually commencing typically three-year performance periods after which the possible reward is delivered to participants. The company's Board will decide separately on each performance period and set the performance criteria at the beginning of the earnings period. The target incentive from the Performance Share Plans corresponds to 75–100% of a Group Management Team member's annual base salary. The maximum level is twice the target level, i.e. 150–200% of annual base salary. The maximum value of paid reward cannot exceed the maximum percentage of annual base salary used to define the allocation at grant. The number of shares can be re-calculated at pay out in case the performance criteria have been met at maximum and the share price has increased from grant.

A member of the Group's Management Team must own 25% of the gross total number of shares earned through the system, up to the point where the total value of their share ownership is equal to their gross annual salary. They must own this number of shares for as long as they are involved in the Group's Management Team.

A precondition for the payment of the share reward based on the Restricted Share Plan is that the employment relationship of the individual participant with Nokian Tyres continues until the payment date of the reward. In addition to this precondition, a financial performance criteria is applied to Group Management Team. The criteria is a threshold value for segment Return on Capital Employed (ROCE), which must be exceeded for a potential payment of a share reward based on the Restricted Share Plan.

#### Active Performance Share Plans

Performance Share Plan 2022–2024: In February 2022, the Board of Nokian Tyres plc decided to continue the Performance Share Plan for a new performance period for the years 2022–2024. The Performance Period (PSP 2022–2024) commenced effective as of the beginning of 2022 and the potential share reward thereunder will be paid in the first half of 2025 provided that the performance targets set by the Board of Directors are achieved. The potential reward will be paid partly in shares of Nokian Tyres plc and partly in cash. Cash portion of the reward is intended to cover the taxes arising from the paid reward. The potential share reward payable under the PSP 2022–2024 are based on the segments Earnings Per Share (EPS) and segments Return on Capital Employed (ROCE).

Performance Share Plan 2023–2027: In February 2023, The Board of Directors of Nokian Tyres plc decided to establish a new share-based incentive plan for the Group's key employees. The aim is to align the objectives of the company's 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 Performance Share Plan 2023–2027 consists of three performance periods covering the financial years 2023–2024, 2024–2025 and 2025–2027. Additionally, the performance periods 2023–2024 and 2024–2025 have one year retention period.

The Board will decide annually on the commencement and details of the performance periods. In the plan, the target group is given an opportunity to earn Nokian Tyres plc shares based on the achievement of the targets set for the performance periods. Potential rewards of the plan will be paid by the end of April 2026, 2027, and 2028 respectively. The rewards will be paid partly in Nokian Tyres plc shares and partly in cash. The cash proportion of the reward is intended for covering taxes and tax-related expenses arising from the rewards to the participants. In general, no reward will be paid if the participant's employment or director contract terminates before the reward payment.

#### Active Restricted Share Plans

The Restricted Share Plan (RSP) consists of annually commencing restricted share plans. Each plan has a three-year vesting period after which the allocated share rewards will be delivered to the participants partly in Nokian Tyres plc shares and partly in cash. The purpose of the Restricted Share Plan is to serve as a complementary long-term incentive tool, used selectively for retention of Nokian Tyres key employees.

The commencement of each new plan is subject to a separate approval by the Board.

A precondition for the payment of the share reward based on the Restricted Share Plan is that the employment relationship of the individual participant with Nokian Tyres continues until the payment date of the reward. In addition to this precondition, a financial performance criteria is applied to Group Management Team. The criteria is a threshold value for segment Return on Capital Employed (ROCE), which must be exceeded for a potential payment of a share reward based on the Restricted Share Plan.

In February 2023, the Board of Director decided to modify the financial performance criteria. The change was necessary to reflect the radical effects on business conditions, caused by the war in Ukraine. It was decided that the threshold criteria are changed and measured against a pre-set average threshold value for segments ROCE (during the financial years during the corresponding restriction period).

The previous financial threshold criteria was set for an average value for ROCE (according to IFRS), during the restriction period in question. A threshold value tied to average segments ROCE is be applied to Restricted Share Plans 2022–2024, 2023–2025 as well as for the Restricted Share plan commencing in 2024, with a restriction period between 2024–2026.

#### Share plans that ended in the beginning of 2024

##### Performance Share Plan 2021–2023

The performance measure for the Performance Share Plan 2021–2023 was based on segments Earnings Per Share (EPS) and segments Return on Capital Employed (ROCE), both with an equal weight of 50%. Both targets did not meet the minimum level and thereby, no payments were conducted.

##### Restricted Share Plan 2021–2023

The three-year restriction period of the Restricted Share Plan 2021–2023 ended after financial year 2023. Some key employees participate in the share-based incentive plan, including a member of the Management Team. The financial threshold value for segments Return on Capital Employed (ROCE) applied for the Management Team member was achieved. The rewards paid corresponded to a total of 4,600 Nokian Tyres plc gross shares. The rewards were paid in March 2024. A precondition for the payment of the share reward based on the Restricted Share Plan is that the employment relationship of a participant with Nokian Tyres continues until the payment date of the reward.

The following tables present more specific information on the performance share plans.

Instrument	PSP 2021–2023	PSP 2022–2024	PSP 2023–2025	PSP 2024–2026	RSP 2021–2023	RSP 2022–2024	RSP 2023–2025	RSP 2024–2026	Total
Issuing date	Feb 9, 2021	Feb 8, 2022	Feb 7, 2023	Feb 6, 2024	Feb 9, 2021	Feb 8, 2022	Feb 7, 2023	Feb 6, 2024	
Initial amount, pcs	534,898	513,742	1,400,000	1,760,000	120,000	120,000	120,000	120,000	4,688,640
Dividend adjustment	No	No	No	No	No	No	No	No	
Initial allocation date	Mar 4, 2021	Feb 8, 2022	Feb 17, 2023	Mar 1, 2024	Mar 18, 2021	Dec 19, 2022	Dec 12, 2023	Feb 19, 2024	
Beginning of earning period	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024	
End of earning period	Dec 31, 2023	Dec 31, 2024	Dec 31, 2024	Dec 31, 2025	Dec 31, 2023	Dec 31, 2024	Dec 31, 2025	Dec 31, 2026	
Vesting date	Mar 31, 2024	Mar 31, 2025	Apr 30, 2026	Apr 30, 2027	Mar 31, 2024	Mar 31, 2025	Mar 31, 2026	Mar 31, 2027	
	Segments earnings per share (EPS) growth, % and segments return on capital employed (ROCE)	Segments earnings per share (EPS) growth, % and segments return on capital employed (ROCE)	Cumulative EBITDA, increase in passenger car tire production volume and reduction in direct CO <sub>2</sub> emissions	Cumulative EBITDA, increase in passenger car tire production volume and reduction in direct CO <sub>2</sub> emissions	Continued employment, segments return on capital employed (ROCE) for Management Team	Continued employment, segments return on capital employed (ROCE) for Management Team	Continued employment, segments return on capital employed (ROCE) for Management Team	Continued employment, segments return on capital employed (ROCE) for Management Team (excluding new CEO)	
Vesting conditions	3.1	3.1	3.2	3.2	3.1	3.1	3.2	3.2	3.2
Maximum contractual life, years	0.0	0.3	1.3	2.3	0.0	0.3	1.3	2.3	1.4
Remaining contractual life, years	0	154	142	153	0	7	2	3	
Number of persons at the end of reporting year	Cash & equity	Cash & equity	Cash & equity	Cash & equity	Cash & equity	Cash & equity	Cash & equity	Cash & equity	
Payment method									
Changes during period	PSP 2021–2023	PSP 2022–2024	PSP 2023–2025	PSP 2024–2026	RSP 2021–2023	RSP 2022–2024	RSP 2023–2025	RSP 2024–2026	Total
<b>Jan 1, 2024</b>									
Outstanding in the beginning of the period	362,050	358,996	1,285,766	0	6,135	12,300	15,000	0	2,040,247
Reserve in the beginning of the period	172,848	154,746	114,234	0	113,865	107,700	105,000	0	768,393
Changes during period									
Granted	0	0	0	1,756,696	0	0	0	110,000	1,866,696
Forfeited	15,818	25,930	96,548	31,952	1,535	0	0	0	171,783
Earned (Gross)	0	0	0	0	4,600	0	0	0	4,600
Delivered (Net)	0	0	0	0	2,265	0	0	0	2,265
Expired	534,898	0	0	0	115,400	0	0	0	650,298
<b>Dec 31, 2024</b>									
Outstanding at the end of the period	0	333,066	1,189,218	1,724,744	0	12,300	15,000	110,000	3,384,328
Reserved at the end of the period	0	180,676	210,782	35,256	0	107,700	105,000	10,000	649,414

## Fair value determination

Inputs to the fair value determination of the performance shares expensed during the financial year 2024 are listed in the below table as weighted average values. The total fair value of the performance shares is based on the company's estimate in December 31, 2024 as to the number of shares to be eventually vesting.

2024	
<b>Fair value Determination</b>	
Share price at grant, EUR	8.63
Share price at reporting date, EUR	7.346
Expected dividends, EUR	1.45
Fair market value per share at grant, EUR	7.18
Valuation model	Dividend Discount
Total fair value Dec 31, 2024, EUR million	0.69
<b>Impact on period profits and financial position</b>	
Expenses for the financial year, share-based payments, EUR million	-0.21
Liabilities arising from share-based payments Dec 31, 2024, EUR million	0.00
Estimated amount of cash to be paid under these plans, EUR million	0.50

## 25. Pension liabilities

### Accounting policies

#### Pension liabilities

The Group companies have several pension schemes in different countries based on local conditions and practices. These pension schemes are defined either as defined contribution plans or defined benefit pension plans. Payments for defined contribution plans are recorded as expenses in the income statement for the period they relate to.

All material pension arrangements in the Group are defined contribution plans.

## 26. Provisions

### Accounting policies

#### Provisions

A provision is entered into the statement of financial position if the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions may be related to the reorganization of activities, unprofitable agreements, environmental obligations, trials, and tax risks. Warranty provisions include the cost of product replacement during the warranty period.

EUR million	Warranty provision	Total
Jan 1, 2024	1.8	1.8
Provisions made	1.6	0.0
Provisions used	-0.2	-0.2
Unused provisions reversed	-1.6	0.0
<b>Dec 31, 2024</b>	<b>1.6</b>	<b>1.6</b>
EUR million	2024	2023
<b>Current provisions</b>	<b>1.6</b>	<b>1.8</b>

#### Warranty provision

The goods are sold with a normal warranty period. Additionally, a Hakka Guarantee warranty has been established in certain markets for certain products to compensate tire damages not covered by the normal warranty, one year after the purchase and to a certain wear limit. Damaged goods will be repaired at the cost of the company or replaced with a corresponding product. Activating the Hakka Guarantee requires the end customer to register for the service. The provisions are based on the sales and statistical compensation volumes of the tyres sold under these warranties. The warranty provisions are expected to be utilised within one year.

## 27. Interest-bearing financial liabilities

EUR million	2024	2023
<b>Non-current</b>		
Loans from financial institutions and pension loans	557.3	304.7
Bond loans	99.4	99.2
	656.7	404.0
<b>Current</b>		
Commercial papers	2.0	-
Current portion of non-current loans from financial institutions and pension loans	0.9	104.2
	2.9	104.2
<b>Total</b>	<b>659.6</b>	<b>508.2</b>

All interest-bearing financial liabilities are denominated in euros.

#### Effective interest rates for interest-bearing financial liabilities

	2024		2023	
	Without hedges	With hedges	Without hedges	With hedges
Loans from financial institutions and pension loans	4.3%	4.3%	5.2%	4.3%
Bond loans	5.3%	5.3%	5.3%	5.3%
Commercial papers	4.5%	4.5%	-	-
<b>Total</b>	<b>4.5%</b>	<b>4.4%</b>	<b>5.2%</b>	<b>4.5%</b>

See note 16 for the fair values of the interest-bearing financial liabilities.

## 28. Trade and other payables

EUR million	2024	2023
Trade payables	160.6	155.9
Accrued expenses and deferred revenues	131.5	106.3
Advance payments	0.0	0.0
Derivative financial instruments		
Designated as hedges	6.2	0.5
Measured at fair value through profit or loss	1.1	1.7
Current tax liabilities	7.8	3.8
Value added tax liabilities	30.3	24.0
Other liabilities	18.0	18.1
<b>Total</b>	<b>355.5</b>	<b>310.2</b>

The carrying amount of trade and other payables is a reasonable approximation of their fair value.

EUR million	2024	2023
Significant items under accrued expenses and deferred revenues		
Wages, salaries and social security contributions	31.5	26.0
Annual discounts, sales	79.4	62.2
Commissions	0.2	0.0
Marketing expenses	1.0	0.8
Transportation costs	0.0	0.2
Financial items	7.2	5.2
Other items	12.1	11.9
<b>Total</b>	<b>131.5</b>	<b>106.3</b>

## 29. Financial risk management

The Group Treasury identifies, measures, manages, and monitors financial risks that could impact the Group's financial performance. This includes liquidity risk, credit risk, and market risks: foreign exchange risk, interest rate risk, commodities risk, and other market risks. The objective is to employ risk mitigation strategies and controls that align with the Group's risk appetite and protect against potential adverse financial outcomes.

The principles and targets of financial risk management are defined in the Group's treasury policy, which is approved by the Board. The Group Credit Committee makes credit decisions that have a significant impact on the credit exposure of the Group.

Financing activities and financial risk management are centralized to the parent company Treasury. It engages in financing and hedging transactions with external parties while also serving as the primary counterparty for business units in various financing undertakings, including funding, foreign exchange operations, and cash management.

### Foreign currency risk

Foreign currency risk or exchange risk, arises from the potential changes in the value of one currency relative to another. As the Nokian Tyres Group operates in various countries and with several currencies, this risk can significantly impact financial performance.

The Nokian Tyres Group consists of the parent company in Finland, the sales companies in Sweden, Norway, the US, Canada, Czech Republic, Germany, France, Switzerland, Poland and Ukraine, the tire chain companies in Finland, Sweden and Norway. The tire factories are located in Nokia, Finland, and in Dayton, TN, the US. Tire deliveries from the new passenger car tire factory in Oradea, Romania are planned to start in spring 2025.

### Transaction risk

Transaction exposure occurs when the parent or a Group company has a foreign currency denominated monetary asset or liability, firm commitment or forecasted exposure that will be translated later to the company's functional/home currency.

The Group companies operate primarily with their functional currency and the transactions between the parent company and the Group companies are typically carried out in a functional currency of the respective Group company, which means that the transaction risk is mainly transferred into the parent company. However, for justified reasons, e.g. based on its business operations, a Group company can have foreign currency items.

The Group Treasury identifies, manages, and monitors significant transaction exposures in all Group companies. Currency forwards, currency options and cross-currency swaps are used as hedging instruments.

The primary transaction exposure of each non-functional currency against functional currency in the parent company and each Group company consists of balance sheet items and currency derivatives. The primary net exposure of each foreign currency is actively managed and

hedged with appropriate derivative instruments or non-derivative alternatives with accepted counterparties.

According to the Group's treasury policy hedging is required when the net exposure in single currency is EUR 10 million or above. Additionally, the combined net exposure of all foreign currencies in the parent company must not exceed EUR 50 million, ensuring that a simultaneous +/- 10 percent change in all foreign currencies against the euro does not create an impact of over EUR 5 million on the income statement. Non-convertible currencies are an exception and are not hedged, as the means for covering the exposure are unavailable in the market.

The secondary transaction net exposure arises from future non-balance sheet transactions. This exposure may be hedged according to the market situation, with the hedge ratio reaching up to 70 percent of the highly probable forecasted exposure until the end of the following year.

### Transaction risk

EUR million	Dec 31, 2024								Dec 31, 2023							
	Functional currency	EUR	EUR	EUR	EUR	EUR	EUR	CZK	RON	EUR	EUR	EUR	EUR	EUR	CZK	RON
Foreign currency	CAD	NOK	PLN	RON	SEK	USD	EUR	EUR	CAD	NOK	PLN	RON	SEK	USD	EUR	EUR
Trade receivables	20.5	29.5	15.0	2.0	23.6	11.7	27.0	0.0	15.0	21.9	5.1	0.0	24.3	11.9	20.2	0.0
Loans and receivables	1.8	35.2	0.0	178.9	18.7	16.6	0.0	0.1	1.6	44.8	7.3	0.0	28.0	8.6	5.8	0.0
<b>Total currency income</b>	<b>22.3</b>	<b>64.6</b>	<b>15.0</b>	<b>181.0</b>	<b>42.3</b>	<b>28.2</b>	<b>27.0</b>	<b>0.1</b>	<b>16.6</b>	<b>66.6</b>	<b>12.4</b>	<b>0.0</b>	<b>52.3</b>	<b>20.5</b>	<b>26.1</b>	<b>0.0</b>
Trade payables	-0.1	0.0	-0.4	0.0	0.0	-34.1	-31.6	-10.9	-0.1	0.0	0.0	0.0	0.0	-16.7	-21.2	-3.8
Borrowings	-21.6	-40.1	-8.2	0.0	-13.8	0.0	-1.6	0.0	-9.8	-31.1	-5.8	0.0	-13.1	-3.2	0.0	0.0
<b>Total currency expenditure</b>	<b>-21.7</b>	<b>-40.1</b>	<b>-8.6</b>	<b>0.0</b>	<b>-13.8</b>	<b>-34.1</b>	<b>-33.2</b>	<b>-10.9</b>	<b>-9.9</b>	<b>-31.1</b>	<b>-5.8</b>	<b>0.0</b>	<b>-13.1</b>	<b>-20.0</b>	<b>-21.2</b>	<b>-3.8</b>
Foreign exchange derivatives	-0.7	-23.7	-7.0	-173.3	-28.8	-4.8	9.5	0.0	-4.1	-38.7	-5.8	0.0	-41.9	-5.9	-5.3	0.0
<b>Primary net exposure</b>	<b>-0.1</b>	<b>0.8</b>	<b>-0.7</b>	<b>7.7</b>	<b>-0.3</b>	<b>-10.7</b>	<b>3.2</b>	<b>-10.9</b>	<b>2.6</b>	<b>-3.2</b>	<b>0.9</b>	<b>0.0</b>	<b>-2.8</b>	<b>-5.3</b>	<b>-0.4</b>	<b>-3.7</b>

**Translation risk**

The translation exposure refers to the net investment in a foreign operation that must be translated into the Group reporting currency at the end of each financial reporting period. The foreign exchange differences arising from the translation of the results and financial position of a foreign operation are recognized in other comprehensive income (OCI). Translation exposure is a non-cash item until an asset is sold.

Net investments in foreign operations are not hedged and the volatility due to foreign exchange changes in OCI is accepted. Additionally, the cash flow mismatch between net investments and hedges is avoided. When a foreign subsidiary is expected to generate net income and thereby dividend flows, those expected cash flows can be hedged partly or in total.

Group's total other comprehensive income was positively affected by translation differences on foreign operations by EUR 27.0 (negatively affected 33.5) million.

**Translation risk****Net investments by currency**

EUR million	Dec 31, 2024	Dec 31, 2023
<b>Currency of net investment</b>		
CAD	<b>22.8</b>	21.7
CZK	<b>14.5</b>	13.8
NOK	<b>53.2</b>	52.8
RON	<b>198.6</b>	123.0
SEK	<b>43.3</b>	43.6
USD	<b>527.7</b>	470.2

**Sensitivity analysis for foreign currency risk**

The following table demonstrates the sensitivity to a reasonably possible change in the base currency against the quote currency, with all other variables held constant, of the Group's profit before tax and equity due to changes in the fair value of financial assets and liabilities.

A reasonably possible change is assumed to be a 10% base currency appreciation or depreciation against the quote currency. A change of a different magnitude can also be estimated fairly accurately because the sensitivity is nearly linear.

EUR million	Dec 31, 2024				Dec 31, 2023			
	Base currency				Base currency			
	10% stronger		10% weaker		10% stronger		10% weaker	
	Income statement	Equity						
<b>Base currency / Quote currency</b>								
EUR/CAD	-0.5	-	-0.1	-	-0.3	-	0.3	-
EUR/CZK	0.4	-	-0.4	-	0.0	-	0.0	-
EUR/PLN	0.1	-	-0.1	-	-0.1	-	0.1	-
EUR/NOK	-0.4	-	-0.1	-	-0.2	-	-0.2	-
EUR/RON	-1.9	-	1.9	-	-0.4	-	0.4	-
EUR/SEK	0.0	-	0.0	-	0.2	-	-0.2	-
EUR/USD	1.0	-	-1.0	-	0.5	-	-0.5	-

## Interest rate risk

The Group Treasury manages interest rate risks associated with the Group's borrowings. The objective of the interest rate risk management is to reduce uncertainty related to interest expenses and mitigate the impact of adverse interest rate fluctuations.

The aim is that 25–75 percent of the interest rate risk exposure is effectively fixed-rate debt including the potential interest rate derivatives. The planned refinancing and new non-current interest-bearing financial debts included in the interest rate risk exposure can be managed with interest rate derivatives not earlier than 12 months before the drawdown. The Group uses interest rate derivatives as cash flow hedges and hedge accounting is mainly applied for those derivatives.

On the reporting date the floating rate interest-bearing financial liabilities amounted to EUR 257.3 (255.6) million and the fixed rate interest-bearing liabilities EUR 402.3 (252.7) million including the interest rate derivatives. The share of the fixed rate non-current interest-bearing financial liabilities including their current portion was 61 (50) percent and the average fixing period of the interest-bearing financial liabilities was 11 (17) months including the interest rate derivatives.

## Commodity price risk

Derivatives are not used to hedge commodity price risk, except for electricity price risk in Finland and Romania.

The Group procures approximately 110 GWh of electricity annually in Finland from the Nordic electricity exchange, resulting in exposure to electricity price fluctuations. To manage this risk, electricity purchases are hedged using derivatives, adhering to the pre-defined hedge ratios outlined in the procurement policy for the next five years. On the reporting date the energy amount of the electricity derivatives amounted to 210 (190) GWh.

In Romania, the Group will procure around 200 GWh of electricity annually at the market price. The Group has entered into a virtual power purchase agreement (VPPA) to ensure the supply of zero CO<sub>2</sub> emission energy and to hedge against the local forecast electricity purchase price risk. The VPPA is valid from 2025 to 2035, with a total forecast contract volume of around 620 GWh.

The ineffective portion of cash flow hedge electricity derivatives is not material in the Group's 2024 financial statements.

### Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax through the impact on floating rate borrowings and interest rate hedges measured at fair value through profit or loss and the Group's equity due to changes in the fair value of cash flow hedges. A reasonably possible change is assumed to be a 1%-point increase or decrease of the market interest rates.

EUR million	Dec 31, 2024				Dec 31, 2023			
	Interest rate				Interest rate			
	1%-point higher		1%-point lower		1%-point higher		1%-point lower	
	Income statement	Equity						
Impact of interest rate change	-5.5	8.8	5.5	-8.8	-3.4	0.5	3.4	-0.5

### Sensitivity analysis for electricity price risk

The following table demonstrates the sensitivity to a reasonably possible change in electricity price, with all other variables held constant, of the Group's profit before tax and equity due to changes in the fair value of the electricity derivatives. A reasonably possible change is assumed to be a 5 EUR/MWh increase or decrease of the electricity market prices. A change of a different magnitude can also be estimated fairly accurately because the sensitivity is nearly linear.

EUR million	Dec 31, 2024				Dec 31, 2023			
	Electricity price				Electricity price			
	5 EUR/MWh higher		5 EUR/MWh lower		5 EUR/MWh higher		5 EUR/MWh lower	
	Income statement	Equity	Income statement	Equity	Income statement	Equity	Income statement	Equity
Impact of electricity price change								
Electricity forwards, Finland	-	1.0	-	-1.0	-	0.9	-	-0.9
VPPA*, Romania	-	2.2	-	-2.2	-	-	-	-

\*Virtual Power Purchase Agreement

## Liquidity and funding risk

In accordance with the Group's treasury policy, Treasury is responsible for maintaining the Group's liquidity, efficient cash management and sufficient sources of funding. The committed credit limits cover all funding needs, such as outstanding commercial papers, other current loans, working capital changes arising from operative business and investments.

The Group has arranged its interest-bearing financial liabilities including credit limits mainly as sustainability-linked arrangements with KPIs related to e.g. Greenhouse Gas (GHG) scope 1 and 2 emission intensity and scope 3 emission intensity from product use. Refinancing risk is reduced by split maturity structure of loans and credit limits.

A EUR 200 million revolving sustainability-linked credit facility, originally due in 2027, was extended to 2028 by exercising the first of two one-year extension options. A EUR 150 million bilateral 8-year term loan with the European Investment Bank (EIB) was withdrawn in August to support Nokian Tyres' strategic factory investment in Romania. In addition, the Group has a EUR 500 million domestic commercial paper program and total of EUR 100 million bilateral sustainability-linked revolving credit facilities. The current credit limits and the commercial paper program are used to finance inventories, trade receivables, subsidiaries in distribution chains and thus to control the typical seasonality in the Group's cash flows.

On the reporting date the Group's liquidity in cash and cash equivalents was EUR 176.1 (414.9) million. At the end of the year the Group's credit limits available were EUR 803.3 (831.1) million, out of which the committed limits were EUR 304.4 (330.3) million. The available committed non-current credits amounted to EUR 300.0 (300.0) million.

The Group's interest-bearing financial liabilities totaled EUR 659.6 (508.2) million. All the interest-bearing financial liabilities were in EUR. The average interest rate of interest-bearing financial liabilities was 4.4 percent. Current interest-bearing financial liabilities, including the current portion of non-current financial liabilities maturing within the next 12 months, amounted to EUR 2.9 (104.2) million.

The Group reports the main financial covenants to creditors quarterly. If the Group does not satisfy the requirements set in financial covenants, creditor may demand accelerated repayment of the credits. In 2024 the Group has met the requirement set in the financial covenant, which is linked to equity ratio which has to be at

least at the level of 30%. Other covenants are related among others to restrict the disposal of the Group's major assets and the change of control of Nokian Tyres plc. Management monitors regularly that the covenant requirements are met.

## Contractual maturities of financial and lease liabilities

EUR million	Carrying amount	2024						
		2025	2026	2027	2028	2029	2030–	Total
<b>Non-derivative financial liabilities</b>								
Loans from financial institutions and pension loans								
Fixed rate loans	2.9	-0.6	-0.6	-0.6	-0.6	-0.5	-0.3	-3.1
Floating rate loans	555.2	-24.8	-328.9	-131.7	-28.1	-30.5	-74.5	-618.6
Bond loans	99.4	-5.1	-5.1	-5.1	-105.1	-	-	-120.5
Commercial papers	2.0	-2.0	-	-	-	-	-	-2.0
Trade and other payables	160.6	-160.6	-	-	-	-	-	-160.6
Bank overdraft	0.2	-0.2	-	-	-	-	-	-0.2
<b>Lease liabilities</b>	<b>129.6</b>	<b>-48.5</b>	<b>-35.6</b>	<b>-19.0</b>	<b>-11.5</b>	<b>-6.6</b>	<b>-21.3</b>	<b>-142.5</b>
<b>Derivative financial liabilities</b>								
Interest rate derivatives								
Designated as hedges	4.0	-0.8	-1.8	-1.0	-0.2	-0.1	-0.1	-4.0
Foreign currency derivatives								
Measured at fair value through profit or loss								
Cashflow out	1.1	-318.5	-	-	-	-	-	-318.5
Cashflow in	-1.9	318.1	-	-	-	-	-	318.1
Electricity derivatives								
Designated as hedges, Finland	1.2	-0.6	-0.5	-0.2	0.0	-	-	-1.3
Designated as hedges, Romania	-6.1	0.5	1.6	1.4	1.0	0.6	2.8	7.9
<b>Total</b>	<b>948.2</b>	<b>-243.2</b>	<b>-370.9</b>	<b>-156.2</b>	<b>-144.5</b>	<b>-37.2</b>	<b>-93.3</b>	<b>-1,045.3</b>

\*The figures are undiscounted and include both the finance charges and the repayments.

## Contractual maturities of financial and lease liabilities

EUR million	Carrying amount	2023							
		Contractual maturities*							
		2024	2025	2026	2027	2028	2029–	Total	
<b>Non-derivative financial liabilities</b>									
Loans from financial institutions and pension loans									
Fixed rate loans	3.4	-0.6	-0.6	-0.6	-0.6	-0.6	-0.8	-3.7	
Floating rate loans	405.6	-122.7	-308.7	-0.5	-0.5	-0.2	-0.3	-433.0	
Bond loans	99.2	-5.1	-5.1	-5.1	-5.1	-105.1	-	-125.6	
Commercial papers	-	-	-	-	-	-	-	-	
Trade and other payables	155.9	-155.9	-	-	-	-	-	-155.9	
Bank overdraft	-	-	-	-	-	-	-	-	
<b>Lease liabilities</b>	<b>130.3</b>	<b>-27.5</b>	<b>-23.5</b>	<b>-17.1</b>	<b>-10.6</b>	<b>-7.2</b>	<b>-20.2</b>	<b>-106.0</b>	
<b>Derivative financial liabilities</b>									
Interest rate derivatives									
Designated as hedges	-1.6	1.6	-	-	-	-	-	1.6	
Foreign currency derivatives									
Measured at fair value through profit or loss									
Cashflow out	1.7	-235.2	-	-	-	-	-	-235.2	
Cashflow in	-2.6	236.1	-	-	-	-	-	236.1	
Electricity derivatives									
Designated as hedges, Finland	-0.7	0.7	0.1	-	-	-	-	0.7	
Designated as hedges, Romania	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>791.2</b>	<b>-308.6</b>	<b>-337.8</b>	<b>-23.3</b>	<b>-16.8</b>	<b>-113.1</b>	<b>-21.3</b>	<b>-821.0</b>	

\*The figures are undiscounted and include both the finance charges and the repayments.

## Credit risk

Credit risk is a risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk in its operating activities, primarily trade receivables, and in its financing activities, including deposits, foreign exchange transactions and other financial transactions with banks and financial institutions.

The credit risk in financial transactions is controlled by doing business only with banks and financial institutions with good credit ratings. In investments the Group's placements are current and funds are invested only in solid domestic large-cap or mid-cap listed companies or public institutions which meet the criteria set by the treasury policy.

The principles of customer credit risk management are documented in the Group's credit policy approved by the Board. The Group Credit Committee makes all the significant credit decisions. Customer credit risk is managed by each business area subject to the Group's credit policy, procedures, and controls relating to customer credit risk management. Creditworthiness of a customer is assessed based on its financial status, payment history, and country risk. Individual credit limits are defined in accordance with this assessment and/or in some cases trade finance instruments, bank guarantees, and specific payment terms may be in use to mitigate the credit risk. Credits are limited in countries where political or economic environment is unstable. Outstanding customer receivables, customers' creditworthiness, and country risk are regularly monitored. Payment programs, which customer is committed to, are agreed upon for past due receivables. There are no over 15% customer or country risk concentrations in trade receivables (Swedish customers' 20% share in 2023) of trade receivables on the reporting date.

### Aging and impairment of trade receivables

Impairment recognized in trade receivables corresponds to lifetime expected credit losses for trade receivables. To measure expected credit losses a simplified provision matrix is in use and individual assessments are used with customers bearing an increased credit risk. An impairment analysis is performed at each reporting date. The maximum exposure to credit risk at the reporting date is the carrying

value of trade receivables. When measuring expected credit losses, the Group reviews five-year sales, customer payment behavior, actual credit losses, current conditions and forecasts of future economic conditions. Trade receivables are permanently written-off when the expected income from the receivable is permanently lost, for example at the end of bankruptcy proceedings.

### The aging and impairment of trade receivables

EUR million	Dec 31, 2024		Dec 31, 2023	
	Trade receivables gross amount	Impairment loss allowance	Trade receivables gross amount	Impairment loss allowance
Not past due	248.9	-1.1	193.3	-1.0
Past due less than 30 days	19.6	-0.4	22.4	-0.6
Past due between 30 and 90 days	2.6	-0.1	5.7	-0.3
Past due between 91 and 180 days	1.2	-0.2	1.8	-0.2
Past due more than 180 days	41.2	-37.6	44.3	-41.2
<b>Total</b>	<b>313.4</b>	<b>-39.5</b>	<b>267.5</b>	<b>-43.3</b>

### Changes in the impairment loss allowance for trade receivables

EUR million	2024	2023
Loss allowance, Jan 1	43.3	197.3
Write-offs	-3.3	-3.3
Other changes*	-0.6	-148.9
Change in loss allowance recognized in profit or loss	-	-1.8
<b>Loss allowance, Dec 31</b>	<b>39.5</b>	<b>43.3</b>

\*Other changes in 2023 includes items amounting to EUR -148.0 million which have been restated to discontinued operations.

## Capital management

The Group's objectives of managing capital are to maximize the shareholder value and to secure the Group's access to capital markets at all times despite of the seasonal nature of the business. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders or return capital to shareholders or issue new shares. Capital structure is monitored by net debt to EBITDA ratio and equity ratio. Equity ratio has to be at least at the level of 30 percent in accordance with the financial covenant. Equity ratio is calculated as a ratio of total equity to total assets excluding advances received.

### Net debt / EBITDA

EUR million	2024	2023
Average interest-bearing liabilities	801.3	579.1
Less: Average liquid funds	198.8	360.1
Average net debt	602.5	219.0
Operating profit	1.8	32.1
Add: Depreciations, amortizations and impairments	124.2	114.9
EBITDA	126.0	147.0
<b>Average net debt / EBITDA</b>	<b>4.78</b>	<b>1.49</b>

### Equity ratio

EUR million	2024	2023
Equity attributable to equity holders of the parent	1,272.4	1,347.6
Add: Non-controlling interest	-	-
Total equity	1,272.4	1,347.6
Total assets	2,423.7	2,325.2
Less: Advances received	0.0	0.0
Adjusted total assets	2,423.7	2,325.2
<b>Equity ratio</b>	<b>52.5%</b>	<b>58.0%</b>

## 30. Fair values of derivative financial instruments

### Accounting policies

#### Derivative financial instruments and hedge accounting

The Group may hold derivative financial instruments to hedge its interest rate, foreign currency, and commodity price risk exposures. Derivatives are recognized initially at fair value and subsequently measured at fair value. Publicly quoted market prices and rates as well as the generally used measurement models are used to define the fair value of derivatives. The data and assumptions used in the measurement models are based on verifiable market prices and values.

Fair value changes of derivatives are recognized in profit or loss unless the derivative is part of a hedging relationship when fair value changes are recognized according to the hedge accounting standards for hedging relationships.

In general, hedge accounting is not applied to the derivatives used to hedge cash flows from the Group's business operations in foreign currencies.

Hedge accounting can be used to reduce the volatility in the income statement caused by the items measured at fair value through profit or loss. Hedge accounting eliminates the accounting asymmetry between the hedging instrument and the hedged item as it enables the aforesaid to affect the income statement simultaneously. The Group may designate derivative financial instruments as hedging instruments to hedge the variability in cash flows that is attributable to changes in foreign exchange rates, interest rates, and commodity prices. In addition, the Group

may, if necessary, designate derivative financial instruments and other financial instruments as hedging instruments in hedges of foreign exchange risk on a net investment in a foreign operation.

At the inception of hedge accounting for a hedging relationship, the Group designates and documents the hedging relationship and the risk management objective and strategy for undertaking the hedge. The documentation includes an assessment whether the hedge effectiveness requirements are met in the hedging relationship. The Group aims to use hedging instruments that create no ineffective portion.

#### Cash flow hedges

In cash flow hedges, the effective portion of changes in the fair value of the hedging instrument is recognized in other comprehensive income and accumulated in the cash flow hedge reserve in equity. Any ineffective portion of changes in fair value is recognized immediately in profit or loss. The amount accumulated in the cash flow hedge reserve is reclassified to profit or loss as the hedged item affects profit or loss.

The Group may apply hedge accounting to interest rate swaps by which floating rate borrowings have been converted into fixed rate borrowings and interest rate and currency swaps where foreign currency floating rate loan receivables have been converted into functional currency floating rate loan receivables. The gains or losses related to both the effective and ineffective portion of the hedge are presented in income statement within financial items.

The price risk of the Group's forecast electricity purchases in Finland is hedged with electricity derivatives to which hedge accounting is applied. The Group may separately hedge the two components of electricity price risk, system price, and area price difference, or a combination of these components. In Romania, the Group has entered into a virtual power purchase agreement (VPPA) to ensure the supply of zero CO<sub>2</sub> emission energy and to hedge against the local forecast electricity purchase price risk. These contracts result in the recognition of derivatives, as there is no physical delivery of electricity, and they are also subject to hedge accounting. The gain or loss related to the effective portion of the hedges is presented in income statement within the cost of sales. The ineffective portion is recognised in income statement within other operating income or expenses.

#### Hedge of a net investment in a foreign operation

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. The effective portion of changes in the fair value of the hedging instrument is recognized in other comprehensive income and accumulated in the translation reserve in equity. Any ineffective portion of changes in fair value is recognized immediately in profit or loss. The amount accumulated in the translation reserve is reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

The Group does not currently have hedges of a net investment in a foreign operation.

EUR million	2024			2023		
	Notional amount	Fair value assets	Fair value liabilities	Notional amount	Fair value assets	Fair value liabilities
<b>Derivatives measured at fair value through profit or loss</b>						
Foreign currency derivatives						
Currency forwards	318.6	1.8	1.0	227.6	2.6	1.5
Currency options, purchased	10.9	0.1	-	6.7	0.0	-
Currency options, written	29.4	-	0.1	15.6	-	0.3
<b>Derivatives designated as cash flow hedges</b>						
Interest rate derivatives						
Interest rate swaps	300.0	7.8	11.8	150.0	2.0	0.4
Electricity derivatives						
Electricity forwards, Finland	9.0	0.1	1.3	9.1	1.4	0.6
VPPA*, Romania	36.4	6.1	-	-	-	-

\*Virtual Power Purchase Agreement

Derivatives are maturing within the next 12 months excluding the interest rate and currency swaps, interest rate swaps and electricity forwards.

The fair value of forward exchange contracts is measured using the forward rates on the reporting date. The fair value of currency options is calculated using an option valuation model.

The fair values of interest rate and currency swaps and interest rate derivatives are determined as the present value of the future cash flows based on market interest rates on the reporting date.

The fair value of electricity derivatives is based on quoted market prices in active markets on the reporting date.

## 31. Financial instruments designated as hedging instruments

### Cash flow hedges

#### Financial instruments designated as hedging instruments

	2024							
	Maturity						Total	
	2025	2026	2027	2028	2029	2030–		
<b>Interest rate swaps</b>								
Hedged item: Floating rate EUR debt								
Notional amount, EUR million	50.0	100.0			150.0	300.0		
Average fixed rate	2.8%	3.1%			2.4%	2.7%		
<b>Electricity forwards, Finland</b>								
Hedged item: Electricity system price								
Notional amount, EUR million	3.5	3.0	1.8	0.7		9.1		
Notional amount, GWh	79	70	44	18		210		
Average forward rate, e/MWh	44.1	42.8	42.2	41.2		43.0		
Hedged item: Electricity Finnish area price difference								
Notional amount, EUR million	0.0					0.0		
Notional amount, GWh	18					18		
Average forward rate, e/MWh	-1.3					-1.3		
<b>VPPA*, Romania</b>								
Hedged item: Electricity spot price								
Forecast notional amount, EUR million	0.7	3.1	3.6	3.6	3.6	21.7	36.4	
Forecast notional amount, GWh	13	52	62	62	62	371	621	
Average forward rate, e/MWh	58.5	58.5	58.5	58.5	58.5	58.5	58.5	

\*Virtual Power Purchase Agreement

	2023							
	Maturity						Total	
	2024	2025	2026	2027	2028	2029–		
<b>Interest rate swaps</b>								
Hedged item: Floating rate EUR debt								
Notional amount, EUR million	150.0						150.0	
Average fixed rate	1.6%						1.6%	
<b>Electricity forwards</b>								
Hedged item: Electricity system price								
Notional amount, EUR million	4.5	2.8	1.6	0.4			9.2	
Notional amount, GWh	83	61	35	9			189	
Average forward rate, e/MWh	53.8	45.1	44.9	44.2			48.8	
Hedged item: Electricity Finnish area price difference								
Notional amount, EUR million	-0.1	0.0					-0.1	
Notional amount, GWh	44	18					61	
Average forward rate, e/MWh	-2.1	-1.3					-1.9	
<b>VPPA*, Romania</b>								
Hedged item: Electricity spot price								
Forecast notional amount, EUR million	-	-	-	-	-	-	-	
Forecast notional amount, GWh	-	-	-	-	-	-	-	
Average forward rate, e/MWh	-	-	-	-	-	-	-	

\*Virtual Power Purchase Agreement

## Effect of hedging instruments on the statement of financial position and statement of comprehensive income

2024				2023				
EUR million	Interest rate derivatives		Electricity derivatives		Interest rate derivatives		Electricity derivatives	
	Interest rate swaps	Electricity forwards, Finland	VPPA*, Romania	Interest rate swaps	Electricity forwards, Finland	VPPA*, Romania	Interest rate swaps	Electricity derivatives
Notional amount	300.0	9.0	36.4	150.0	9.1	-	150.0	9.1
Notional amount, GWh	-	228	621	-	250	-	-	-
<b>Assets</b>								
Carrying amount	7.8	0.1	6.1	2.0	1.4	-	2.0	1.4
Line item in the statement of financial position	Trade and other receivables	Trade and other receivables	Trade and other receivables	Trade and other receivables	Trade and other receivables	Trade and other receivables	Trade and other receivables	Trade and other receivables
<b>Liabilities</b>								
Carrying amount	11.8	1.3	-	0.4	0.6	-	0.4	0.6
Line item in the statement of financial position	Trade and other payables	Trade and other payables	Trade and other payables	Trade and other payables	Trade and other payables	Trade and other payables	Trade and other payables	Trade and other payables
<b>Change in value for recognizing hedge ineffectiveness</b>								
Hedged item	3.5	3.0	-6.1	-0.3	7.9	-	-0.3	7.9
Hedging instrument	-3.5	-3.0	6.1	0.3	-7.9	-	0.3	-7.9
<b>Effective portion</b>								
Amount recognized in other comprehensive income	-3.5	-3.0	6.1	0.3	-7.9	-	0.3	-7.9
Amount reclassified from the cash flow hedge reserve to profit or loss	-2.0	1.0	-	-2.7	-0.8	-	-2.7	-0.8
Line item in the income statement	Financial items	Cost of sales	Cost of sales	Financial items	Cost of sales	Cost of sales	Financial items	Cost of sales
<b>Ineffective portion</b>								
Amount recognized in profit or loss	-	-	0.0	-	-	-	-	-
Line item in the income statement	Financial items	Other operating income or expenses	Other operating income or expenses	Financial items	Other operating income or expenses	Other operating income or expenses	Financial items	Other operating income or expenses

\*Virtual Power Purchase Agreement

## Effect of hedging instruments on equity

EUR million	2024	2023
Cash flow hedge reserve, Jan 1	1.6	10.5
Cash flow hedges		
Change in fair value recognized in other comprehensive income		
Interest rate swaps	-3.5	0.3
Electricity forwards, Finland	-3.0	-7.9
VPPA*, Romania	6.1	-
Amount reclassified to profit or loss		
Interest rate swaps	-2.0	-2.7
Electricity forwards, Finland	1.0	-0.8
VPPA*, Romania	-	-
Tax effect	0.5	2.2
<b>Cash flow hedge reserve, Dec 31</b>	<b>0.8</b>	<b>1.6</b>

\*Virtual Power Purchase Agreement

## 32. Contingent liabilities and assets

## Accounting policies

## Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the realization of an uncertain future event not totally controllable by the Group. A contingent liability is also defined as a present obligation that probably will not require the settlement of the obligation or that cannot be measured reliably. A contingent liability is disclosed in the notes to the consolidated financial statements.

Correspondingly, a contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the realization of an uncertain future event not totally controllable by the Group. In case an inflow of economic benefits is probable, a contingent asset is disclosed in the notes to the consolidated financial statements.

EUR million	2024	2023
<b>For own debt</b>		
Pledged assets	5.9	5.9
<b>Other own commitments</b>		
Guarantees	1.2	0.3

## 33. Significant risks, uncertainties, and ongoing disputes

Several uncertainties can impact Nokian Tyres' business and financial performance. The Group has adopted a risk management policy, approved by the Board of Directors, which supports the achievement of strategic goals and ensures business continuity. The risk management process aims to identify and evaluate threats and opportunities and to plan and implement practical measures for each risk. Nokian Tyres describes the overview of its risk management systems in the Corporate Governance Statement.

For example, the following risks could potentially have an impact on Nokian Tyres' business:

## Economic and geopolitical uncertainty

Nokian Tyres is exposed to risks related to consumer confidence and macroeconomic and geopolitical conditions. Political tensions and increasing global uncertainty may lead to economic recession, create trade barriers, and cause global or regional crises that may significantly affect product demand or cause widespread disruptions in production and supply chain. These factors may adversely affect Nokian Tyres' financial performance and the collection of trade receivables.

**Risk mitigation measures:** Continuous monitoring of the operating environment and markets. The company's ability to respond quickly and adapt its operations to a changing environment. Acting in accordance with the contingency plan.

## Changes in consumer behavior

The tire wholesale and retail landscape is evolving with digitalization to meet changing consumer needs. Nokian Tyres aims to adapt to changes in the sales channel and to innovate and develop new products and services that appeal to customers and consumers. Despite extensive testing of products, issues related to product quality and inability to meet customer needs or demands of performance and safety can harm Nokian Tyres' reputation and brand, thereby negatively affecting the company's financial profitability and growth opportunities.

**Risk mitigation measures:** Ensuring high-quality research and development activities. Continuous monitoring of the markets and customer needs. Sufficient resources for product testing. Developing distribution channels and network.

### Implementation of the investment project in Romania

To ensure tire availability, Nokian Tyres is investing in new zero CO<sub>2</sub> emission production capacity in Romania. Delay in the planned start of commercial production and the ramp-up of production processes may negatively affect Nokian Tyres' financial performance and growth opportunities, especially in Central Europe.

**Risk mitigation measures:** Close monitoring and management of the investment project. Preparation and continuous follow-up of a risk management plan. Ability to quickly react to significant changes. Retention and recruitment of skilled personnel.

### Currency market

Nokian Tyres' operations are exposed to currency risks arising from currency transactions and the translation of subsidiary financial statements, which may affect Nokian Tyres' results and profitability. The most significant currency risks are caused by the Swedish and Norwegian krona and the US and Canadian dollar. Approximately 60% of the Group's sales are generated outside the euro-zone.

**Risk mitigation measures:** Hedging against the effects of exchange rate fluctuations (see note 29 to the financial statements).

### Information technology and cybersecurity

The availability of information systems and network services is crucial to Nokian Tyres. Unplanned interruption in critical information systems and network services may cause disruption to the continuity of operations. These systems and services may also be exposed to cyberattacks, which may lead to a leakage of confidential information, violation of data privacy regulations or intellectual property rights, production and delivery interruptions, or reputational damage. Risk analyses and projects related to cybersecurity, data protection, and customer information are continuously a special focus area for the company.

**Risk mitigation measures:** Sufficient investments and resources in IT infrastructure and capabilities, as well as cybersecurity. Appropriate plans to respond to disruptions in information systems and network services, including backup systems and recovery plans. Continuous monitoring of cybersecurity and data protection and vulnerability management. Employee training.

### Diversified customer base

Building a diversified customer base and fostering strong customer relationships help reduce sales risk and create long-term business stability. Excessive concentration of the customer base can make the company dependent on a limited number of large customers, exposing the business to risks and potentially leading to a decline in sales and profitability.

**Risk mitigation measures:** Continuous monitoring of the markets and proactive response to changes in the customer base. Deepening cooperation with existing key customers, for example, in the development of new products. Expanding the customer base geographically and in selected segments within current markets. Developing the distribution network and services, especially in key growth areas.

### Environment, social responsibility and governance

Various aspects of corporate sustainability, including product quality, safety, the environment, and human rights, are increasingly important. Legislation and regulation, particularly around environmental, social responsibility and governance (ESG) issues, are increasing and affecting all actors in the value chain. Non-compliance with laws, regulations, or standards by Nokian Tyres or its suppliers, customers, or partners, neglecting new and tightening requirements, or incorrectly interpreting them may result in additional costs for Nokian Tyres or lead to fines and damage the company's reputation and brand. Over-reliance on individual suppliers increases the risk related to the availability of sustainable raw materials.

**Risk mitigation measures:** Active monitoring of upcoming laws and regulations. Development and implementation of internal guidance, processes and training to ensure compliance. Strong commitment to achieving ESG targets. Expanding the supplier network. Regular environmental, human rights, and quality audits.

### Climate change

Tire industry may be subject to risks caused by climate change, such as changes in consumer tire preferences and regulatory changes. Extreme weather events may also affect natural rubber production, and fluctuations in raw material prices as well as new environmental fees may increase, potentially impacting profitability. Nokian Tyres is committed to reducing GHG emissions from its operations to combat climate change. The company calculates the GHG emissions from its operations annually and reduces them systematically.

**Risk mitigation measures:** Increasing the use of recyclable and renewable raw materials. Membership in industry associations helps identify new sustainable product development and business opportunities.

### Employee retention and competence

Nokian Tyres' success relies heavily on employing the right people in the right positions. Failure to attract competent and committed professionals, coupled with an inability to provide a motivating work environment, may have an adverse impact on the implementation of Nokian Tyres' strategy and the achievement of its financial targets.

**Risk mitigation measures:** Creating an attractive and safe workplace, including modern work tools and competitive salaries and other benefits. Developing employer brand to attract the best talent. Ensuring critical competencies and targeted recruitment.

## Legal proceedings

In January 2024, the European Commission 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.

Lawsuits in the United States and Canada followed the news of the European Commission inspection. Nokian Tyres was named as a defendant in these lawsuits, along with other tire manufacturers. The lawsuits allege violations by the defendants of antitrust laws with respect to new replacement tires for passenger cars, vans, trucks and busses sold in the relevant jurisdictions. The U.S. lawsuits have been consolidated to a multidistrict litigation in the U.S. District Court for the Northern District of Ohio. Nokian Tyres considers the lawsuits to be without merit, however, the ultimate outcome of which cannot be predicted at this time.

In May 2017, the Finnish Financial Supervisory Authority filed a request for investigation with the National Bureau of Investigation regarding possible securities market offences. In October 2020, the prosecutor announced the decision to press charges against a total of six persons who acted as Board members and the President and CEO of Nokian Tyres in 2015–2016. The prosecutor also claimed a corporate fine against the company. In addition, four persons who were employees at Nokian Tyres in 2015 were charged for abuse of inside information. The District Court of Helsinki dismissed all charges and claims by the prosecutor in its ruling in June 2022. The decision is not yet legally binding, and the prosecutor has appealed against the decision of the District Court. The proceedings are ongoing in the Appeal Court.

## Tax disputes

There are no ongoing tax disputes in Nokian Tyres entities. Routine tax audits in Nokian Tyres Group entities may possibly lead to a reassessment of taxes.

## 34. Related party transactions

### Parent and Group company relations:

	Domicile	Country	Group holding, %	Voting rights, %	Parent company holding, %
<b>Parent company</b>					
Nokian Tyres plc	Nokia	Finland			
<b>Group companies</b>					
Nokian Heavy Tyres Ltd.	Nokia	Finland	100	100	100
Levypyörä Oy	Nastola	Finland	100	100	
Nokian Däck AB		Sweden	100	100	100
Nokian Dekk AS		Norway	100	100	100
Nokian Tyres GmbH		Germany	100	100	100
Nokian Tyres AG		Switzerland	100	100	100
Nokian Tyres SP Z.O.O		Poland	100	100	100
Nokian Tyres U.S. Holdings Inc.		USA	100	100	100
Nokian Tyres Inc		USA	100	100	
Nokian Tyres U.S. Operations LLC		USA	100	100	
Nokian Tyres Canada Inc.		Canada	100	100	100
Nokian Tyres s.r.o.		Czech Rep.	100	100	100
TOV Nokian Shina		Ukraine	100	100	100
Nokian Tyres Holding Oy	Nokia	Finland	100	100	100
Nokian Tyres Trading (Shanghai) Co Ltd		China	100	100	
NT Tyre Machinery Oy	Nokia	Finland	100	100	
Koy Nokian Nosturikatu 18	Nokia	Finland	100	100	100
Koy Nokian Rengaskatu 4	Nokia	Finland	100	100	100
Nokian Portti Oy	Turku	Finland	100	100	100
Nokian Tyres Spain S.L.U.		Spain	100	100	100
Nokian Tyres Spain Operations S.L.U		Spain	100	100	100
Nokian Tyres Europe Operations S.R.L.		Romania	100	100	100

	Domicile	Country	Group holding, %	Voting rights, %	Parent company holding, %
Nokian Tyres SAS		France	100	100	100
Nokianvirran Energia Oy	Nokia	Finland	32.3	32.3	32.3
Vianor Holding Oy	Nokia	Finland	100	100	100
Vianor Oy	Lappeenranta	Finland	100	100	
Vianor AB		Sweden	100	100	
Nordic Wheels AB		Sweden	100	100	
Vianor AS		Norway	100	100	
EAM NRE1V Holding Oy		Finland	0	100	
<b>Associated companies</b>					
Sammaliston Sauna Oy	Nokia	Finland	33	33	33

Nokianvirran Energia Oy is a joint operation with three parties that supplies production steam for the tire plant in Nokia. The parties share control according to a specific Mankala-principle where the company is not intended to make profit while the parties have agreed to utilize the total output. The company is accounted for as a Group company using the proportionate consolidation method on each row according to the 32.3 percent shareholding.

The Board of Directors decided in their meeting on August 7, 2017, to implement a share acquisition and administration arrangement of Nokian Tyres Plc (Nokian Tyres) shares with Evli Awards Management Oy (EAM) according to the stipulations of the Companies Act for financing the purchase of own shares (the Finnish Companies Act, Chapter 13, Section 10, Subsection 2) relating to incentive plans. As a part of this arrangement EAM founded EAM NRE1V Holding Oy (Holding company) which acquires the shares with Nokian Tyres' funding and according to the agreement. These shares will be delivered to the employees according to the Nokian Tyres' share plan terms and conditions. The Holding company is owned by the EAM in legal terms, but according to the agreement Nokian Tyres has control over the company and acts as the principal, whereas EAM is an agent through the Holding company. This control arising from contractual terms means that the Holding company is consolidated into the Group's IFRS financial statements as a structured entity.

The related parties of the Group consist of members of the Board of Directors, the President, other key management personnel, and close members of their families.

**Transactions and outstanding balances with parties having significant influence**

1,000 euros	2024	2023
<b>Key management personnel</b>		

Employee benefit expenses	2024	2023
Short-term employee benefits	<b>4,006.4</b>	5,687.4
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	<b>19.9</b>	700.7
<b>Total</b>	<b>4,026.3</b>	6,388.1

**Remunerations**

Jukka Moisio, President and CEO (May 27, 2020–December 31, 2024)	<b>817.8</b>	1,421.0
of which incentives for the reported period	-	538.7

**Members of the Board of Directors**

Jukka Hienonen	<b>127.6</b>	121.9
Pekka Vauramo	<b>88.6</b>	86.9
Elina Björklund	<b>85.8</b>	-
Susanne Hahn	<b>70.3</b>	67.2
Markus Korsten	<b>69.6</b>	62.3
Elisa Markula	<b>62.6</b>	-
Christopher Ostrander	<b>95.6</b>	72.8
Jouko Pöölönen	<b>88.6</b>	86.9
Reima Rytölä	<b>66.1</b>	60.9

1,000 euros	2024	2023
<b>Prior members of the Board of Directors</b>		0
Heikki Allonen	-	4.2
Veronica Lindholm	<b>3.5</b>	86.9
Inka Mero	-	4.2
George Rietbergen	<b>3.5</b>	64.4
<b>Total</b>	<b>761.8</b>	718.6

No incentives were paid to the members of the Board of Directors. In addition to the above remuneration, the Company paid asset transfer taxes arising from the acquisition of shares from fixed pay.

1,000 euros	2024	2023
<b>Other key management personnel</b>	<b>2,426.7</b>	4,248.5
of which incentives for the reported period	<b>19.9</b>	1,888.6

No special pension commitments have been granted to the members of the Board of Directors and no statutory pension expense incurs. President and CEO Jukka Moisio did not have a supplementary pension plan and his retirement age was in accordance to the statutory pension regulations. The other management has a supplemental pension plan of 10 percent of the annual salary and a retirement age of 63 years.

No loans, guarantees or collaterals have been granted to the related parties.

**Shares and share options granted to the President and other key management personnel**

	2024	2023
Granted, pcs		
Shares	<b>403,224</b>	313,565
Share options	-	-

	2024	2023
Held, pcs		
Shares	<b>146,855</b>	126,224
Share options	-	-
Exercisable	-	-

No performance shares nor share options have been granted to the members of the Board of Directors.

### 35. Events after the reporting date

On February 4, 2025, Nokian Tyres announced changes to the Management Team to increase consumer focus, global synergies and operational excellence. New members joining the Management Team are Tommi Alhola (Passenger Car Tyres, Central Europe) and Lauri Halme (Passenger Car Tyres, North America). The new Management Team structure will enable a dedicated focus on Nokian Tyres' growth regions to achieve the company's long-term objectives. As part of the organizational changes, the company will reorganize all Manufacturing facilities under one leadership and combine Marketing and Communications in one strategic global function.

**Nokian Tyres' Management Team as of March 1, 2025:**

Paolo Pompei, President and CEO  
Niko Haaisto, CFO  
Tommi Alhola, SVP, Passenger Car Tyres, Central Europe  
Elisa Erkkilä, SVP, Legal and Compliance, General Counsel  
Lauri Halme, SVP, Passenger Car Tyres, North America  
Adrian Kaczmarczyk, SVP, Operations  
Jukka Kasi, SVP, Products & Innovations  
Päivi Leskinen, SVP, Human Resources  
Manu Salmi, EVP, Heavy Tyres, SVP, Manufacturing (interim)

Päivi Antola, SVP, Communications, Investor Relations and Brand, is leaving Nokian Tyres to join another company.

# Parent company income statement, FAS

EUR	Note	2024	2023
<b>Net sales</b>	1	<b>799,066,104.95</b>	712,531,189.30
Cost of sales	2, 3	<b>-669,940,616.41</b>	-590,984,413.66
<b>Gross profit</b>		<b>129,125,488.54</b>	121,546,775.64
Selling, marketing and R&D expenses	2, 3	<b>-35,932,822.90</b>	-33,974,308.84
Administration expenses	2, 3, 4	<b>-46,781,946.57</b>	-48,827,867.60
Other operating expenses	2, 3	<b>-118,316,404.38</b>	-72,707,151.26
Other operating income		<b>230,848.27</b>	450,551.00
<b>Operating result</b>		<b>-71,674,837.04</b>	-33,512,001.06
Financial income and expenses	5	<b>825,754.23</b>	227,568,009.08
<b>Result before appropriations and tax</b>		<b>-70,849,082.81</b>	194,056,008.02
Appropriations	6	<b>53,003,817.68</b>	620,081.12
Income tax	7	<b>7,384,164.17</b>	9,044,866.45
<b>Result for the period</b>		<b>-10,461,100.96</b>	203,720,955.59

# Parent company balance sheet, FAS

EUR	Note	2024	2023
<b>Assets</b>			
<b>Fixed assets and other non-current assets</b>			
Intangible assets	8	<b>12,128,560.86</b>	8,158,113.80
Tangible assets	8	<b>213,742,480.33</b>	198,527,380.21
Shares in Group companies	9	<b>654,534,599.40</b>	569,526,472.26
Investments in associates	9	<b>4,261,050.20</b>	4,261,050.20
Shares in other companies	9	<b>153,111.50</b>	153,111.50
Unquoted securities	9	<b>2,878,044.09</b>	2,705,882.35
<b>Total non-current assets</b>		<b>887,697,846.38</b>	783,332,010.32
<b>Current assets</b>			
Inventories	10	<b>206,373,798.10</b>	231,448,002.79
Non-current receivables	11, 12	<b>397,290,584.36</b>	206,820,763.01
Current receivables	13	<b>279,042,697.57</b>	237,688,248.76
Cash and cash equivalents		<b>152,313,165.23</b>	390,239,744.15
<b>Total current assets</b>		<b>1,035,020,245.26</b>	1,066,196,758.71
		<b>1,922,718,091.64</b>	1,849,528,769.03

EUR	Note	2024	2023
<b>Liabilities and shareholder's equity</b>			
<b>Shareholders' equity</b>	14		
Share capital		<b>25,437,906.00</b>	25,437,906.00
Share premium		<b>182,505,622.52</b>	182,505,622.52
Treasury shares		<b>-16,593,451.01</b>	-16,678,211.37
Fair value and hedging reserves		<b>-4,376,391.26</b>	1,605,198.77
Paid up unrestricted equity fund		<b>238,231,226.51</b>	238,231,226.51
Retained earnings		<b>562,036,013.28</b>	434,143,287.09
Result for the period		<b>-10,461,100.96</b>	203,720,955.59
<b>Total shareholders' equity</b>		<b>976,779,825.08</b>	1,068,965,985.11
<b>Untaxed reserves and provisions</b>			
Accumulated depreciation in excess of plan	8	<b>2,171,757.81</b>	32,755,575.49
<b>Provisions</b>			
Warranty provision		<b>868,000.00</b>	868,000.00
<b>Liabilities</b>			
Non-current liabilities	12, 15	<b>653,792,010.51</b>	400,205,608.82
Current liabilities	16	<b>289,106,498.24</b>	346,733,599.61
<b>Total liabilities</b>		<b>942,898,508.75</b>	746,939,208.43
		<b>1,922,718,091.64</b>	1,849,528,769.03

From 2024, warranty provision is presented in provisions.

# Parent company statement of cash flows, FAS

EUR million	2024	2023
<b>Result for the period</b>	<b>-10.5</b>	<b>203.7</b>
<b>Adjustments for</b>		
Depreciation, amortization and impairment	30.6	32.8
Financial income and expenses	-0.8	-227.6
Gains and losses on sale of intangible assets, other changes	-53.0	-0.6
Income Taxes	-7.4	-9.0
<b>Cash flow before changes in working capital</b>	<b>-41.1</b>	<b>-0.7</b>
<b>Changes in working capital</b>		
Current receivables, non-interest-bearing, increase (-) / decrease (+)	-27.1	20.3
Inventories, increase (-) / decrease (+)	25.1	-23.8
Current liabilities, non-interest-bearing, increase (+) / decrease (-)	-77.6	99.8
<b>Changes in working capital</b>	<b>-79.6</b>	<b>96.2</b>
<b>Financial items and taxes</b>		
Interest and other financial items, received	19.8	28.9
Interest and other financial items, paid	-34.6	-29.3
Dividends received	17.2	232.2
Income taxes paid	0.0	-0.4
<b>Financial items and taxes</b>	<b>2.4</b>	<b>231.4</b>

EUR million	2024	2023
<b>Cash flow from operating activities (A)</b>	<b>-118.3</b>	<b>327.0</b>
<b>Cash flows from investing activities</b>		
Acquisitions of property, plant and equipment and intangible assets	-51.4	-57.5
Proceeds from sale of property, plant and equipment and intangible assets	0.2	0.6
Acquisitions of other investments	-85.0	-146.1
<b>Cash flows from investing activities (B)</b>	<b>-136.2</b>	<b>-203.0</b>
<b>Cash flow from financing activities:</b>		
Change in current financial receivables, increase (-) / decrease (+)	-3.6	123.1
Change in non-current financial receivables, increase (-) / decrease (+)	-182.3	22.5
Change in current financial borrowings, increase (+) / decrease (-)	14.1	-273.9
Change in non-current financial borrowings, increase (+) / decrease (-)	254.0	295.8
Group contributions	6.3	5.0
Dividends paid	-72.0	-72.2
<b>Cash flow from financing activities (C)</b>	<b>16.6</b>	<b>100.4</b>
<b>Change in cash and cash equivalents, increase (+) / decrease (-) (A+B+C)</b>	<b>-237.9</b>	<b>224.4</b>
Cash and cash equivalents at the beginning of the period	390.2	165.8
Cash and cash equivalents at the end of the period	152.3	390.2

# Accounting policies for the parent company

## General

The financial statements of Nokian Tyres plc, domiciled in the city of Nokia, have been prepared according to the Finnish Accounting Standards (FAS).

## Inventory valuation

Inventories are measured at the lower of cost or the net realizable value. Cost is primarily determined in accordance with standard cost accounting. The cost of finished goods and work in progress includes raw material purchase costs, direct manufacturing wages, other direct manufacturing costs, and a share of production overheads, borrowing costs excluded. Net realizable value is the estimated sales price in ordinary activities less the costs associated with the completion of the product and the estimated necessary costs incurred to make the sale of the product. Allowance is recorded in obsolete items.

## Fixed assets and depreciation

Fixed assets are stated in the balance sheets at cost less depreciation according to plan. The accumulated difference between the total depreciation charged to the income statement and depreciation according to plan is shown as a separate item in untaxed reserves.

Depreciations according to plan are calculated on the basis of the estimated useful life of the assets using the straight line method.

The depreciation times are as follows:

Intangible assets	3-10 years
Buildings	20-40 years
Machinery and equipment	4-20 years
Other tangible assets	10-40 years

Land property, as well as investments in shares, are not regularly depreciated.

## Research and development

Research and development costs are charged to the other operating expenses in the income statement in the year in which they have incurred. Certain significant development costs with useful life over three years are capitalized and are amortized on a systematic basis over their expected useful lives. The amortization period is between three and five years.

## Pensions and coverage of pension liabilities

Pension contributions are based on periodic actuarial calculations and are charged to the income statement.

In Finland the pension schemes are funded through payments to a pension insurance company.

## Equity

The acquisition cost of treasury shares repurchased by the Group is recognized as a deduction in equity. The consideration received for the treasury shares when sold, net of transaction costs and tax, is included in equity.

## Foreign currency items

Transactions in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions. At the end of the accounting period unsettled balances on foreign currency transactions and forward exchange contracts are valued at the rates published by the European Central Bank as on the financial statement date. If European Central Bank doesn't quote a currency, the exchange rates announced by that country are used.

All foreign currency exchange gains and losses are entered under financial income and expenses.

## Taxes

Taxes in the income statement include taxes calculated from the financial year's result based on Finnish tax regulations, adjustments to taxes from previous financial years and deferred taxes. Deferred tax liability or asset is calculated from all temporary differences between accounting and taxation using the tax rate for the following years confirmed at the time of closing the accounts. Deferred tax liabilities are recorded in the balance sheet in their full amount and deferred tax assets in the amount of the estimated probable tax benefit.

## Fair values of derivative financial instruments

Derivative contracts are initially recorded in the balance sheet at fair value and later valued at fair value in the financial statements (Act 5:2a). The valuation of derivatives and the principles of hedge accounting are explained in more detail in the Group note 30.

# Notes to the financial statements of the parent company

## 1. Net sales by segments and market areas

EUR million	2024	2023
Passenger Car Tyres	596.7	488.7
Heavy Tyres	202.4	223.8
<b>Total</b>	<b>799.1</b>	<b>712.5</b>
Finland	146.3	145.9
Nordics	216.3	194.0
Other Europe	290.3	214.5
Americas	142.2	150.7
Other countries	4.0	7.4
<b>Total</b>	<b>799.1</b>	<b>712.5</b>

## 2. Personnel expenses

EUR million	2024	2023
Wages and salaries	58.5	59.9
Pension contributions	9.6	10.2
Other social expenses	1.4	0.9
<b>Total</b>	<b>69.5</b>	<b>71.1</b>
Remuneration of the members of the Board of the Directors and the President on accrual basis	1.6	2.1
of which incentives	-	0.5

No special pension commitments have been granted to the members of the Board of Directors and no statutory pension expense incurs. President and CEO Jukka Moisio did not have a supplementary pension plan and his retirement age was in accordance to the statutory pension regulations. The other management has a supplementary pension plan of 10% of the annual salary and a retirement age of 63 years. See also Notes to Consolidated Financial Statement, note 34 Related party transactions.

Personnel, average during the year	2024	2023
<b>Total</b>	<b>886</b>	<b>848</b>

## 3. Depreciation

EUR million	2024	2023
Depreciation according to plan by asset category		
Intangible assets	3.4	3.0
Buildings	2.2	2.2
Machinery and equipment	24.5	26.8
Other tangible assets	0.5	0.5
<b>Total</b>	<b>30.6</b>	<b>32.4</b>
Depreciation by function		
Production	22.0	24.7
Selling, marketing and R&D	3.2	3.3
Administration	5.4	4.5
<b>Total</b>	<b>30.6</b>	<b>32.4</b>

#### 4. Auditors' fees

EUR million	2024	2023
Audit fee	0.8	0.8
Other services	0.1	0.0
<b>Total</b>	<b>0.9</b>	<b>0.8</b>

#### 5. Financial income and expenses

EUR million	2024	2023
<b>Dividend income</b>		
From the Group companies	17.2	232.2
<b>Total</b>	<b>17.2</b>	<b>232.2</b>
 <b>Interest income, non-current</b>		
From the Group companies	9.4	9.3
<b>Total</b>	<b>9.4</b>	<b>9.3</b>
 <b>Income from shares in companies of the same Group</b>		
	-	0.5
 <b>Other interest and financial income</b>		
From the Group companies	3.8	5.1
From others	7.2	10.3
<b>Total</b>	<b>10.9</b>	<b>15.5</b>
 <b>Exchange rate differences (net)</b>		
	-2.0	-3.9
 <b>Interest and other financial expenses</b>		
To the Group companies	-2.0	-5.0
To others	-30.7	-18.1
Other financial expenses	-2.0	-2.8
<b>Total</b>	<b>-34.7</b>	<b>-25.9</b>
 <b>Total financial income and expenses</b>		
	0.8	227.6

In March 2023, Nokian Tyres plc announced the completion of the sale of its operations in Russia to PJSC Tatneft, after which all Nokian Tyres' operations in Russia ended and the company's personnel in Russia was transferred to the new owner. Closing date of sale transaction of Russian operations is considered to be March 16, 2023 when sale price was received. Income and expenses related to the exit from Russian operations have been netted.

#### 6. Appropriations

EUR million	2024	2023
<b>Change in accumulated depreciation in excess of plan</b>		
Intangible assets	3.4	0.2
Buildings	2.2	0.2
Machinery and equipment	24.4	-6.0
Other tangible assets	0.6	0.0
<b>Total</b>	<b>30.6</b>	<b>-5.7</b>
 <b>Other appropriations</b>		
Group contributions	22.4	6.3
<b>Total</b>	<b>22.4</b>	<b>6.3</b>
 <b>Total appropriations</b>		
	53.0	0.6

## 7. Income tax

EUR million	2024	2023
Direct tax for the year	-	-0.2
Direct tax from previous years	0.2	-0.1
Change in deferred tax	7.2	9.3
<b>Total</b>	<b>7.4</b>	<b>9.0</b>

## 8. Fixed assets

EUR million	Intangible assets				Tangible assets			Advances and fixed assets under construction
	Intangible rights	Other intangible rights	Land property	Buildings	Machinery and equip- ment	Other tangible assets		
Accumulated cost, Jan 1, 2024	71.0	9.6	4.0	92.6	576.3	8.8	29.4	
Increase	1.0		0.6		15.4	0.0	34.3	
Decrease			0.0		-2.3			
Transfer between items	6.4			0.1	22.3	1.1	-29.9	
Accumulated cost, Dec 31, 2024	78.4	9.6	4.6	92.7	611.7	10.0	33.9	
Accum. depr. acc. to plan Jan 1, 2024	-62.9	-9.6		-55.9	-451.5	-5.4		
Accum. depr. on disposals					0.7			
Depreciations for the period	-3.4	0.0		-2.2	-24.4	-0.5		
Accum. depr. acc. to plan, Dec 31, 2024	-66.3	-9.6		-58.1	-475.2	-5.9		
Carrying amount, Dec 31, 2024	12.1	0.0	4.6	34.6	136.5	4.1	33.9	
Carrying amount, Dec 31, 2023	8.1	0.1	4.0	36.8	124.8	3.5	29.4	
Accum. depreciation in excess of plan, Dec 31, 2024	-2.4	0.0	-	6.2	-1.4	-0.3		
Accum. depreciation in excess of plan, Dec 31, 2023	1.0	0.0	-	8.4	23.0	0.3		

## 9. Investments

EUR million	Shares in Group companies	Investments in associates	Shares in other companies	Unquoted securities
Accumulated cost, Jan 1, 2024	569.5	4.3	0.2	2.7
Increase	85.0			
Exchange rate difference				0.2
Accumulated cost, Dec 31, 2024	654.5	4.3	0.2	2.9
Carrying amount, Dec 31, 2024	654.5	4.3	0.2	2.9
Carrying amount, Dec 31, 2023	569.5	4.3	0.2	2.7

## 10. Inventories

EUR million	2024	2023
Raw materials and supplies	78.5	74.2
Work in progress	4.0	3.5
Finished goods	123.9	153.7
<b>Total</b>	<b>206.4</b>	<b>231.4</b>

## 11. Non-current receivables

EUR million	2024	2023
Loan receivables from the Group companies	363.6	181.3
Loan receivables from others	0.4	0.5
Other non-current receivables	-	0.0
Deferred tax assets	37.1	25.0
<b>Total long-term receivables</b>	<b>401.1</b>	<b>206.8</b>

The members of the Board of Directors and the President have not been granted loans.

## 12. Deferred tax assets and liabilities

EUR million	31.12. 2023	Recognized in income statement	Fair value changes	31.12. 2024
<b>Deferred tax assets</b>				
Intangible assets		3.6		3.6
Provisions and accruals	0.2			0.2
Tax losses carried forward	24.8	1.6		26.4
Cash flow hedges	0.0		1.1	1.1
Other Items		2.0		2.0
<b>Deferred tax assets</b>	<b>25.0</b>	<b>7.2</b>	<b>1.1</b>	<b>33.3</b>
<b>Deferred tax liabilities</b>				
Cash flow hedges	0.4		-0.4	0.0
<b>Deferred tax liabilities</b>	<b>0.4</b>		<b>-0.4</b>	<b>0.0</b>

EUR million	31.12. 2022	Recognized in income statement	Fair value changes	31.12. 2023
<b>Deferred tax liabilities</b>				
Provisions and accruals	0.2			0.2
Tax losses carried forward	15.5		9.3	24.8
Cash flow hedges	0.0		0.0	0.0
<b>Deferred tax assets</b>	<b>15.7</b>	<b>9.3</b>	<b>0.0</b>	<b>25.0</b>
<b>Deferred tax liabilities</b>				
Cash flow hedges	2.6		-2.2	0.4
<b>Deferred tax liabilities</b>	<b>2.6</b>		<b>-2.2</b>	<b>0.4</b>

On December 31, 2024 the parent company had carry forward losses for EUR 132.2 (124.1) million, of which a deferred tax assets has been recognised. Carry forward losses EUR 132.2 million will expire during years 2032-2034.

The calculated tax liability of accumulated depreciation differences not recorded in the balance sheet in 2024 was EUR 0.4 million.

## 13. Current receivables

EUR million	2024	2023
Receivables from the Group companies		
Trade receivables	153.7	128.3
Loan receivables	31.6	28.0
Accrued revenues and deferred expenses	38.9	24.7
<b>Total</b>	<b>224.2</b>	<b>181.0</b>
Trade receivables	37.7	39.6
Other receivables	7.4	6.9
Accrued revenues and deferred expenses	9.8	10.2
<b>Total</b>	<b>54.9</b>	<b>56.7</b>
<b>Total short-term receivables</b>	<b>279.0</b>	<b>237.7</b>
<b>Significant items under accrued revenues and deferred expenses</b>		
Financial items	11.1	11.7
Taxes	0.4	0.2
Social payments	0.4	0.3
Capital expenditure in factories	-	0.0
Goods and services rendered and not invoiced, subsidiary	9.9	12.3
Group contributions	22.4	6.3
Other items	4.5	3.9
<b>Total</b>	<b>48.6</b>	<b>34.9</b>

## 14. Shareholders' equity

EUR million	2024	2023
<b>Restricted shareholders' equity</b>		
Share capital, Jan 1	25.4	25.4
Emissions	-	-
Share capital, Dec 31	25.4	25.4
Share issue premium, Jan 1	182.5	182.5
Emission gains	-	-
Share issue premium, Dec 31	182.5	182.5
Fair value and hedging reserves, Jan 1	1.6	10.5
Fair value changes	-6.0	-8.9
Fair value and hedging reserves, Dec 31	-4.4	1.6
<b>Total restricted shareholders' equity</b>	<b>203.6</b>	<b>209.5</b>
<b>Non-restricted shareholders' equity</b>		
Paid-up unrestricted equity reserve, Jan 1	238.2	238.2
Emission gains	-	-
Paid-up unrestricted equity reserve, Dec 31	238.2	238.2
Retained earnings, Jan 1	637.9	510.1
Dividends to shareholders	-75.8	-76.0
Retained earnings, Dec 31	562.0	434.1

EUR million	2024	2023
Treasury shares	-16.6	-16.7
Result for the period	-10.5	203.7
<b>Total non-restricted shareholders' equity</b>	<b>773.2</b>	<b>859.4</b>
<b>Total shareholders' equity</b>	<b>976.8</b>	<b>1,069.0</b>
<b>Specification of the distributable funds, Dec 31</b>		
Retained earnings	562.0	434.1
Treasury shares	-16.6	-16.7
Paid-up unrestricted equity reserve	238.2	238.2
Result for the period	-10.5	203.7
<b>Distributable funds, Dec 31</b>	<b>773.2</b>	<b>859.4</b>

No share repurchases were made during the review period, and the company did not possess any own shares on December 31, 2024.

Nokian Tyres has an agreement from 2017 with a third-party service provider concerning the share-based incentive program for key personnel. The third party owns Nokian Tyres' shares related to the incentive program until the shares are given to the participants of the program. In accordance with IFRS, these repurchased shares have been reported as treasury shares in the Consolidated Statement of Financial Position. On December 31, 2024, the number of these shares was 1,052,242 (1,054,507). On December 31, 2024, this number of shares corresponded to 0.76 (0.76) percent of the total shares and voting rights in the company.

## 15. Non-current liabilities

EUR million	2024	2023
<b>Interest-bearing</b>		
Bonds	99.4	99.2
Loans from financial institutions	553.3	300.0
Deferred tax liabilities	0.0	0.4
<b>Total</b>	<b>652.7</b>	<b>399.7</b>
<b>Non-interest-bearing</b>		
Accrued expenses and deferred revenues	1.1	0.5
<b>Total</b>	<b>1.1</b>	<b>0.5</b>
<b>Total non-current liabilities</b>	<b>653.8</b>	<b>400.2</b>

In March 2024, one-year extension options were exercised for a total of EUR 300 million in long-term bilateral sustainability-linked term loans. Consequently, the maturity dates for these facilities were extended from April 2025 to April 2026. Additionally, the EUR 100 million bilateral sustainability-linked term loan due in May 2024 was refinanced with a similar three-year term loan that includes extension options of up to two years. A EUR 150 million bilateral 8-year term loan with the European Investment Bank (EIB) was withdrawn in August to support Nokian Tyres' strategic factory investment in Romania.

## 16. Current liabilities

EUR million	2024	2023
<b>Interest-bearing</b>		
Liabilities to the Group companies		
Finance loans	118.4	106.3
Commercial papers	2.0	-
<b>Total interest-bearing liabilities</b>	<b>120.4</b>	<b>106.3</b>
<b>Non-interest-bearing</b>		
Liabilities to the Group companies		
Trade payables	20.8	12.1
Accrued expenses and deferred revenues	19.1	8.2
<b>Total</b>	<b>39.9</b>	<b>20.3</b>
Trade payables	81.3	77.5
Liabilities to the others	11.1	114.5
Accrued expenses and deferred revenues	36.5	28.1
<b>Total</b>	<b>128.8</b>	<b>220.1</b>
<b>Total non-interest-bearing liabilities</b>	<b>168.7</b>	<b>240.5</b>
<b>Total current liabilities</b>	<b>289.1</b>	<b>346.7</b>

EUR million	2024	2023
<b>Significant items under accrued expenses and deferred revenues</b>		
Wages, salaries and social security contributions	10.3	9.6
Annual discounts, sales	11.2	10.2
Financial items	13.8	7.4
Commissions	0.1	-
Other items	20.2	9.1
<b>Total</b>	<b>55.6</b>	<b>36.3</b>

From 2024, the warranty provision is presented in provisions. The impact of the change on accrued expenses and deferred revenues in 2023 is EUR 0.9 million.

## 17. Contingent liabilities

EUR million	2024	2023
<b>For own debt</b>		
Pledged assets	<b>5.8</b>	4.0
<b>On behalf of Group companies and investments in associates</b>		
Guarantees	<b>130.4</b>	112.5
Pledged assets	-	2.0

The amount of debts and commitments mortgaged for total EUR 115.6 (98.3) million in 2024.

Other own commitments	2024	2023
Guarantees	<b>1.0</b>	-
Leasing and rent commitments		
Payments due in 2025	<b>12.0</b>	9.2
Payments due in subsequent years	<b>5.9</b>	8.2

## 18. Derivative financial instruments

EUR million	2024	2023
<b>Interest rate derivatives</b>		
Interest rate swaps		
Notional amount	<b>300.0</b>	150.0
Fair value	<b>-4.0</b>	1.6
<b>Foreign currency derivatives</b>		
Currency forwards		
Notional amount	<b>328.1</b>	239.8
Fair value	<b>0.7</b>	1.1
Currency options, purchased		
Notional amount	<b>10.9</b>	6.7
Fair value	<b>0.1</b>	0.0
Currency options, written		
Notional amount	<b>29.4</b>	15.6
Fair value	<b>-0.1</b>	-0.3
<b>Electricity derivatives</b>		
Electricity forwards		
Notional amount	<b>9.0</b>	9.1
Fair value	<b>-1.2</b>	0.7

Unrealised fair value changes of interest rate and electricity derivatives are not recognized in profit and loss. Interest rate swaps hedge the future interest payments of loans from financial institutions and the electricity forwards hedge the future electricity purchase prices in Finland. The contractual terms of these derivatives and the hedged items are congruent. The cash flows of the interest rate swaps and electricity forwards will occur during the next eight years.

The fair value of forward exchange contracts is measured using the forward rates on the reporting date. The fair value of currency options is calculated using an option valuation model.

Interest rate derivatives are determined based on market interest rates on the reporting date.

The fair value of electricity derivatives is based on quoted market prices in active markets on the reporting date.

## 19. Environmental commitments and expenses

Expenses relating to environment are included to production costs. The company has duly attended to environmental commitments and has no information on material environmental liabilities. All material environmental matters are reported as part of the Sustainability Statement, which is included in the Report by the Board of Directors. The CSRD-aligned Sustainability Statement has been prepared on a consolidated basis for the entire Nokian Tyres Group.

# Signatures for the financial statements and the report by the Board of Directors

As required by the accounting act, we state the following

- the financial statements, prepared in accordance with applicable accounting regulations, give a true and fair view of the assets, liabilities, financial position, and profit or loss of both the company and the group of companies included in its consolidated financial statements;
- the management report contains a truthful description of the development and result of the business operations of both the company and the group of companies included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other aspects of the company's condition; and
- the sustainability statement included in the management report has been prepared in accordance with the reporting standards referred to in Chapter 7 and Article 8 of the Taxonomy Regulation.

Helsinki, February 4, 2025

Jukka Hienonen

Pekka Vauramo

Elina Björklund

Susanne Hahn

Markus Korsten

Elisa Markula

Christopher Ostrander

Jouko Pöölönen

Reima Rytölä

Paolo Pompei  
President and CEO

# The auditor's note

Report on the audit of the financial statements has been given today.

Helsinki, February 4, 2025

Ernst & Young Oy

Authorized Public Accountant Firm

Mikko Järventausta

Authorized Public Accountant

# Auditor's report

(Translation of the Finnish original)

To the Annual General Meeting of Nokian Tyres plc

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Nokian Tyres plc (business identity code 0680006-8) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

#### In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 6 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

## Key Audit Matter

### Revenue recognition

We refer to the accounting policies for the consolidated financial statements and the note 1.

The Group's revenue is recognized when control of the good or service is transferred to the customer. Revenue is a key financial performance measure which could create an incentive for revenues to be recognized prematurely. Due to the variety of contractual terms used across the Group's markets management judgment is needed to account for the revenue.

Customer discounts and credits are considered when determining the revenue. Estimating discounts and credits require also management judgment both at the time of revenue recognition as well as at the end of each reporting period. Based on above, revenue recognition, was a key audit matter.

This matter was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).

### How our audit addressed the Key Audit Matter

### Valuation of goodwill

The accounting principles and disclosures about goodwill are included in note 14.

As of balance sheet date December 31, 2024, the value of goodwill amounted to 61.5 million euros representing 2.5% of the total assets and 4.8% of the total equity.

The annual impairment testing of goodwill was based on the management's estimate about the value-in-use of the cash generating units. There are a number of assumptions used to determine the value-in-use of the cash generating units, including revenue growth, margins and the discount rate applied on net cash-flows. The estimated value-in-use may vary significantly when underlying assumptions are changed and the changes in above-mentioned individual assumptions may result in an impairment of goodwill.

The valuation of goodwill was a key audit matter because the annual impairment testing included management judgment with respect to the key assumptions used and because of the significance of goodwill to the financial statements.

Our audit procedures to address the risk of material misstatement in respect of revenue recognition, included, among others:

- Assessment of the compliance of the Group's accounting policies over revenue recognition, including those relating to discounts and credits, against IFRS standards.
- Assessment of the revenue recognition process especially relating to timing of revenue recognition, and calculation of discounts and credits.
- Data analytical procedures, for example, analyzing the conversion of revenue to cash received.
- Familiarizing ourselves with the contractual terms in sales agreements. Testing the revenue cut-off with analytical procedures and with a sample test of details on a transaction level on either side of the balance sheet date. Testing of revenue discounts and credits on a sample basis.
- Analyzing credit notes.
- Assessment of the Group's disclosures in respect of revenues.

Our audit procedures in respect of valuation of goodwill included, among others:

- Evaluation of the determination of cash generating units and the goodwill allocated to those units.
- Involvement of our valuation specialists to assist us in evaluating the key assumptions used in impairment testing. The procedures included also the comparison of the management's assumptions to externally derived data, in particular those relating to
  - the forecasted revenue growth,
  - the forecasted margin and
  - the weighted average cost of capital used to discount the net cash-flows.
- Testing of the accuracy of the impairment calculations prepared by the management and comparison of the sum of discounted cash flows against Nokian Tyres' market capitalization.
- Evaluation of the adequacy of the disclosures of the impairment testing results.

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Reporting Requirements

### Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on March 30th, 2021, and our appointment represents a total period of uninterrupted engagement of four years.

### Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions based on assignment of the Audit Committee

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the distributable funds shown in the financial statements is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Directors of the parent company should be discharged from liability for the financial period audited by us.

Helsinki, February 4, 2025

**Ernst & Young Oy**

Authorized Public Accountant Firm

**Mikko Järventausta**

Authorized Public Accountant

# Independent Auditor's Report on the ESEF Consolidated Financial Statements of Nokian Tyres plc

## To the Board of Directors of Nokian Tyres plc

We have performed a reasonable assurance engagement on the financial statements tyres-2024-12-31-0-fi.zip of Nokian Tyres plc (y-identifier: 0680006-8) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2024.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of the Commission's regulatory technical standard.

## Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

## Auditor's Responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's technical regulatory standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF

(Translation of the Finnish original)

financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and

- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgement. This includes an assessment of the risk of material deviations due to fraud or error from the requirements of the Commission's technical regulatory standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Nokian Tyres plc tyres-2024-12-31-0-fi.zip for the financial year ended 31.12.2024 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of Nokian Tyres plc for the financial year ended 31.12.2024 has been expressed in our auditor's report 4.2.2025. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki, February 28, 2025

**Ernst & Young Oy**  
Authorized Public Accountant Firm

**Mikko Järventauta**  
Authorized Public Accountant

# Assurance report on the sustainability statement

(Translation of the Finnish original)

To the Annual General Meeting of Nokian Tyres plc

We have performed a limited assurance engagement on the group sustainability statement of Nokian Tyres plc (O680006-8) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2024.

## Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1. the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2. the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Nokian Tyres plc has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

## Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the *Responsibilities of the Group Sustainability Auditor section of our report*.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Matter

We draw attention to the fact that the group sustainability statement of Nokian Tyres plc that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

## Group sustainability auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Nokian Tyres plc are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

## Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Group sustainability reporting is also characterized by estimates and assumptions, as well as measurement and estimation uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

In addition, when reporting forward-looking information, the company must make assumptions about possible future events and disclose the company's possible future actions in relation to these events. The actual outcome may be different because predicted events do not always occur as expected.

## Responsibilities of the Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise

professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We have interviewed the key persons responsible for collecting and reporting the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group's control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process against the requirements of ESRS standards and the compliance of the information provided for the double materiality assessment with ESRS standards.
- We assessed whether the group sustainability statement in material respect meets the requirements of ESRS standards for material sustainability topics:
  - We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis with supporting company documentation.
  - We have on a sample basis performed analytical assurance procedures and related inquiries, recalculation and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.
- We gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities and evaluate the regulatory compliance of the information provided.

Helsinki, February 4, 2025

**Ernst & Young Oy**  
Authorized Sustainability Audit Firm

**Mikko Järventausta**  
Authorized Sustainability Auditor

# Information on Nokian Tyres' share

## Share data

Market	Nasdaq Helsinki
Listing date	June 1, 1995
Currency	euro
ISIN	FI0009005318
Symbol	TYRES
Reuters symbol	TYRES.HE
Bloomberg symbol	TYRES:FH
Market capitalization segment	OMXH Large Caps
Sector	Consumer goods
Industry	Automobiles and parts
Number of shares, December 31, 2024	

## Share capital and shares

The company has one class of shares, each share entitling the shareholder to one vote and carrying equal rights to a dividend. On December 31, 2024, the number of shares was 138,921,750.

Read more: [company.nokiantyres.com/investors/share-and-shareholders](http://company.nokiantyres.com/investors/share-and-shareholders).

## Number of shareholders on December 31, 2024

Number of shares	Number of shareholders	% of shareholders	Total number of shares	% of share capital
1-100	42,058	41.08	1,892,076	1.36
101-500	36,766	35.91	9,467,316	6.82
501-1,000	11,423	11.16	8,717,826	6.2
1,001-5,000	10,311	10.07	21,867,984	15.74
5,001-10,000	1,132	1.11	8,127,136	5.85
10,001-50,000	623	0.61	11,882,330	8.55
50,001-100,000	39	0.04	2,735,712	1.97
100,001-500,000	20	0.02	4,939,253	3.56
500,001-	17	0.02	69,292,117	49.88
<b>Total</b>	<b>102,389</b>	<b>100.00</b>	<b>138,921,750</b>	<b>100.00</b>

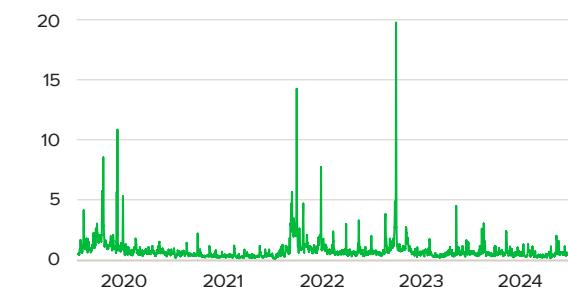
## Shareholder structure on December 31, 2024

	Number of shares	% of share capital
Nominee registered and non-Finnish holders	40,990,196	29.50
Households	54,066,277	38.92
General Government	25,121,864	18.08
Financial and insurance corporations	6,384,140	4.60
Non-profit institutions	2,870,325	2.07
Corporations	9,488,948	6.83
<b>Total</b>	<b>138,921,750</b>	<b>100.00</b>

Read more: [company.nokiantyres.com/investors/share-and-shareholders/major-shareholders](http://company.nokiantyres.com/investors/share-and-shareholders/major-shareholders).

## Share trading volumes on NASDAQ Helsinki

Jan 1, 2020-Dec 31, 2024, pcs million



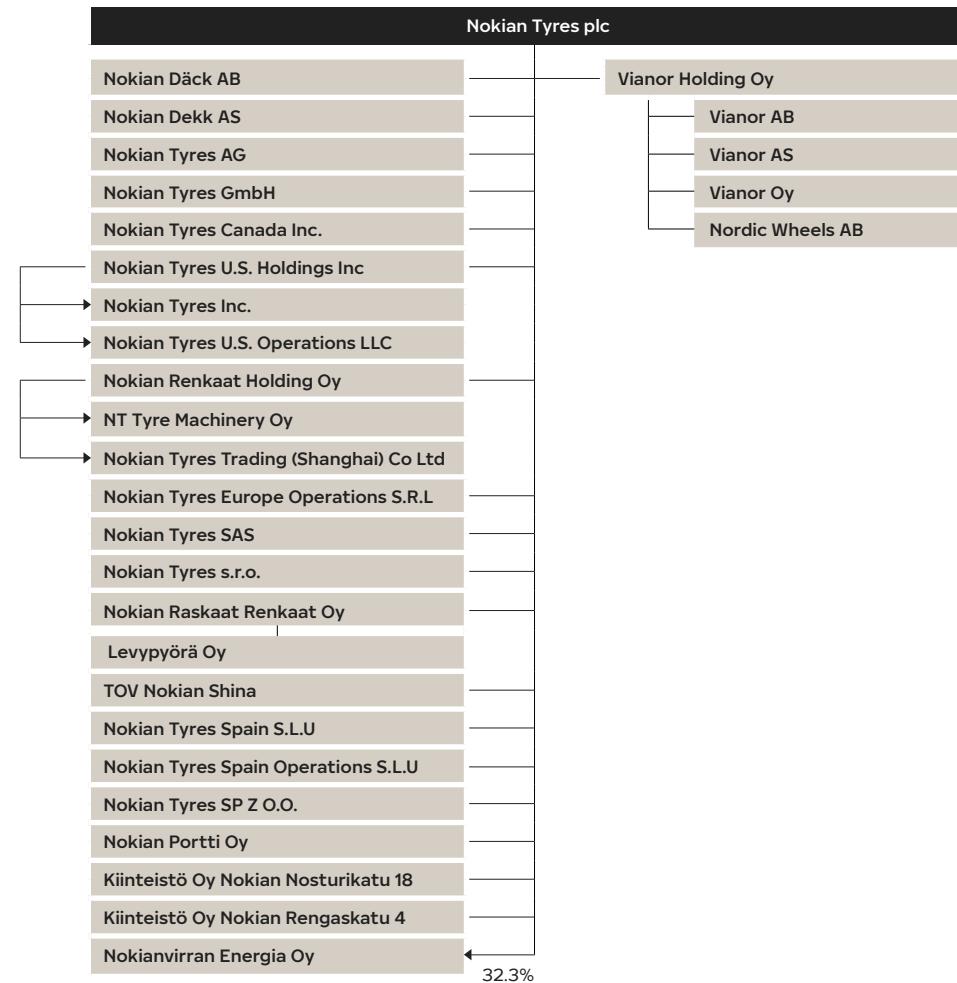
## Share price development on NASDAQ Helsinki

Jan 1, 2020-Dec 31, 2024, EUR



Read more: [company.nokiantyres.com/investors/share-and-shareholders/share-tools/share-performance](http://company.nokiantyres.com/investors/share-and-shareholders/share-tools/share-performance).

# Nokian Tyres Group structure





# REMUNERATION REPORT

MAKING THE WORLD SAFER,  
OVER AND OVER AGAIN

Romania factory production team members



”

WE DON'T SIMPLY  
MAKE TIRES, WE  
MAKE SAFETY

# Remuneration Report 2024

## People and Sustainability Committee

### – Chair's greeting

In 2024, the focus at Nokian Tyres was on taking concrete steps toward the EUR two billion net sales target. During the year, the new factory in Romania reached the planned milestones on time and within budget. In North America, the investment phase at the US factory was completed. The foundation for Nokian Tyres' growth and improving profitability has now been established. These achievements have required a tremendous amount of teamwork and resilience from the entire Nokian Tyres team.

From a remuneration point of view, the year 2024 was demanding as the tire market continued to be weak and consumers were cautious about spending. The global economic uncertainties and challenges in the operating environment were reflected in Nokian Tyres' financial results. This impacted on the achievement of both short-term and long-term incentive goals, resulting in low outcomes of both rewards in accordance to the performance-based remuneration model.

The Annual General Meeting held in spring 2024 adopted the renewed Nokian Tyres Remuneration Policy. The Policy aims to support the company in achieving its short-term and long-term strategic targets, strengthen sustainable development, and foster employee commitment to Nokian Tyres.

The Remuneration Policy was followed throughout 2024 with one exception. This exception was related to the long-term programs that were implemented in 2023 and that continued in 2024 with a two-year performance period and a one-year vesting period instead of a three-year performance period. The long-term incentive plan targets were included a 10 percent weighting for sustainability, which was measured by the reduction of direct CO<sub>2</sub> emissions.

During 2024, the People and Sustainability Committee focused on personnel matters to monitor the progress of strategy via set performance targets. In 2025, the committee will continue to ensure that the remuneration decisions are aligned with and support the company's progress toward a growth phase and EUR two billion net sales in the long term.

Nokian Tyres' President and CEO Jukka Moisio retired from his position at the end of 2024. The new President and CEO Paolo Pompei joined the company at the beginning of 2025. On behalf of the People and Sustainability Committee, I wish Jukka all the best in his future endeavors and welcome Paolo to continue leading Nokian Tyres' success.

## ELINA BJÖRKLUND

Chair of the People and Sustainability Committee  
of Nokian Tyres Board of Directors



“

**NOKIAN TYRES' REMUNERATION POLICY AND INCENTIVE SYSTEM SUPPORT THE COMPANY'S STRATEGY AND BUILDING GROWTH AT NOKIAN TYRES.**

## Introduction

This remuneration report (the “Remuneration Report”) describes the implementation of the remuneration policy (the “Remuneration Policy”) of Nokian Tyres plc (the “company” or “Nokian Tyres”) for the financial year 2024. The Remuneration Policy was presented to and adopted by an advisory resolution in the 2024 Annual General Meeting and shall be applied until the 2028 Annual General Meeting unless a revised policy is presented to the General Meeting before this.

The Remuneration Policy describes:

- the remuneration of the Board of Directors and the President and CEO
- the considerations of determining the policy
- practical implementation of the policy.

The Remuneration Policy can be found at [company.nokiantyres.com/investors/corporate-governance/salaries-and-remunerations](http://company.nokiantyres.com/investors/corporate-governance/salaries-and-remunerations).

This Remuneration Report provides more detailed information on the development of Nokian Tyres’ remuneration, as well as on certain strategic indicators and the implementation of the Remuneration Policy in the financial year 2024.

The Remuneration Report is prepared in accordance with the Securities Market Association’s Corporate Governance Code 2025 and the applicable legislation. The 2024 Annual General Meeting resolved to adopt the company’s Remuneration Report 2023 through an advisory resolution, supported by approximately 73 percent of the votes cast at the 2024 Annual General Meeting.

## Development of Nokian Tyres performance and remuneration

Nokian Tyres’ net sales for the financial year 2024 grew by 9.9% and were EUR 1,289.8 million, and the segments operating profit was EUR 71.4 million (2023: 65.1 million). Remuneration follows the realization of the company’s financial results and remained at a low level in 2024, similar to the previous year. The focus of remuneration in 2024 was on committing key personnel to achieve the set targets and ensure the strategy’s implementation, including the timely completion of building the Romanian factory, and to achieve common goals as one organization. These achievements during 2024 ensure continuity in the coming years to increase the company’s growth and profitability.

The table shows as an index comparison the development of the remuneration of the Board of Directors, the CEO, and employees during the previous five financial years.

## Remuneration 2020–2024

Remuneration index	2024	2023	2022	2021	2020
Total Board remuneration – Average annual fee paid to Board members <sup>1</sup>	113%	106%	109%	95%	100%
President and CEO salaries and financial benefits	43%	75%	79%	61%	100%
Average salary cost per employee <sup>2</sup>	144%	134%	146%	119%	100%

<sup>1</sup>Total Board remuneration – Average annual fee paid to Board members calculated by dividing total amount of fees paid to Board members each financial year, by the number of the Board members (2020: 8 Board members, 2021–2024: 9 Board members) and excluding fees paid to Board members leaving during following term. Further details in section “Remuneration and financial development between 2020–2024”.

<sup>2</sup>Average cost per employee is calculated by dividing the total amount of salaries, incentives, and other related employee costs for the corresponding financial year by the average number of employees during each financial year.

The goal of the Remuneration Policy is to support Nokian Tyres in achieving its short- and long-term strategic goals, strengthen sustainable development, and foster personnel commitment to Nokian Tyres.

Short-term incentive program is one element in the total rewards package. No changes were made to the Nokian Tyres’ short-term incentive plan in 2024.

Long-term incentives are a part of Nokian Tyres’ key employee incentive and retention program designed to align the goals of the company’s key personnel with the company’s shareholders to increase the value of the company in the long term, to commit key personnel to the company and its strategic goals, and to offer a competitive reward for key personnel. Nokian Tyres has two annually commencing long-term share-based incentive plans decided by the Board of Directors: The Performance Share Plan and the Restricted Share Plan. In February 2024, the Board of Directors decided to continue both incentive plans with new performance periods starting 2024 **for the following three-year period**.

The Performance Share Plan is the company’s most important long-term incentive scheme, the objectives of which are measured by EBITDA, increase in passenger car tire production volume and reduction in direct CO<sub>2</sub> emissions. The performance period is 2024–2025, with one year retention period when the possible payout will be in the spring of 2027.

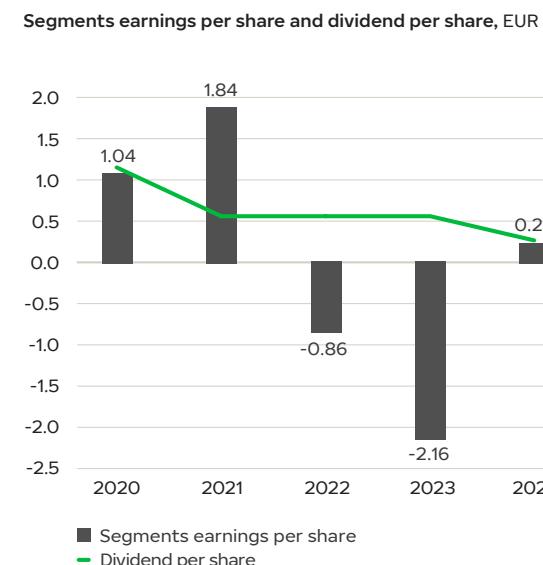
Nokian Tyres Restricted Share Plan serves as a complementary long-term incentive tool, used selectively for retention of Nokian Tyres key employees. The Restricted Share Plan consists of a three-year retention period, after which the share awards granted within the plan will be paid to the participants. A precondition for the payment of the share reward based on the Restricted Share Plan is that the employment relationship of a participant with Nokian Tyres continues until the payment date of the award. In addition to this precondition, a financial performance criterion is applied to Nokian Tyres Management Team, including the President and CEO, with the aim of aligning the interests of the President and CEO and shareholders related to the company’s financial development.

In February 2023, the Board of Directors decided to change the financial performance criterion from ROCE (return on capital employed) to segments ROCE. The segments ROCE is applicable in 2021–2023, 2022–2024, 2023–2025 plans, as well in the 2024 Restricted Share Plan with the restriction period of 2024–2026.



Figures for 2021 and earlier years have not been restated and include Russia.

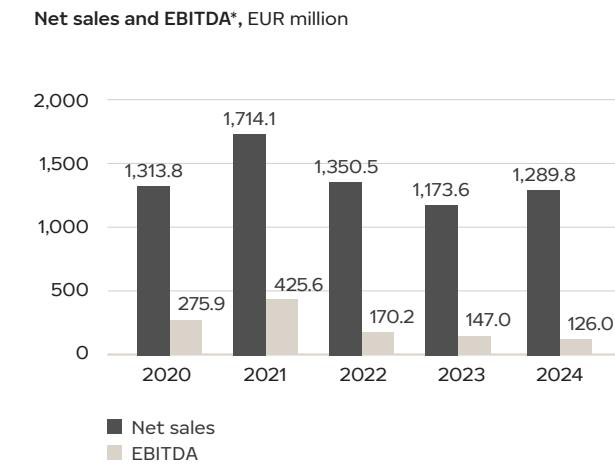
The three-year restriction period of the Restricted Share Plan 2021–2023 ended at the end of the financial year 2023. In the share-based incentive plan, the financial threshold set for the President and CEO and the members of the Management Team for the segments ROCE was reached. The rewards to be paid corresponded to a total of 4,600 gross Nokian Tyres plc shares, of which no gross shares were directed to the President and CEO. The share reward was paid in March 2024.



\*The Board's proposal to the Annual General Meeting.

Figures for 2021 and earlier years have not been restated and include Russia.

During the financial year 2024, Nokian Tyres temporarily deviated from the approved Remuneration Policy by applying a two-year performance period and a one-year retention period in the Performance Share Plan 2023–2024 and 2024–2025. Apart from this deviation, the remuneration of the President and CEO followed the Remuneration Policy in 2024.



\*Depreciations and Amortizations (DA) in EBITDA includes impairments from 2020 onward.

Figures for 2021 and earlier years have not been restated and include Russia.

## Remuneration of the Board of Directors 2024

Nokian Tyres 2024 Annual General Meeting decided the following annual fees to be paid to the Board of Directors serving during the financial year 2024:

**Chair of the Board:** A fee of 115,000 euros per year.

**Deputy Chair and Chairs of the Audit Committee, Investment Committee and People and Sustainability Committee:** A fee of 76,000 euros per year.

**Other members of the Board:** A fee of 53,500 euros per year.

For each Board and Board Committee meeting, the fee is 700 euros.

For Board members resident in Europe, the fee for each meeting outside a member's home country within Europe is doubled, and for each meeting outside Europe, the fee is tripled. For Board members resident outside Europe, the fee for each meeting outside a member's home country is tripled. If a member participates in a meeting via telephone or video connection, the remuneration is 700 euros. Travel expenses are compensated in accordance with the company's travel policy.

Board member	Position on the Board	Annual fixed fee (EUR) <sup>1</sup>	Board meeting fees (EUR)	Committee meeting fees (EUR)	Total fees (EUR)	Shares acquired with fixed annual fee (number of shares)
Jukka Hienonen	Chair of the Board / Member of the People and Sustainability Committee	115,000	9,100	3,500	127,600	5,700
Pekka Vauramo	Deputy Chair / Member of the Investment Committee	76,000	9,100	3,500	88,600	3,767
Elina Björklund	Board member / Chair of the People and Sustainability Committee (as of Apr 30, 2024)	76,000	7,000	2,800	85,800	3,767
Susanne Hahn	Board member / Member of People and Sustainability Committee	53,500	12,600	4,200	70,300	2,651
Markus Korsten	Board member / Member of the Investment Committee	53,500	13,300	2,800	69,600	2,651
Veronica Lindholm	Board member / Chair of the People and Sustainability Committee (until Apr 30, 2024)	–	2,800	700	3,500	–
Elisa Markkula	Board member / Member of the Audit Committee (as of Apr 30, 2024)	53,500	7,000	2,100	62,600	2,651
Christopher Ostrander	Board member / Chair of the Investment Committee	76,000	15,400	4,200	95,600	3,767
Jouko Pöölönen	Board member / Chair of the Audit Committee	76,000	9,100	3,500	88,600	3,767
George Rietbergen	Board member (until Apr 30, 2024)	–	3,500	–	3,500	–
Reima Rytölä	Board member / Member of the Audit Committee	53,500	9,100	3,500	66,100	2,651

<sup>1</sup>60 percent of the annual fixed fee was paid in cash and 40 percent in company shares. Management transaction stock exchange releases regarding the share acquisitions published on April 30, 2024. The company paid asset transfer taxes arising from the acquisition of shares.

## President and CEO Jukka Moisio's remuneration

The remuneration of the President and CEO is decided by the Board of Directors. The People and Sustainability Committee prepares proposals for the salaries, benefits, and short-term and long-term incentives of the President and CEO for the decision by the Board of Directors. The President and CEO Jukka Moisio worked in the company until the end of 2024.

## Short-term incentive plans

The President and CEO was entitled to short-term incentives as described in the Remuneration Policy. The target opportunity of incentive plan is 50 percent of the annual base salary, with the maximum opportunity of 100 percent of the annual base salary. The performance period is typically one year unless decided otherwise by the Board of Directors. The possible reward is paid out in the first half of the year following the performance period.

In accordance with the decision of the Board of Directors, the performance criteria for the President and CEO Jukka Moisio's short-term incentives for the performance period of the financial year 2024 were Nokian Tyres' segments operating profit with a weight of 60 percent and Nokian Tyres' net sales with a weight of 40 percent, in total 100 percent target weight.

The short-term incentive outcome based on target setting on scale 0–100–200 percent 2024 was as follows:

- 60 percent weight; Nokian Tyres' segments operating profit. Target level achievement was set to EUR 116 million. The outcome was 0 percent of target.
- 40 percent weight; Nokian Tyres' net sales. Target level achievement was set to EUR 1,473 million. The outcome was 0 percent of target.

Total short-term incentive outcome 2024 was 0 percent.

Payable outcome resulted with EUR 0.00.

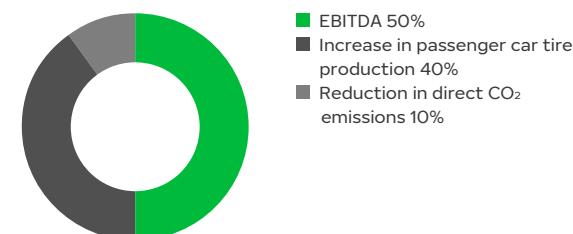
## Long-term incentive plans

The President and CEO's long-term incentives (LTI) consist of share incentive plans. The value of the performance-based LTI payout is capped at 250 percent of the annual base salary, and the annual target amount is 125 percent of the annual base salary.

### Performance Share Plan 2024–2025

The President and CEO Jukka Moisio was granted 122,280 performance-based shares from the performance period 2024–2025 of Nokian Tyres Performance Share Plan 2023–2027. The possible reward will be based on separate Board of Directors approval and pro rata calculation, and it will be paid during the first half of the financial year 2027 after a one-year retention period in case the targets set by the Board of Directors for the performance period 2024–2025 will be met. The targets set for the performance period 2024–2025 of the Nokian Tyres Performance Share Plan 2023–2027 are divided as follows:

### LTI criteria 2024–2025 weights, %



The potential share rewards will be paid partly in shares of Nokian Tyres and partly in cash. The cash portion of the reward is intended to cover the taxes arising from the paid reward.

The President and CEO Jukka Moisio was not granted restricted shares during the financial year 2024.

### Performance Share Plan 2022–2024

The performance measure for the Performance Share Plan 2022–2024 was based on segments earnings per share (EPS) and segments return on capital employed (ROCE), both with an equal weight of 50 percent. Both targets did not meet the minimum level and therefore no payments will be conducted to the President and CEO Jukka Moisio.

### Performance Share Plan 2023–2024 payout in spring 2026

The two-year performance period of the Performance Share Plan 2023–2024 ended after the financial year 2024. The rewards from the performance period 2023–2024 are based on cumulative EBITDA weight of 50 percent, increase in passenger car tire production volume weight of 40 percent and reduction in direct CO<sub>2</sub> emissions weight of 10 percent. The reduction in direct CO<sub>2</sub> emissions with 10 percent weight was achieved at maximum level and the other targets were not met. The combined achievement of the set targets was thereby 20 percent. The reward calculation and share grant for Jukka Moisio during the spring 2026.

### Active Long-term incentive plans and shares granted to the President and CEO Jukka Moisio

Long-term incentive plan and performance period	Gross shares granted	Maximum gross share award <sup>1</sup>	Performance criteria	Result <sup>2</sup>	Pay-out of possible reward
Performance share plan 2022–2024	27,680	55,360	Segments ROCE (50% weight) Segments EPS (50% weight)	0% 0%	H1/2025
Performance share plan 2023–2024	90,882	181,764	EBITDA (50% weight), increase in passenger car tire production volume (40% weight) and reduction in direct CO <sub>2</sub> emissions (10% weight). Trigger for payout: the Romanian factory is up and running by the end of 2024.	0%, 0% 20%	H1/2026
Achievement of set targets	100%	200%			

<sup>1</sup>The potential share rewards will be paid partly in shares of Nokian Tyres plc and partly in cash. Gross shares are the amount of shares earned, based on performance against set targets and used to calculate the cash proportion.

Actual shares delivered = net shares. Cash portion of the reward is intended to cover the taxes arising from the paid reward. <sup>2</sup>Target achievement is 100 percent, maximum 200 percent.

### Remuneration of the President and CEO 2024, EUR

President and CEO	Fixed annual salary (incl. holiday compensation)	Monthly base salary	Paid salary during financial year 2024 (incl. holiday compensation and mobile phone benefit)	Paid performance-based bonuses (based on year 2023)	Due performance-based bonuses (based on year 2024) <sup>1</sup>	Total value of awarded share-based bonus	Supplementary pension contribution	Severance payment	Total fees paid during financial year 2024
	817,614		64,890	817,854	0	0	0	–	817,854

<sup>1</sup>Due performance-based bonuses (based on year 2024) will be paid during the financial year 2025.

#### Short-term incentive opportunities as of annual base salary

Target	Max
50%	100%

#### Performance share plan long-term incentives as of annual base salary<sup>1</sup>

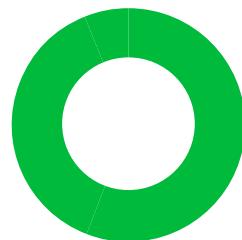
Target	Max
125%	250%

<sup>1</sup>Nokian Tyres may in addition offer restricted share plans for the President and CEO in situations like new hire and retention, at the Board's discretion.

Based on the Board of Directors' decision, the President and CEO Jukka Moisio's salary was not increased during the financial year 2024, and the monthly base salary was thereby 64,890 euros.

The President and CEO Jukka Moisio had a company-paid mobile phone benefit, with a value of 20 euros per month or 240 euros per annum. Fixed annual salary including holiday compensation is calculated by multiplying the monthly base salary 64,890 euros by 12.6 percent.

**Remuneration of the President and CEO:  
2024 actual paid salary and variable elements, %**



- Base salary\* 100%
- Short-term incentive 0%
- Long-term incentive 0%

Pension and benefits excluded.

\*Holiday compensation included.

## Pension and information regarding the termination of the employment of the President and CEO Jukka Moisio

The pension and information regarding the termination of the employment of the President and CEO Jukka Moisio was defined as follows:

The pension accumulation and retirement age of the President and CEO are determined by the practices and terms of the applicable law in the home country of the President and CEO. An additional defined contribution pension plan that corresponds to the relevant local market can be arranged by the company. The President and CEO Jukka Moisio does not have a company-paid supplementary pension arrangement. The retirement age and the pension are determined in accordance with the Employees Pensions Act.

The President and CEO's period of notice is 6 months. If the agreement is terminated by the company, the President and CEO is entitled to compensation corresponding to 12 months' salary and other benefits in addition to the notice period's salary.

## Malus and clawback

Based on the terms and conditions of the incentive plans, if the President and CEO receives a reward based on the remuneration scheme that subsequently turns out to be incorrectly paid due to intent or negligence by the President and CEO, Nokian Tyres has the right to retroactively restate the amount and reclaim the excess part of the rewards paid from the short- and long-term incentives pursuant to rules regarding unjust enrichment.

The short- and long-term remuneration schemes are discretionary in nature and do not form part of the terms and conditions of the service contract of the President and CEO, and the Board of Directors shall decide on the implementation of the schemes and their terms and conditions at any time.

Nokian Tyres did not exercise any malus or clawback rights during the financial year 2024.

## Remuneration and financial development 2020–2024

	2024	2023	2022	2021	2020
<b>Board remuneration, total pay EUR</b>					
Jukka Hienonen	127,600	121,900	126,100	112,700	105,800
Pekka Vauramo	88,600	86,900	90,400	82,000	63,100
Elina Björklund (as of Apr 30, 2024)	85,800				
Susanne Hahn	70,300	67,200	61,600	–	–
Markus Korsten	69,600	62,300	–	–	–
Veronica Lindholm (until Apr 30, 2024)	3,500	86,900	91,100	60,200	65,500
Elisa Markkula (as of Apr 30, 2024)	62,600	–	–	–	–
Christopher Ostrander	95,600	72,800	68,600	57,700	–
Jouko Pöllönen	88,600	86,900	90,400	59,100	–
George Rietbergen (until Apr 30, 2024)	3,500	64,400	67,200	57,500	60,100
Reima Rytösölä	66,100	60,900	–	–	–
Heikki Allonen (until Apr 26, 2023)	–	4,200	67,200	60,900	63,100
Inka Mero (until Apr 26, 2023)	–	4,200	67,900	60,900	63,100
Raimo Lind	–	–	5,600	83,400	85,600
Kari Jordan	–	–	–	1,800	87,400
Petteri Walldén	–	–	–	–	6,600
Total (excl. fees paid to leaving members) <sup>1</sup>	754,800	710,200	730,500	634,400	593,700
Board size, number of members	9	9	9	9	8
Average total pay per member <sup>1</sup>	83,867	78,911	81,167	70,489	74,213
Index	113.0%	106.3%	109.4%	95.0%	100.0%
<b>President and CEO, total pay EUR</b>					
Jukka Moisio May 27, 2020–Dec 31, 2024	817,854	1,421,075	1,502,304	1,157,960	429,611
Hille Korhonen Jun 1, 2017–May 26, 2020	–	–	–	–	1,472,192
Total	817,854	1,421,075	1,502,304	1,157,960	1,901,803
Index	43.0%	74.7%	79.0%	60.9%	100%

	2024	2023	2022*	2021	2020
<b>Employee remuneration, average EUR</b>					
Salaries, incentives, and other related costs, EUR million	256.3	232.2	237.5	270.7	224.7
Group employees on average during financial year	3,850	3,754	3,517	4,941	4,859
Average per year, k EUR	66.57	61.83	67.53	54.79	46.24
Index	144.0%	133.7%	146.0%	118.5%	100.0%
<b>Financial development 2020–2024</b>					
Operating profit, EUR million	1.8	32.1	56.7	268.2	120.0
Segments operating profit, EUR million	71.4	65.1	17.8	324.8	190.2
Index	1.5%	26.8%	47.3%	223.5%	100.0%
EPS, EUR	-0.17	-2.36	-1.27	1.49	0.62
Segments EPS, EUR	0.23	-2.16	-0.86	1.84	1.04
Index	-24.7%	-360.8%	-204.8%	240.3%	100.0%
ROCE, %	0.5%	2.2%	3.1%	13.7%	6.0%
Segments ROCE, %	3.9%	4.0%	1.0%	15.8%	9.3%
Index	8.3%	36.7%	51.7%	228.3%	100.0%

<sup>1</sup>Total Board remuneration – Average annual fee paid to Board members calculated by dividing total amount of fees paid to Board members each financial year, by the number of the Board members (2020: 8 Board members, 2021–2024: 9 Board members) and excluding fees paid to Board members leaving during following term.

\*Year 2022 excluding discontinued operations.

# Investor information and investor relations

## Annual General Meeting 2025

The Annual General Meeting of Nokian Tyres plc is tentatively scheduled for Wednesday, May 7, 2025. Invitation to the meeting will be sent later.

More information: [company.nokiantyres.com/investors/corporate-governance/annual-general-meeting/agm-2025](http://company.nokiantyres.com/investors/corporate-governance/annual-general-meeting/agm-2025).

## Dividend payment

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.25 per share for the financial year 2024 shall be paid to shareholders who are registered in the company's shareholder register maintained by Euroclear Finland Oy on the dividend record date of May 9, 2025. The payment date proposed by the Board of Directors is May 20, 2025.

## Financial information

The main objective of Nokian Tyres' Investor Relations is to support the fair valuation of Nokian Tyres' share by consistently and promptly providing all essential information on the company equally to all market participants. We serve investors and analysts both in Finland and internationally.

On our investor website, we publish up-to-date financial information for everyone interested in Nokian Tyres as an investment. In addition to financial reports, presentations, and stock exchange releases, the

pages contain information about Nokian Tyres' strategy, share, and major Finnish shareholders.

Nokian Tyres' stock exchange releases can be subscribed at [company.nokiantyres.com/news-and-media/order-releases](http://company.nokiantyres.com/news-and-media/order-releases).

## Financial reports in 2025

Nokian Tyres will publish its financial reports in 2025 as follows:

- Interim Report January–March on May 6, 2025
- Half-year Financial Report January–June on July 18, 2025
- Interim Report January–September on October 28, 2025

The financial reports are published in Finnish and English and are available at [company.nokiantyres.com/investors/reports-and-presentations](http://company.nokiantyres.com/investors/reports-and-presentations).

## Silent period

Nokian Tyres observes a silent period before issuing financial statements, interim and half-year reports.

- Start of the silent period: January 1, April 1, July 1, and October 1.
- End of the silent period: The results of the respective quarter are made public.

During the silent period, the company's top management and Investor Relations do not meet representatives of capital markets or financial media, nor comment on issues related to the company's financial situation or general outlook. If an event occurring during the silent period requires immediate disclosure, Nokian Tyres will

disclose the information without delay in compliance with disclosure rules and may also comment on the event concerned.

## Flagging notifications

Under the provisions of the Securities Markets Act, changes in holdings must be disclosed when the holding reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50%, 2/3 and 90% of the voting rights or the numbers of shares of the company.

Notifications of changes in holdings or voting rights must be made without undue delay.

Shareholders are advised to send the flagging notifications to [flaggings@nokiantyres.com](mailto:flaggings@nokiantyres.com).

## IR contact information

Regarding inquiries and meeting requests, you can send an email to [ir@nokiantyres.com](mailto:ir@nokiantyres.com).

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