



**CORPORATE GOVERNANCE  
STATEMENT 2021**

# CORPORATE GOVERNANCE STATEMENT 2021

## I Introduction

During 2021 Nokian Tyres plc (hereinafter referred to as “Nokian Tyres” or the “Company”) complied in full with the Corporate Governance Code published by the Securities Market Association that entered into force on January 1, 2020 (the “Corporate Governance Code 2020”) and the Company complies with the recommendations in the said code. This Corporate Governance Statement has been prepared in accordance with the Corporate Governance Code 2020. The Corporate Governance Code 2020 is available in its entirety at [www.cgfinland.fi/en/](http://www.cgfinland.fi/en/). The Company follows the Finnish Limited Liability Companies Act, laws and regulations relating to publicly listed companies in Finland, the Articles of Association, the charters of the Board of Directors and the committees, the Nasdaq Helsinki rules and regulations, and the orders and instructions from the European Securities and Markets Authority as well as from the Financial Supervisory Authority.

The Company publishes its Corporate Governance Statement as a separate document and as part of the Financial Review. The Company has prepared a separate remuneration report in accordance with the Corporate Governance Code 2020. The statement and said report are available on the Company’s website at [www.nokiantyres.com](http://www.nokiantyres.com) under Investors – Corporate Governance.

The Company’s corporate governance is based on the General Meeting, the Articles of Association, the Board of Directors, the President and CEO, the Group’s Management Team, the legislation and regulations mentioned hereinabove as well as the Group’s policies, procedures, and practices. The Board of Directors has approved the Corporate Governance Statement. The Company’s auditor verifies that the statement and its related descriptions of the internal reporting controls and risk management correspond to the financial reporting process. The statement will not be updated during the financial period; however, up-to-date information will be provided on the Company’s website at [www.nokiantyres.com/company/investors/](http://www.nokiantyres.com/company/investors/).

## II Governance bodies

Nokian Tyres is a Finnish limited liability company and its registered place of business is Nokia. The parent company Nokian Tyres plc and its subsidiaries form the Nokian Tyres Group. The administrative bodies of the parent company Nokian Tyres plc, i.e. the General Meeting, the Board of Directors and the President and CEO, are responsible for the administration and operation of the Nokian Tyres Group. The General Meeting elects the members of the Board of Directors, and the Chairman and the Deputy Chairman of the Board upon the proposal by the Shareholders’ Nomination Board, and 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.

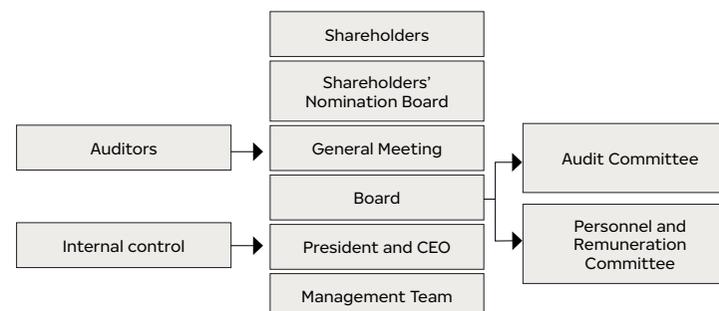
## General Meeting

The Company’s highest decision-making power is held by the General Meeting, whose tasks and procedures are outlined in the Limited Liability Companies Act and the Articles of Association. The Annual General Meeting decides on such matters as the confirmation of the Company’s annual accounts, profit distribution, and discharging the Board of Directors and the President and CEO from liability. Furthermore, the Annual General Meeting decides on the number of members in the Board of Directors, the selection of the board members and the auditor, and their remuneration. In addition, the General Meeting can make decisions on questions such as amendments to the Articles of Association, share issues, granting warrants, and acquisition of the company’s own shares.

The Annual General Meeting is held by the end of May of each year on a date determined by the Board of Directors, either at the Company’s registered place of business or in the city of Tampere or Helsinki. An extraordinary general meeting is summoned whenever the Board 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 in order to address a particular issue.

According to law, a shareholder has the right to have a matter falling within the competence of the General Meeting

### Nokian Tyres’ administrative organization



The Annual General Meeting for 2021 was held through exceptional procedures on March 30, 2021 in Helsinki, Finland in accordance with the temporary legislative act to limit the spread of the Covid-19 pandemic (677/2020), which entered into force on October 3, 2020. The meeting confirmed the financial statements, discharged the Board members and the President and CEO from liability for the fiscal year 2020, and decided on the payment of dividend, the composition of the Board of Directors and their remuneration and the election of the auditor and its remuneration. Further, the Annual General Meeting 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. In addition, the Annual General Meeting adopted the Company's Remuneration Report for governing bodies. All of the documents related to the Annual General Meeting are available on the Company's website at [www.nokiantyres.com/company/investors](http://www.nokiantyres.com/company/investors).

The Annual General Meeting for 2022 will take place on April 28, 2022 at 10:00 a.m. EET.

dealt with by the General Meeting, if the shareholder so demands in writing from the Board of Directors well in advance of the General Meeting, so that the matter can be mentioned in the notice to the meeting. The shareholder shall submit the request for having a matter to be dealt with by the General Meeting by the date indicated on the Company's website.

The Articles of Association state that the notice of a General Meeting shall be published on the Company's website. In addition, the Company publishes the notice of a General Meeting as a stock exchange release. The invitation lists the agenda of the meeting.

The Company's Articles of Association are available on the Company's website at [www.nokiantyres.com/company/investors/](http://www.nokiantyres.com/company/investors/).

Shareholders are entitled to participate in the General Meeting if they are registered in the Company's shareholders' register, maintained by Euroclear Finland Oy, 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.

According to the Corporate Governance Code 2020, the Chairman of the Board, the Board members and the President and CEO must be present at the General Meeting, and the auditor must be present at the Annual General Meeting. Board member candidates must be present at the General Meeting deciding on their election.

### Shareholders' Nomination Board

The Company's Shareholders' Nomination Board (the "Nomination Board") was established 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, Chairman and possible Deputy Chairman of the Board and the remuneration of the members of the Board and the Board committees. In addition, the Nomination Board seeks prospective successor candidates for the members of the Board.

The Nomination Board consists of five members of which four members represent the Company's four largest shareholders who on the first banking day of June each year are the largest shareholders as determined on the basis of the shareholders' register of the Company maintained by Euroclear Finland Ltd. and wish to nominate a member to the Nomination Board. The fifth member of the Nomination Board is the Company's Chairman of the Board. Proposals that have been supported by at least three members of the Nomination Board, shall constitute the proposals of the Nomination Board.

The Nomination Board is established to operate until abolished by the decision of the General Meeting. The term of the members of the Nomination Board shall end upon the nomination of the following Nomination Board in accordance with the Charter of the Nomination Board. 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 2021:

- Antti Mäkinen (CEO, Solidium Oy), appointed by Solidium Oy
- Heikki Westerlund (board professional), appointed by Bridgestone Corporation
- Mikko Mursula (Chief Investment Officer, Ilmarinen Mutual Pension Insurance Company), appointed by Ilmarinen Mutual Pension Insurance Company
- Kalle Karppinen (Head of Research, Nordic Equities, Nordea Investment Management), appointed by Nordea Funds
- Jukka Hienonen, Chairman of the Board, Nokian Tyres plc

During its tenure, the Nomination Board had five meetings and all members participated in all meetings.

The proposals by the Nomination Board to the Annual General Meeting 2022 were published on January 21, 2022.

The Charter of the Nomination Board is available at [www.nokiantyres.com/company/investors/corporate-governance/shareholders-nomination-board/](http://www.nokiantyres.com/company/investors/corporate-governance/shareholders-nomination-board/).

### Board of Directors

#### Operation of the Board of Directors

The Board is responsible for the Company's corporate governance and the appropriate organization of its operations pursuant to the Finnish Limited Liability Companies Act and other regulations.

The Board 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 are defined in the Finnish Limited Liability Companies Act, the Articles of Association, and the Board's 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
- Organization of financial control.

In addition, as defined in the Board charter, the Board deals with, and decides on, matters of principle as well as issues that carry financial and business significance, such as:

- Group strategy and financial objectives
- The Group's action, 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
- Appointing Board committees
- Monitoring and evaluating the actions of the President and CEO

The Company has a separate Audit Committee and a Personnel and Remuneration Committee.

The President and CEO is in charge of ensuring that the Board members have the necessary and sufficient information on the Company's operations. The Board assesses its activities and operating methods by carrying out a self-evaluation once a year. Members of the Board and the President and CEO will not participate in making a decision where the law states that they must be disqualified.

### Composition of the Board

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 for the General Meeting is prepared by the Nomination Board. The number of Board members and the composition of the Board 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 a sufficient amount of time for the Board duties.

Members of the Board 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 end of the next Annual General Meeting. In 2021, the Annual General Meeting appointed the Chairman and the Deputy Chairman from among the Board members upon the proposal by the Nomination Board. The remuneration payable to the Board members is also decided at the Annual General Meeting based on the proposal by the Nomination Board.

### Information on the Board members

The Annual General Meeting on March 30, 2021 elected nine Board members. The Board members Heikki Allonen, Jukka Hienonen, Raimo Lind, Veronica Lindholm, Inka Mero, George Rietbergen and Pekka Vauramo were re-elected. Kari Jordan was no longer available for re-election. It was resolved to elect Christopher Ostrander and Jouko Pölönen as new members of the Board of Directors. The Annual General Meeting appointed Jukka Hienonen as the Chairman and Pekka Vauramo as the Deputy Chairman of the Board.



**Jukka Hienonen,**  
**Chairman of the Board** (b. 1961)

Member of the Board since 2020. Member of the Personnel and Remuneration Committee. Member of the Shareholders' Nomination Board.

Education: Master of Science (Economics)  
Main occupation: Professional board member

Key experience:  
2010–2014 SRV Plc, CEO  
2005–2010 Finnair Plc, CEO  
1995–2005 Stockmann Plc, Deputy CEO  
2000–2005, Director 1995–2000  
1991–1995 Timberjack Oy, VP Marketing  
1985–1991 Kaukomarkkinat Oy, Director  
1988–1991, Representative, Moscow  
1986–1988

Key positions of trust:  
Chairman of the Board: Juuri Partners Oy



**Pekka Vauramo,**  
**Deputy Chairman of the**  
**Board** (b. 1957)

Member of the Board since 2018. Member of the Personnel and Remuneration Committee.

Education: Master of Science (Technology)  
Main occupation: President and CEO, Metso Outotec Corporation

Key experience:

2020– Metso Outotec Corporation, President and CEO  
2018–2020 Metso, President and CEO  
2013–2018 Finnair Plc, President and CEO  
2007–2013 Various management positions at Cargotec  
1995–2007 Various management positions at Sandvik AB  
1985–1995 Various management positions at Tamrock Corporation



**Heikki Allonen** (b. 1954)

Member of the Board since 2016. Member of the Audit Committee.

Education: Master of Science (Technology)  
Main occupation: Professional board member

Key experience:

2008–2016 Patria Oyj, President and CEO  
2004–2008 Fiskars Corporation, President and CEO  
2001–2004 SRV Group Plc, President and CEO  
1992–2001 Wärtsilä Oyj, VP, Corporate Development, Member of the Board of Management  
1986–1992 Oy Lohja Ab/Metra Oy Ab, Management positions

Key positions of trust:

Vice Chairman of the Board: VR Group Oy and Savox Oy Ab  
Member of the Board: NRC Group ASA and Helsingin Satama Oy



**Raimo Lind** (b. 1953)

Member of the Board since 2014. Chairman of the Audit Committee.

Education: Master of Science (Economics)  
Main occupation: Professional board member

Key experience:

2005–2013 Wärtsilä Corporation, Senior Executive Vice President and deputy to the CEO  
1998–2004 Wärtsilä Corporation, CFO  
1992–1997 Tamrock Oy, Coal division president, Service division president, CFO  
1990–1991 Scantrailer Ajoneuvoteollisuus Oy, Managing Director  
1976–1989 Wärtsilä, Service division, Vice President; Wärtsilä Singapore Ltd, Managing Director; Wärtsilä Diesel division, Vice President Group Controller



**Veronica Lindholm** (b. 1970)

Member of the Board since 2016. Chairman of the Personnel and Remuneration Committee.

Education: Master of Science (Economics)  
Main occupation: CEO, Indoor Group Oy

Key experience:

2020– Indoor Group Oy, CEO  
2015–2019 Finnkino Oy, CEO  
2013–2015 Mondelez Finland, CEO  
2009–2013 Walt Disney Company Nordic, VP, Chief Marketing Officer  
2008–2009 Walt Disney Studios, Head of Digital Distribution EMEA  
2000–2008 Walt Disney International Nordic, Marketing Director

Key positions of trust:

Member of the Board: Finland Chamber of Commerce



**Inka Mero** (b. 1976)

Member of the Board since 2014. Member of the Audit Committee.

Education: Master of Science (Economics)  
Main occupation: Managing Partner & Founder, Voima Ventures VC Fund

Key experience:

2019– Voima Ventures I & II VC Fund, Managing Partner & Founder  
2008– KoppiCatch Oy, Co-founder and Chairwoman  
2016–2019 Pivot5 Oy (Industryhack Oy), Co-founder and Chairwoman  
2006–2008 Playforia Oy, CEO  
2005–2006 Nokia Corporation, Director  
2001–2005 Digia Plc, VP, Sales and Marketing  
1996–2001 Sonera Corporation, Investment Manager

Key positions of trust:

Chairman of the Board: KoppiCatch Oy, Voima Ventures Oy, KuvaSpace Oy and Adamant Health Oy  
Member of the Board: Fiskars Corporation Plc, Betolar Plc, Dispelix Oy, Elfys Oy and Tactotek Oy

Advisor/Working group member: Musti Group plc, Finnish Center of Artificial Intelligence, Expert group for Sustainable Economic Growth assigned by the Ministry of Economic Affairs



**Christopher Ostrander** (b. 1968)

Member of the Board since 2021.

Education: B.Sc. (Mechanical Engineering); M.Sc. (Engineering Management); MBA  
Main occupations: CEO/Managing Partner, Premier Staffing Solution, LLC; Partner/Chairman, Kensington Hill Capital, LLC; Partner/Chairman, Cornerstone Consulting Organization, LLC

Key experience:

2020– CEO/Managing Partner, Premier Staffing Solution, LLC  
2017– Partner/Chairman, Kensington Hill Capital, LLC; Partner/Chairman, Cornerstone Consulting Organization, LLC  
2016–2018 CEO and Advisory Board Chairman, Family Office of Gardner & Sons  
2015–2016 President and Chief Executive Officer, AP Exhaust Technologies

2011–2015 Senior Vice President and President, Americas Operations, Cooper Tire & Rubber Company  
2004–2010 Vice President/General Manager and Vice President of Sales/Marketing, Eaton Corporation  
1998–2004 Vice President of Sales/Marketing (Distributor Network), The BOC Group  
1991–1997 Captain, United States Army Corps of Engineers

Key positions of trust:

Kensington Hill Partners II, LLC, and Kensington Hill Capital, LLC, Chairman of the Board  
Cornerstone Consulting Organization, LLC, Chairman of the Board  
Tamarind Hill Management, LLC Limited Partner Advisor  
University of Findlay, Member of Board of Trustees, Chairman of the Board of Trustees



**Jouko Pölönen** (b. 1970)

Member of the Board since 2021. Member 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 experience:

2018– President and CEO, Ilmarinen Mutual Pension Insurance Company  
2013–2018 President and CEO, OP Corporate Bank plc  
2014–2018 President and CEO, Helsinki Area Cooperative Bank  
2011–2014 President, Pohjola Insurance Ltd, A-Insurance Ltd and Eurooppalainen Insurance Company Ltd  
2009–2010 Chief Financial Officer, Pohjola Bank plc  
2001–2008 Chief Risk Officer, Pohjola Bank plc  
1993–2001 Auditor, Authorized Public Accountant since 1999, PricewaterhouseCoopers Ltd

Key positions of trust:

Chairman of the Board: The Finnish Pension Alliance TELA and The Finnish Foundation for Share Promotion  
Member of the Board: The Employment Pension Executive Committee, Finance Finland FFI and Suomen Laatu yhdistys ry



**George Rietbergen** (b. 1964)  
Member of the Board since 2017.

Education: Master of Business Administration  
Main occupation: CEO, Koninklijke Oosterberg

Key experience:  
2021– Koninklijke Oosterberg, CEO  
2017–2020 5Square Committed Capital, Partner  
2016–2017 Nokian Tyres plc, Advisor to the Board  
2015–2016 Arriva Netherlands, COO  
2013–2015 Goodyear Dunlop Tyres, Group Man. Director DACH  
2012–2013 Goodyear Dunlop Tyres EMEA, Vice president Commercial Tyres  
2010–2012 Goodyear Dunlop Tyres, Group Man. Director UK & Ireland  
2001–2010 Goodyear Dunlop Tyres EMEA, Director Retail and eBusiness  
1998–2001 KLM Royal Dutch Airlines, director eBusiness

### Independence of the Board members

Pursuant to the recommendation of the Corporate Governance Code 2020, the Board assesses the independence of its members annually. According to the Board's estimate, all Board members are independent of the Company and its major shareholders.

### Shares owned by Board members and their controlled corporations December 31, 2021

Nokian Tyres holdings of the Company's current Board members	Number of shares
Jukka Hienonen, Chairman	17,367
Pekka Vauramo, Deputy Chairman since March 30, 2021	3,341
Heikki Allonen, Member	4,249
Raimo Lind, Member	7,379
Veronica Lindholm, Member	4,249
Inka Mero, Member	5,642
Christopher Ostrander, Member	632
Jouko Pölönen, Member	1,232
George Rietbergen, Member	3,586
<b>Total</b>	<b>47,677</b>

### The Board members' attendance at meetings and at making resolutions without a meeting (per capsulam)

The Board convened a total of 10 times and made once resolutions without a meeting (per capsulam) in 2021.

Attendance at meetings / per capsulam resolutions by the Company's Board members in 2021	Attendance/ meetings or per capsulam resolutions
Jukka Hienonen, Chairman	11/11
Kari Jordan, Member and Deputy Chairman until March 30, 2021	2/11
Pekka Vauramo, Deputy Chairman since March 30, 2021	10/11
Heikki Allonen, Member	11/11
Raimo Lind, Member	11/11
Veronica Lindholm, Member	11/11
Inka Mero, Member	11/11
Christopher Ostrander, Member (since March 30, 2021)	9/11
Jouko Pölönen, Member (since March 30, 2021)	9/11
George Rietbergen, Member	10/11

### Diversity of the Board of Directors

The Company sees diversity as a success factor enabling the achievement of Nokian Tyres' strategic goals and business growth. In practice, diversity means different factors such as gender, age, nationality, and the complementary expertise of the members, their education and experience in different professional areas and industrial sectors in which the Group mainly operates. Leadership experience and personal competencies are also considered.

The Board shall have no fewer than two representatives from both genders. If two candidates are equally qualified, the candidate from the minority gender has priority. This goal has been met in the current Board. The Board members have significant experience in industry, consumer business and financial management, among other things. The status and progress of diversity is monitored by the Shareholders' Nomination Board. The principles concerning the selection of the Board and its diversity are visible on the Company's website at [www.nokiantyres.com/company/investors/](http://www.nokiantyres.com/company/investors/).

### Committees of the Board

The Board will decide on the committees and their chairpersons and members each year at its constituent meeting. In 2021, the Board had two committees: the Personnel and Remuneration Committee and the Audit Committee. 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 Personnel and Remuneration Committee must be independent of the Company. 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 President and CEO and the other members of the Group Management Team cannot act as members of the Personnel and Remuneration Committee.

### Personnel and Remuneration Committee

The Personnel and Remuneration Committee prepares a proposal to the Board on the Company's President and CEO and on the salary and other incentives paid to the President and CEO. The Personnel and Remuneration Committee also prepares a proposal to the Board on the nominations, salaries and other incentives of the Group Management Team members. This committee also reviews and submits a proposal to the Board on the allocation and criteria of the Nokian Tyres share-based incentive plans, and on the other incentive plans. In addition, the key duties of the Personnel and Remuneration Committee include the preparation of the remuneration policy and the remuneration report for the Board and the President and CEO in accordance with applicable laws and regulations. The committee has no independent decision-making power; collective decisions are made by the Board, which is responsible for carrying out the tasks assigned to the committee.

In 2021, the members of the Personnel and Remuneration Committee until March 30, 2021 were Kari Jordan (Chairman), Jukka Hienonen and Veronica Lindholm, and from there onwards Veronica Lindholm (Chairman), Jukka Hienonen and Pekka Vauramo.

The committee assembled four times in 2021.

All committee members are independent of the Company and of all major shareholders in the Company.

### Audit Committee

The Audit Committee assists the Board of Directors in its regulatory duties and reports to the Board. The committee has no independent decision-making power; collective decisions are made by the Board, which is then responsible for carrying out the tasks assigned to the committee.

According to the committee charter, the 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. The committee follows and assesses the reporting process for financial statements as well as any significant changes in the recording principles and the items valued in the balance sheet. The committee also 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. The committee 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. Furthermore, the committee handles the auditor's report and possible audit minutes as well as the supplementary report presented by the auditor to the committee. The committee prepares the draft resolution on selecting the auditor. In addition, the Audit Committee 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. The Audit Committee must have the expertise and experience required for its tasks.

In 2021, the members of the Audit Committee were Raimo Lind (Chairman), Heikki Allonen, Inka Mero, Pekka Vauramo

(until March 30, 2021) and Jouko Pölönen (since March 30, 2021). As a general rule, the Company's chief auditor participates in the committee's meetings.

The committee assembled five times in 2021.

All committee members are independent of the Company and of all major shareholders in the Company.

### The attendance of Board members at committee meetings in 2021

	Personnel and Remuneration Committee	Audit Committee
Jukka Hienonen	4/4	
Kari Jordan (until March 30, 2021)	1/4	
Pekka Vauramo (at Personnel and Remuneration Committee since March 30, 2021 and at Audit Committee until March 30, 2021)	3/4	1/5
Heikki Allonen		5/5
Raimo Lind		5/5
Veronica Lindholm	4/4	
Inka Mero		5/5
Christopher Ostrander (since March 30, 2021)		
Jouko Pölönen (since March 30, 2021)		4/5
George Rietbergen		

### President and CEO and his/her duties

The President and CEO conducts the Group's business and manages the Company 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. The President and CEO prepares the Company's strategy and objectives for the Board of Directors. The President and CEO is also responsible for implementing the approved strategy and plans. The President and CEO is responsible for ensuring the legal compliance of the Company's bookkeeping and for arranging reliable asset management. The President and CEO is elected by the Board of Directors. Jukka Moisio has been the Company's President and CEO since May 27, 2020.

### Jukka Moisio (b. 1961)

Education: Master of Science (Economics), MBA

Position: President and CEO since May 27, 2020

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:

Chairman of the Board: Paulig Oy and Sulapac Oy

Member of the Board: Atria Oyj and Metsä Board Corporation

### Nokian Tyres holdings of the President and CEO and controlled corporations, December 31, 2021

	Number of shares
Jukka Moisio, President & CEO	18,000

### 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, and for discussing matters that involve substantial financial or other impacts, such as corporate transactions and organization changes. 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 11 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, 2021



**Jukka Moisio** (b. 1961)

- President and CEO
- Master of Science (Economics), Master of Business Administration
- Number of Shares 18,000



**Andrey Pantyukhov** (b. 1972)

- Russia, Asia and Global Marketing
- Master of Business Administration
- Number of Shares 34,359



**Päivi Antola** (b. 1971)

- Corporate Communications and Investor Relations
- Master of Arts, CEFA
- Number of Shares 1,264



**Anna Hyvönen** (b. 1968)

- North America, Nordics and Vianor
- Licentiate of Science (Technology)
- Number of Shares 14,715



**Adrian Kaczmarczyk** (b. 1971)

- Supply Operations
- Dipl. Ing. Engineering, Master of Business Administration
- Number of Shares 0



**Teemu Kangas-Kärki** (b. 1966)

- CFO
- Master of Science (Economics and Business Administration)
- Number of Shares 7,014



**Jukka Kasi** (b. 1966)

- Products and Innovations
- Master of Science (Technology)
- Number of Shares 4,420



**Bahri Kurter** (b. 1966)

- Central Europe
- Master of Arts (Economics)
- Number of Shares 0



**Päivi Leskinen** (b. 1965)

- Human Resources
- Master of Social Sciences
- Number of Shares 0



**Manu Salmi** (b. 1975)

- Heavy Tyres and Nokia factory
- Master of Military Sciences, Master of Science (Economics), Master of Business Administration
- Number of Shares 16,601

More detailed information concerning the Group's Management Team is available on the Company's website at [www.nokiantyres.com/company/investors/corporate-governance/the-groups-management-team/](http://www.nokiantyres.com/company/investors/corporate-governance/the-groups-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 Company's 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. The Group has defined group-level policies and instructions for the key operative units specified below in order to ensure efficient and profitable Company operations.

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, Other Europe, North America, Russia and Asia. 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.

Subsidiaries are responsible for their daily operations and administration. They report to the director responsible for

the said business area, while the Vianor chain reports to the director of the Vianor business unit.

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. The Company's 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 is responsible for organizing financial administration and reporting processes and the internal control thereof. The parent company's 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 personnel immediately after the stock exchange releases have been published.

#### Investor 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.

#### Risk management

The Group has adopted a risk management policy, approved by the Board of Directors, which supports the

achievement of strategic goals and ensures continuity of business. The Group's risk management policy focuses on managing both the risks pertaining to business opportunities and the risks affecting the achievement of the Group's goals in the changing operating environment.

The risks are classified as strategic, operational, financial and hazard risks. Strategic risks are related to customer relationships, competitors' actions, political and legislative risks, reputation, country risks, brand, product development, climate change and sustainability risks and investments. Operational risks arise as a consequence of shortcomings or failures in the Company's internal processes, actions by its personnel or systems, contractual risks, risk of non-compliance, or external events, such as unforeseen changes in the operating environment, cyber and information security, management of the supply chain, or changes in raw material prices. Financial risks are related to fluctuations in interest rate and currency markets, liquidity and refinancing, and counterparty and credit risks. Hazard risks arise from property loss or business interruption, shortcomings or failures in employee safety or environmental management systems.

The most significant risks are related to consumer confidence and macro-economic and geopolitical conditions. Political uncertainties may cause serious disruption and additional trade barriers and affect the Company's sales and credit risk. The tire market is evolving to meet changing consumer needs. Failure to

innovate and develop new products and services or to adapt to the changes in the sales channel or new technologies could have an adverse effect on the financial performance. Unexpected production or delivery breaks at production facilities, interruptions in logistics or lack of resources could have a significant impact on peak season sales. Tire industry can be subject to risks caused by climate change, such as changes in consumer tire preferences, regulatory changes or impact of extreme weather events on natural rubber producers. Nokian Tyres' risk analysis pays special attention on corporate social responsibility risks. Analyses and projects related to information security and data protection are continuously a special focus area.

The risk management process aims to identify and evaluate the risks, and to plan and implement the practical measures and continuous monitoring for each risk. Among others, such measures may include avoiding the risk, reducing it in different ways or transferring the risk through insurance policies or agreements. Control functions and measures are verification or back-up procedures applied to reduce the risks and ensure the completion of the risk management measures.

Responsibility for identifying, evaluating and to large extent, managing risks is delegated to business units, business areas and functions. Treasury is responsible for developing and maintaining risk management processes, methods and tools. Assisted by the Audit Committee, the Company's Board of Directors monitors and assesses the efficiency of

the Company's risk management mechanisms and monitors the assessment and management of risks related to the Company's strategy and operations. The Audit Committee monitors that the risk management actions are in line with the risk management policy. Issues raising in risk analysis are noted in the development of processes, compliance and control, and in Internal Audit planning. The Company's Board of Directors discusses the most significant risks annually.

#### **IV Other information provided**

##### **Internal audit**

The Group's 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 whose aim is to help the organization to achieve its goals. The principles for internal audit have been confirmed in the internal audit's charter approved by the Board of Directors.

The Group's Internal Audit function is managed by the Chief Audit Executive (CAE), who works under the Board of Directors. The focus areas for internal audit are approved by the Board of Directors each year. The audit assignments are based on the key strategic focus areas of the Company's operations and the risks involved. The operation of Internal Audit covers all business activities, functions and processes within the Nokian Tyres Group. The CAE reports on their findings and the agreed further actions to the Audit Committee, the

Board of Directors, the President and CEO, the Chief Financial Officer and the management of the Company. The Company's Board of Directors follows and monitors the efficiency of the Internal Audit.

In 2021, Internal Audit focused on assessing, among other things, the operations, controls and risks of various business areas and country organizations, corporate governance arrangements, risk management, corporate sustainability and information security matters as well as specific misconduct risks and cases and the management of the COVID-19 pandemic in the Group. The Internal Audit function at Vianor focuses on guiding the retail outlets and ensuring conformity to the Vianor activity management system, and reports to the CAE and to the country managers.

##### **Related party transactions**

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 Group'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 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 Financial Review. 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 Company's 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 and provided in the Financial Review.

##### **Insider management**

The Company 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 as well as include instructions on insiders and insider administration.

Project-specific insider lists are drawn up of people involved in insider projects of the Company. Persons with insider information are not allowed to trade in the Company's financial instruments until the project has become void or been published. Those entered into the project-specific list of insiders are notified of their entry into the said list and the duties it entails, as well as the termination of the insider project.

The Company maintains a separate list of people in managerial positions and their related persons. In 2021, the persons holding executive positions in the

Company, as defined in the Market Abuse Regulation, were the members of the Board of Directors, the President and CEO and the Chief Financial Officer.

Persons holding managerial positions within the Company are allowed to trade in the Company's financial instruments only for 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 prohibition on trading mentioned hereinabove also applies to persons who process the financial reporting and forecasts of the Nokian Tyres Group.

The Group General Counsel for Nokian Tyres is responsible for the overall management of insider matters in the Company and the related communication (limitations on trade, obligations to announce and publish management transactions). The Group General Counsel checks the information for the persons holding executive positions and their related persons at least once per year. The Chief Financial Officer is the Group General Counsel's substitute for insider matters.

### Whistleblowing

The Company has defined processes that internal and external parties can use to notify of any suspected violations of the Company's insider trading guidelines or other instructions, or of any other malpractices. External parties can use the email address

[whistleblow@nokiantyres.com](mailto:whistleblow@nokiantyres.com), among others. All whistleblowing notifications are investigated promptly in a confidential manner and protecting the identity of the whistleblower as far as possible.

### 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 Company have been drawn up and the accounting and administration of the Company have been managed. The auditor elected at the Annual General Meeting of 2021 is Ernst & Young Oy, authorized public accountants, with Mikko Järventausta, Authorized Public Accountant, acting as the Chief Auditor. The auditor's term of office lasts until the end of the following Annual General Meeting. In addition to his duties under the valid regulations, he reports all audit findings to the Group's management.

The Group's audit fees in 2021 amounted to EUR 659,804 (2020: 602,486). The fees paid to the authorized public accountants for other services totaled EUR 94,282 (2020: 222,158).

### Sustainability

In September 2021, Nokian Tyres introduced new, ambitious non-financial targets. Non-financial targets focus on bringing new environmental and safety innovations to products, reducing CO<sub>2</sub> emissions in line with the Science Based Targets, further improving workplace safety, and monitoring the sustainability

of suppliers. Nokian Tyres will, for example:

- Increase the share of either recycled or renewable raw materials in tires to 50% by 2030
- Reduce CO<sub>2</sub> emissions from both raw materials and tires by 25% between 2018–2030
- Decrease accident frequency (LTIF) yearly by 20%
- Sustainability audit 100% of critical active suppliers by 2025.

All non-financial targets can be found at [www.nokiantyres.com/company/sustainability/fundamentals/our-targets-and-achievements/](http://www.nokiantyres.com/company/sustainability/fundamentals/our-targets-and-achievements/).

The Company's sustainability activities are led by a member in the Group's Management Team. The Group's Sustainability Steering Group supervises and monitors the sustainability work within the Group and comprises of senior representatives from Supply Chain, Products & Innovations, Finance, Human Resources and Communications. The duties of all supervisors include day-to-day leadership of sustainability. Targets, milestones, development items, and other key topics are discussed by the Management Team at least twice a year, and at least once a year by the Board of Directors.

In 2021, a new steering group was formed focusing on actions and situation on greenhouse gas (GHG) emission reduction. Steering group includes members from the Group Management Team, functional management and directors of the factories in Finland, Russia and the US.

Sustainability working group comprises finance, purchasing, communication, environment, quality, consumer, customer service, and HR experts. The working group's main task is to design and promote measures for improving sustainability. Each unit's management team is responsible for implementing the measures according to their unit strategy.

Safety Management working group, which comprises safety experts and management representatives, works on and tracks the safety aspects.

Environmental working group comprises local environmental representatives from factory locations, who manage compliance with environmental legislation and chemical safety.

Energy Efficiency working group promotes the means for improving energy efficiency and focus in particular on improvement actions in all tire factories.

Sustainable Purchasing working group develops and guides the supply chain sustainability.

Product Development creates safer and eco-friendlier products by reducing rolling resistance, for example.

HR, Communication, and Risk Management support the work for improving the safety culture and implementing changes in the Nokian Tyres Group.

Safety and health are an integrated part of department and team meeting practices. Globally safety and health related KPI's and actions are followed by the Global Safety team and HR. Environmental representatives and other local working groups focus on improving

the everyday sustainability work. Each Nokian Tyres' employee is responsible for working and acting ethically.

**Environmental management**

Environmental management is guided by the Code of Conduct approved by the Board of Directors as well as Environmental, Safety and Quality Policy approved by the President and CEO.

The activity management system at the Nokian Tyres Group is based on the ISO 9001, IATF 16949, ISO 14001, ISO 45001, and ISO 17025 standards and meets applicable regulations and customer demands. The Company is also committed to follow the UN Global Compact principles.

The goal of Nokian Tyres is to manage the environmental impacts of its products over their entire life cycle and address the safety and quality aspects of the Company's operations in a comprehensive and systematic manner. The activity management system that covers the environmental aspects, safety, and quality serves as a key tool for this purpose. The Company's operations manual is ISO 14001 compliant in terms of the environmental aspects and ISO 9001 compliant as regards quality. Environmental Protection procedure guides environmental protection efforts.

Environmental targets are specified in the Company's sustainability strategy, which is drawn up for a period of five years and updated annually. Vice President, Quality & Sustainability is involved in drawing up the strategy along with the Environmental and Responsibility Manager, who reports to the Vice

President. Working together with environmental experts in Finland, US and Russia, the Environmental and Responsibility Manager prepares an annual environmental program for the factories. The program specifies the detailed targets, actions, schedules and responsible persons for the goals presented in the strategy. In addition, individual units have their own projects for developing the operations and processes.

The development of environmental aspects is reviewed at the meetings of the Group Management Team.

Sustainability efforts at the Nokian Tyres Group are coordinated by the Environmental and Responsibility Manager. Environmental and chemical safety and sustainability aspects belong to the Quality and Sustainability unit, and the overall efforts are coordinated globally by Vice President, Quality & Sustainability together with Senior Vice President, Supply Operations.

The goals of quality and sustainability management are accident prevention, uninterrupted production, ensuring high quality and good corporate citizenship in all areas of operation.

Environmental experts in Finland, US and Russia take care of practical environmental coordination and training, for instance regarding chemicals, emissions, and waste.

**Complaint mechanisms in environmental responsibility**

Nokian Tyres documents the annual environmental impacts of its tire factories, reports them to the local authorities as required in each country, records

feedback to company's own register (KETO) and takes necessary corrective actions.

Nokian Tyres factories' environmental experts in Finland, US and Russia are responsible for these records. The purpose of this practice is to collect the feedback on the status of Nokian Tyres environmental aspects and consider stakeholders' related requests and opinions.

Nokian Tyres has a two-tiered approach to the management of environmental complaint procedures. If the complaint is minor in the scope of Nokian

Tyres' production, an environmental expert handles it independently and/or the manager decides on the necessary course of action.

In case of a larger event, the decision to escalate the matter is taken in Nokia, Finland, by Vice President, Quality & Sustainability, in Vsevolozhsk, Russia, by the Production Director and in Dayton, US, by the Plant Manager and then, if necessary, by the line management.

**MANAGING SUSTAINABILITY AT NOKIAN TYRES**



\*Operating from January 2022