

A romantic couple in winter attire are embracing in a snowy landscape. They stand in front of a rustic cabin with a wooden door and snow-laden eaves. A car wheel with a 'nokia' branded tire is partially visible on the right. The scene is set in a winter environment with snow-covered ground and buildings.

nokian[®]
TYRES

Corporate Sustainability Report 2014

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The PDF version of the 2014 Corporate Sustainability Report is automatically generated based on the website content.

Responsibility affects our every decision

We work relentlessly for safer and more eco-friendly transportation. We care deeply about safety and well-being on the road as well as at work at Nokian Tyres. We build our success together and take into account our interest groups and the environment. We want to operate responsibly and be the world's most profitable tyre company today and in the future.

Our Corporate Sustainability Report 2014 is part of this Corporate Sustainability site. Based on the online report site, a PDF report on the Nokian Tyres' events of the year 2014 is available in the ['Certificates, reports and awards'](#) section.

World on wheels



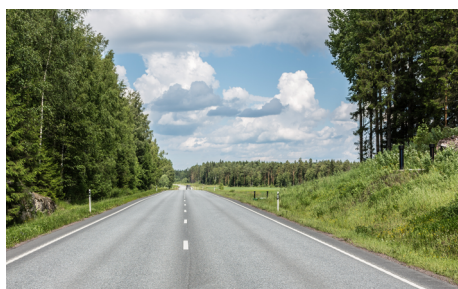
We make products that improve the safety of driving even under demanding conditions.

Finance



A profitable business enables us to further develop our operations and it offers financial security, work, and well-being for our interest groups.

Planet



Good corporate citizenship is a matter of honour for us. As a socially responsible company, we ensure that our actions do not harm the environment or people but instead promote their well-being. We emphasise the good quality and safety of our products and we are an industry pioneer in environmental issues.

People



Internal entrepreneurship, shared development of ideas, and active participation all support the development of competence, profitable growth, and strategic implementation.

The competence of our employees ensures sustainability throughout our operations

Last year was a period of significant international events in our key markets. In addition to the developments in Ukraine, the devaluation of the rouble and decline in oil prices affected our business through the Russian economy. Ensuring the well-being of our personnel has been especially important for us now that the political situation is affecting their everyday lives.

In Ukraine, we have supported the purchasing power of our personnel as the local currency has plummeted and, in Russia, our operations have continued as usual despite the changes happening there. This requires a consistent company culture, responsible measures also inside the company and a business strategy that enables us to remain functional under the changing conditions. The Hakkapeliitta Village is a great example of our efforts: under the difficult economic conditions, we enabled a large number of our personnel to live in their own apartment.

The trends of sustainability indicate a growing interest in the origin of products. As an international company, we use more than a hundred different raw material suppliers that all follow the same rules, and all of our suppliers are committed to our purchase terms. In the tyre industry, raw material manufacturing and logistics involve many different parties, and that sets specific challenges for their supervision.

Another challenge in sustainable tyre production is formed by natural rubber, which is an exceptional agricultural product compared to the other raw materials of tyres. Last year we became one of the first major European tyre manufacturers to join the IRSG (International Rubber Study Group). Our membership in this global platform for rubber producers and consumers enables us to contribute to the sustainable development of natural rubber production in the future.

Product development has always been a cornerstone of sustainability in our company. Based on continuous improvement, we develop and produce safer and eco-friendlier tyres that help people drive safely. We have had great success with these goals.

We are a pioneer in product development. Last year, we introduced the Nokian Hakkapeliitta R2, the most energy-efficient winter tyre in the world. The tyre is designed for electric cars, and its low rolling resistance extends the range and reduces emissions. At the same time, we have won most of the independent and professional tyre tests in terms of safety. With premium tyres, we want to improve road safety and fight climate change. We have been at the forefront of safety and eco-friendliness for more than 80 years.



Although manufacturing only contributes to some 10 per cent of a tyre's environmental impact, we are continuously developing our production methods for improving quality and productivity and for minimising our carbon footprint.

Last year, we managed to reduce the waste of material in manufacturing at our two factories by more than 15 per cent compared to the previous year. The high quality of our production is also demonstrated by the record low number of returns and customer complaints for both of our factories. Premium quality and state-of-the-art products help our customers drive more safely and reduce unnecessary environmental impacts. It is also noteworthy that, compared to the previous year, occupational safety improved throughout the group by some 20 per cent when measured with the accident frequency rate.

We also purchased a share of a new biomass power plant, which will be built in Nokia. It will help us significantly reduce the CO₂ emissions of our Nokia factory in the future.

Demanding conditions set special requirements for tyres in terms of safety, and we provide the end users of our tyres with service also during the purchase and installation of tyres. Currently, our Vianor chain and the Nokian Tyres Authorized Dealers (NAD) network serve our customers in 34 countries. When any of our Vianor outlets installs and services tyres, we always check the tyre pressure in order to ensure safety and reduce CO₂ emissions.

Last year, we made good progress with the implementation of our Supplier Code of Conduct in the Vianor chain, which enables us to ensure sustainability at all levels.

All of this is made possible by the continuous training of our personnel and our guiding principle, the Hakkapeliitta Way, which communicates to our partners and customers an experience of true sustainability.

In line with true Hakkapeliitta Spirit, we leave no one behind, and this extends to our partners and the environment. Doing the right thing makes us feel good. To us, this is the only sensible way to ensure that we can continue our success also in the future.

I hope you enjoy our report,

Ari Lehtoranta
President and CEO

Expert in Northern conditions

Nokian Tyres designs and manufactures safe tyres for demanding conditions, while respecting environmental values. As the northernmost tyre manufacturer in the world, we work relentlessly for safer, more comfortable, and eco-friendly transportation – year-round. Our special Nordic expertise brings with it the ability to value and understand nature and its peculiarities.

Our reliable and innovative tyres for passenger cars, lorries, and heavy machinery are primarily intended for areas with snow, forest, and demanding driving and operating conditions due to changing seasons. We tailor our products to different conditions, which is a unique approach in the tyre industry. The rough roads and extreme weather conditions of the north require different tyre structures and rubber compounds than the warmer climate in Southern Europe, for example.

Nokian Hakkapeliitta is the leading winter tyre brand in the Nordic Countries and Russia. Our position as the market and price leader is established by our most important competitive advantages: a quality image that is based on decades of user experiences and independent test results, strong distribution network, and competence in logistics.

We mainly sell our products in the aftermarket. Our group includes the Vianor tyre chain, which conducts wholesale and retail operations in our key markets. Nokian Tyres has three factories in Finland and Russia. In 2005–2014, we have invested approximately one billion euro in our factories, and the facilities represent the absolute best in the industry in terms of productivity and quality.

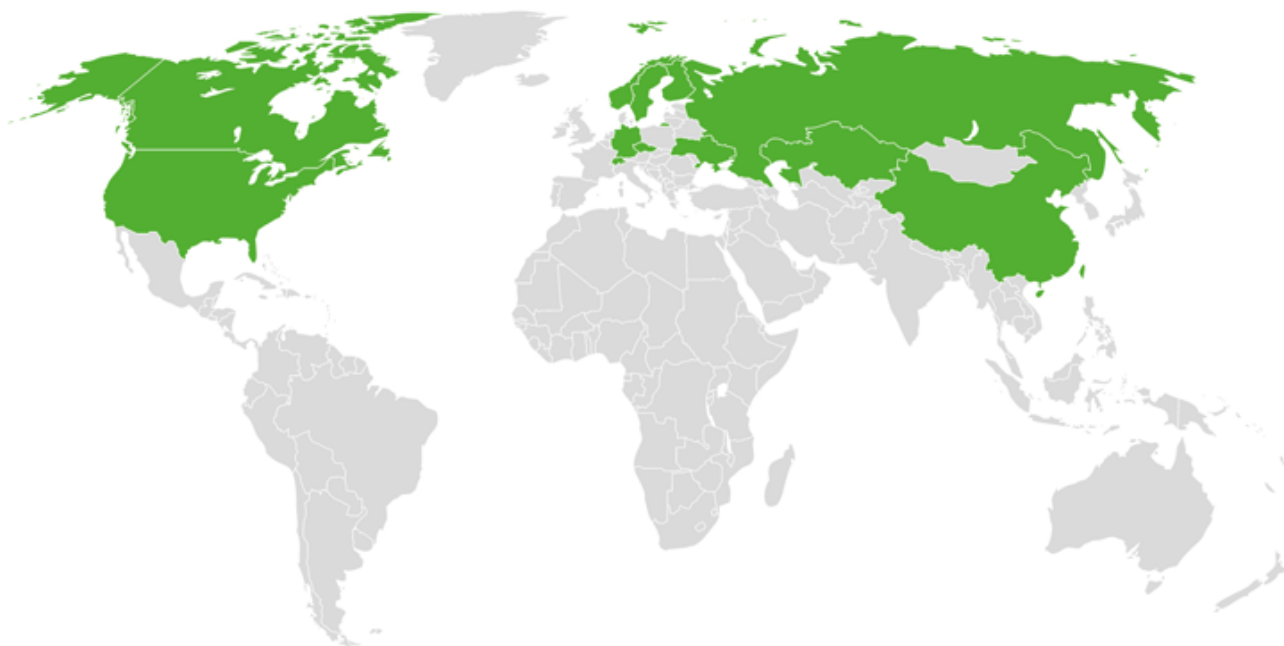
In 2014, Nokian Tyres had over 4,200 employees and net sales of approximately 1.4 billion euros. Nokian Tyres' share is listed on the NASDAQ Helsinki.

[Read more about the company' ownership structure.](#)

More than one hundred years of competence and expertise

The roots of Nokian Tyres go all the way back to 1898, when Suomen Gummitehdas Osakeyhtiö was established. Our factory in Nokia has stood by the Nokianvirta river since 1904. Nokian Tyres Plc was listed on the stock exchange in 1995. The company established its second own production facility in Vsevolozhsk, Russia, in 2005.

In addition to its own production facilities, the company utilises contract manufacturing according to high quality standards. In 2014, contract manufacturing accounted for approximately 3 per cent of the total sales volume. Nokian Tyres has sales companies in Finland, Sweden, Norway, Russia, Ukraine, Kazakhstan, Germany, Switzerland, the Czech Republic, Belarus, Canada, the United States, and China. The company has obtained quality and environmental certification for its production facilities in Nokia and Vsevolozhsk as well as the Swedish sales company.



- *Nokian Tyres products were sold in 61 countries*
- *Russia, Finland, Germany, Sweden and Norway made up 70% of sales*
- *Vianor had 1,355 stores in 27 countries*
- *In Russia a network of approx. 3,600 tyreshops*

The world's first winter tyre, the Kelirengas ("weather tyre"), was developed in 1934 specifically for the Finnish roads, varying terrain, and winter conditions. The first Nokian Hakkapeliitta tyre was developed a few years later based on the Kelirengas. The story of the master of snowy roads has continued for 80 years.

[Learn more about our products under World on wheels.](#)

Responsible tyre sales and diverse service near the customers

Vianor is the largest and most comprehensive tyre chain in the Nordic countries, Russia, and the CIS. At the end of 2014, the chain comprised a total of 1,355 outlets in 27 countries in Nokian Tyres' key markets.

The Vianor outlets sell tyres for passenger cars, delivery vehicles and lorries, as well as heavy tyres.

In addition to the Nokian Tyres products, the chain sells other leading tyre brands and a variety of motoring products, such as rims, batteries, and shock absorbers. Apart from retail sales, Vianor conducts wholesale and fleet customer sales.

Vianor's services include tyre changes and mounting, as well as car servicing and tyre storage, depending on the location. Co-operation between Nokian Tyres' manufacturing and Vianor provides synergy benefits. Advanced data systems improve planning, monitoring, and reporting. Through Vianor outlets, Nokian Tyres can contact the end users and receive valuable information that can be used in the development of services.

The Vianor tyre retail chain spearheads the group's growth in Nokian Tyres' strategically important markets, as well as the partner network Nokian Tyres Authorized Dealers (NAD), comprised of 869 stores contracted at the end of 2014, in 14 Central European countries and China. N-Tyre, a new Nokian Tyres partner network, is operating with 53 stores in Russia and Kazakhstan.

As the leading tyre retail chain in its areas of operation, Vianor is building a basis for the permanent market share of the group's products. The Vianor concept offers several business-friendly

services for entrepreneurs in the Vianor network, including strong brands, training, and technical support. Vianor outlets receive support for marketing and sales promotion, and we can guarantee them quick deliveries especially during peak season.

[Read more about Vianor tyre retail chain from here!](#)

Contact information:

Nokian Tyres plc, Head Office
Pirkkalaistie 7
FI-37100 Nokia
Finland

Hakkapeliitta Way guides our operations

Responsibility is an essential part of our business. More than just words, this means sustainable product development, safe and eco-friendly products, high standards of quality in all areas of operation, and taking different interest groups into consideration. Responsibility is an important part of our management and action plans, and it is reflected in our everyday work and decision making.

Our values lead us to success

Our group employs over 4,000 professionals, who have their own joys and sorrows, dreams, and values.

Inventiveness

WILL TO SURVIVE

We have the skills needed to survive and excel, even in the most challenging circumstances. Our competence is based on creativity and inquisitiveness, and the nerve to question the status quo. We are driven by a will to learn, develop, and create something new.

Entrepreneurship

WILL TO WIN

We thirst for profit, and we are quick and brave. We set ambitious objectives and perform our work with persistence and perseverance. We are dynamic and punctual, and we always make customer satisfaction our first priority.

These are something that we all share: solid faith in our competence and skills, confidence in finding answers together, and respect for hands-on hard work. We never give up, and we will not leave our friends behind. This is what we call the Hakkapeliitta Spirit. It is something very tangible yet difficult to define, still natural, genuine, and real. Frighteningly simple. And impossible to imitate.

Together, we build our success responsibly in the Hakkapeliitta Spirit. The basic elements of the Hakkapeliitta Spirit are our values, which guide and support the implementation of our strategy.



Team spirit**WILL TO FIGHT**

We work in an atmosphere of genuine joy and action. We work as a team, relying on each other and supporting each other, offering constructive feedback when needed. We embrace differences, and we also encourage our team members to individually pursue winning performances.



Strategy of focus areas

Our company exists so that people would have the safest, highest-quality, and most eco-friendly tyres. We want to be the best in everything we do: a pioneer in making safe tyres for demanding conditions, a leader in key markets, the fastest-growing and most profitable tyre company in the world, and a work community with a unique company culture.

Our operations are guided by the group strategy, which acts as a basis for unit strategies, action plans, the measures that we implement, and our management work. By focusing on the following four areas, we can meet our goals and achieve great results.

Northern conditions

We are the only tyre manufacturer in the world focusing on customer needs and products specific to Northern conditions. We market our products in regions where snow, forests, and demanding driving conditions caused by changing seasons occur.

Narrow product segments

Our special expertise in Northern conditions creates added value for our customers. We utilise our special

competence in narrow product segments such as passenger car winter tyres and forestry tyres. Our other main products include light truck and SUV tyres, winter tyres for trucks as well as harbour and mining machinery tyres.

Replacement markets

All of our Nokian Tyres passenger car tyres and approximately 60 per cent of our heavy tyres are sold in replacement markets through special tyre outlets, car dealers, and other companies engaged in the tyre trade.

Efficient distribution

The Vianor chain is spearheading the growth of our company. Direct contact with the consumer gives us valuable information about the wishes and needs of end-users. Efficient distribution ensures successful season management as well as the management of possible risks. We want the users of our products and services to be the most satisfied customers in the world.

Our strategic objectives

- We offer our customers only the best. We know the end users of our tyres as well as their needs and wishes.
- We are the market leader in the Nordic countries. We have the highest customer loyalty and best services in the industry.

- We are market leaders in premium tyres in Russia and the CIS.
- We have a globally strong position in core products.
- We grow through a continuously improving product and service range. Profitable growth requires the constant increase of capacity.
- We grow our profits through high productivity and the best customer processes in the industry.

- Our personnel are skilled and inspired with entrepreneurial attitude. We reach our goals and results by working together.

We have summarised our values, strategy, and goals in this one figure that depicts how we, together, build our success responsibly and further improve our operations every day.



Responsibility through value-based management

Responsibility is a part of our company culture, strategy, and goals. In order to ensure the continuous improvement of responsibility management and our operations, we divided responsibility into five clear categories.

The basis for responsible operations comprises the principles that we implement throughout our business. These principles incorporate our voluntary responsibility commitments and our principles concerning ethical business operations.

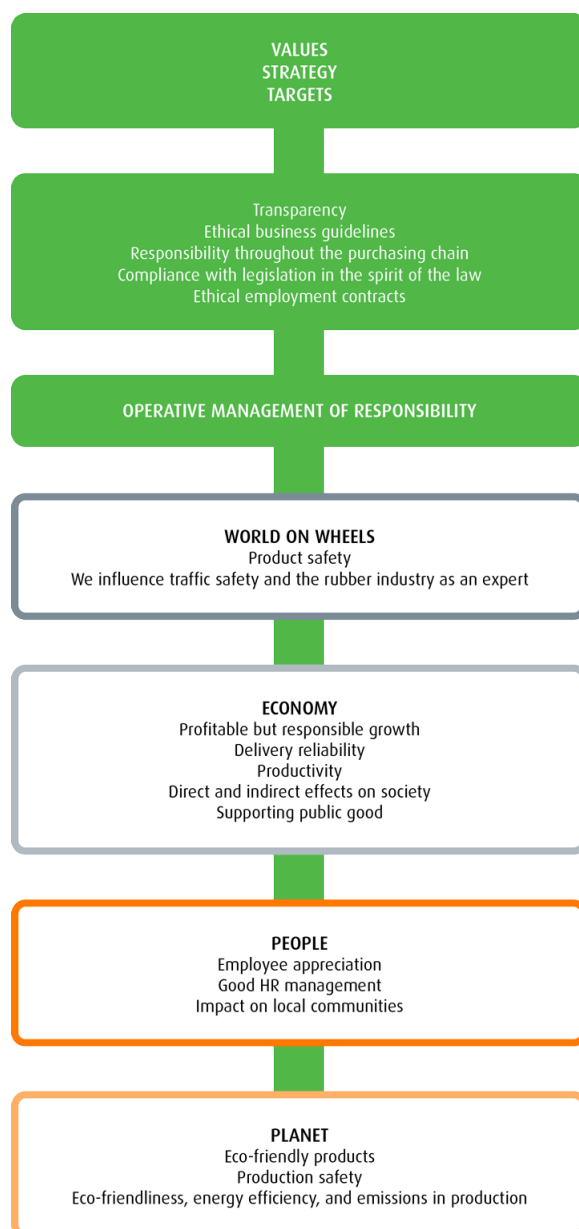
In addition to responsibility management at the group level, our work on responsibility comprises four areas of operative management: World on Wheels, Economy, People, and Planet.

Transparency

As a public company, we follow the statutory requirements and the rules of the stock exchange on the publicity of information which is relevant to the company's business. In order to meet our interest groups' expectations, we follow the principle of transparency in line with the Global Reporting Initiative guidelines and aim at meeting all of the reasonable requirements that our interest groups have on responsibility.

Ethical business guidelines

We follow the board-approved [ethical guidelines](#) in our operations throughout the group. The document has been published in several languages, and it specifies the ethical guidelines for Nokian Tyres' business, instructions for ethical issues and a procedure for the group personnel. Furthermore, the document discusses the enforcement and supervision



of the rules. While local and international documents may include additional instructions, the ethical guidelines establish a strong foundation and we expect all employees to abide by them. This ensures ethical business practices at all of the levels of our operations.

Responsibility throughout the purchasing chain

We follow the principles of the UN Global Compact as well as our own ethical guidelines, which also address the issues of responsibility in the purchasing chain. Furthermore, we require all of our suppliers to adhere to a Supplier Code of Conduct that as well as to have an ISO 9001 certified quality system in place. We also prefer suppliers with valid ISO 14001 certification.

Compliance with legislation in the spirit of the law

We follow the law in letter and spirit in every country of operation.

Ethical employment contracts

We follow the local laws and regulations in every country of operation as well as good Western business practices and the local customs. In addition to the law, our operation must follow the group's internal rules and guidelines. We respect the privacy of our personnel, and employment in our group is always based on clear and unambiguous employment contracts in accordance with the local legislation and any collective agreements.

World on wheels

Product safety is essential for our business. Extreme weather phenomena that are caused by climate change increase the importance of tyre safety and especially contribute to the increased use of winter tyres. As a leading manufacturer of winter tyres, we have a special responsibility for making winter traffic better and safer. We are an expert organisation that influences both traffic safety and the rubber industry.

Economy

We aim to develop our business in order to ensure steady shareholder value and predictable future developments as well as the employment and personal development opportunities for our employees. The salaries and taxes that we pay support the structures of society and improve the quality of life for thousands of people. Furthermore, we focus our production on core products with a good margin and invest in the continuous development of quality, productivity, and logistics. We must be able to produce high-quality products, provide excellent service, and ensure timely deliveries.

People

Our company develops and implements a company culture that promotes fair and equal treatment and respect. Everyone contributes to our profitable growth and success regardless of his or her position. As an internationally expanding company, our impact on our surroundings is increasing and we continue to be a significant employer and developer of local infrastructure.

Environment

In line with the product life cycle approach, our company pays attention to environmental issues already when buying raw materials and designing our products. We work on ensuring the best possible safety, continuous improvement, and sustainable development and aim for zero accidents in all areas of safety. We actively follow the development of environmental and safety regulations in Finland, the European Union, and Russia for anticipating the impacts of the legislation that is being prepared.

A good corporate citizen

As a global operator in a constantly changing environment, it is sometimes challenging to recognise problems, acquire the required information,

and make the right decisions. However, we are committed to supporting good corporate citizenship, sustainable development, and continuous improvement. We want to take care of our interest groups, finances, and environment as well as to produce premium products and provide first rate service.

[Learn more about the different areas of responsibility management and their relevant aspects!](#)

Materiality assessment at Nokian Tyres

Scope, changes and measurement methods of the report

Starting in 2012, we have published sustainability reports in line with the GRI guidelines. The 2014 Corporate Sustainability Report is our company's second GRI G4 compliant report. We publish our Corporate Sustainability Report annually on our website, but it is possible to print out specific sections or the full PDF report.

Our Corporate Sustainability Report meets the CORE level requirements of the GRI G4 guidelines. The publishing platform and the GRI comparison table allow for easy navigation of the report and especially its General Standard Disclosures section.

As the indicators for our group's environmental responsibility are compiled and calculated by the same methods as in our earlier reports, this year's results are comparable to our previous reports. In the social responsibility indicators, the figures for the Vianor chain are combined to cover all the companies in the chain, but the indicators are calculated by the same principles as in the earlier reports. Our reporting covers all the functions of Nokian Tyres plc, excluding the environmental responsibility indicators of Vianor outlets. The indicators for financial responsibility are based on our company's financial statement, which is prepared and presented according to the IFRS standards. The indicators for environmental responsibility are divided between our locations in Nokia and Vsevolozhsk. The EMAS reporting that was previously employed in Nokia has generated the current systems for calculation and data collection.

Reporting period and publication frequency

Based on the online report site, a PDF report on the events of the 2014 fiscal period of Nokian Tyres plc is available in the [Certificates, reports and awards](#) section. The report is part of the Corporate Sustainability site, which may be updated throughout the year.

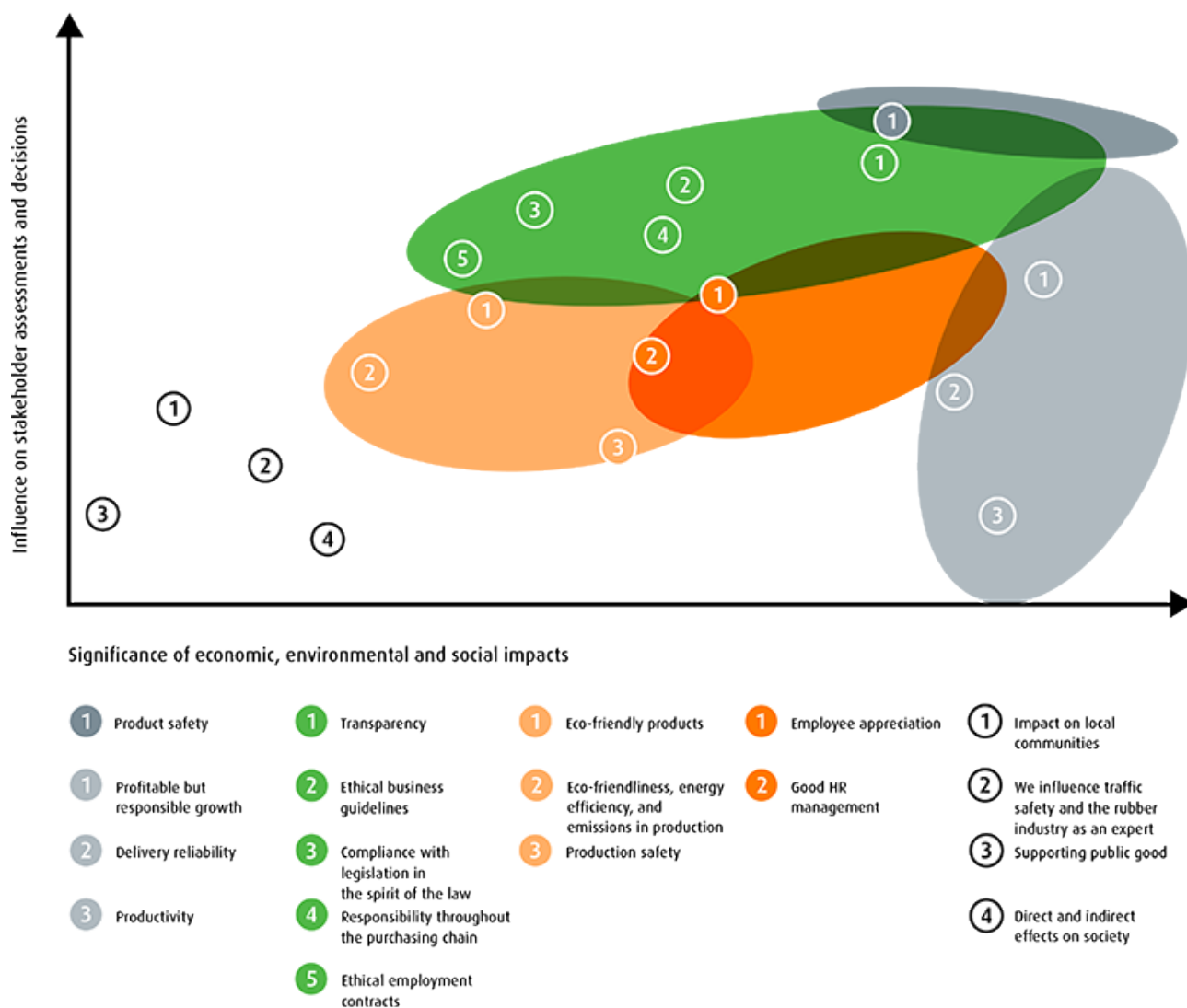
Work on materiality

We revised the focus areas of responsibility in 2012, and at the end of 2013 the Responsibility Advisory Board adjusted the assessment of materiality according to the current situation. We identified 18 special GRI G4 Topics for the company, which the Advisory Board prioritised by utilising the results of our work with interest groups. There were no changes in our work on materiality during the 2014 fiscal period.

Focusing on the important: prioritisation of the relevant matters

The prioritisation of special topics enables us to develop our business, define the focus areas for Corporate Sustainability Reporting and improve our communication on responsibility to interest groups. The identified special GRI G4 Topics are presented in the table below. The horizontal axis describes the relevance to interest groups and the vertical axis describes the significance to Nokian Tyres. Different interest groups may have diverse and conflicting requests and demands and, likewise, their

expectations for the company operations may vary. The table separates the expectations of the interest groups from those of the company instead of looking for synergies. This avoids prioritising topics that are only important for both parties.



Responsibility through value-based management

In order to ensure the continuous improvement of responsibility management and our operations, we divided the special responsibility topics into five categories. These five categories comprise the themes of responsibility for our company.

- **Hakkapeliitta Way** is the theme for principles of responsibility that are seen throughout our operations. It is connected to our company's strategic goals and vision.
- **World on Wheels** comprises our work on product safety and quality as well as our impact on traffic safety and the future of the rubber industry via expert organisations.

- **Finance** focuses on the financial impacts of our operations.

HAKKAPELIITTA WAY

Transparency

As a public company, Nokian Tyres is bound by the statutory requirements and the rules of the stock exchange on the publicity of information which is relevant to the company's business. In order to meet our interest groups' expectations on responsibility, we follow the 'transparency imperative' concept of the Global Reporting Initiative guidelines. Based on this concept, we aim at meeting all of the reasonable requirements that our interest groups have on responsibility. In this respect, Nokian Tyres' communication on responsibility exceeds the minimum communication requirements for public companies.

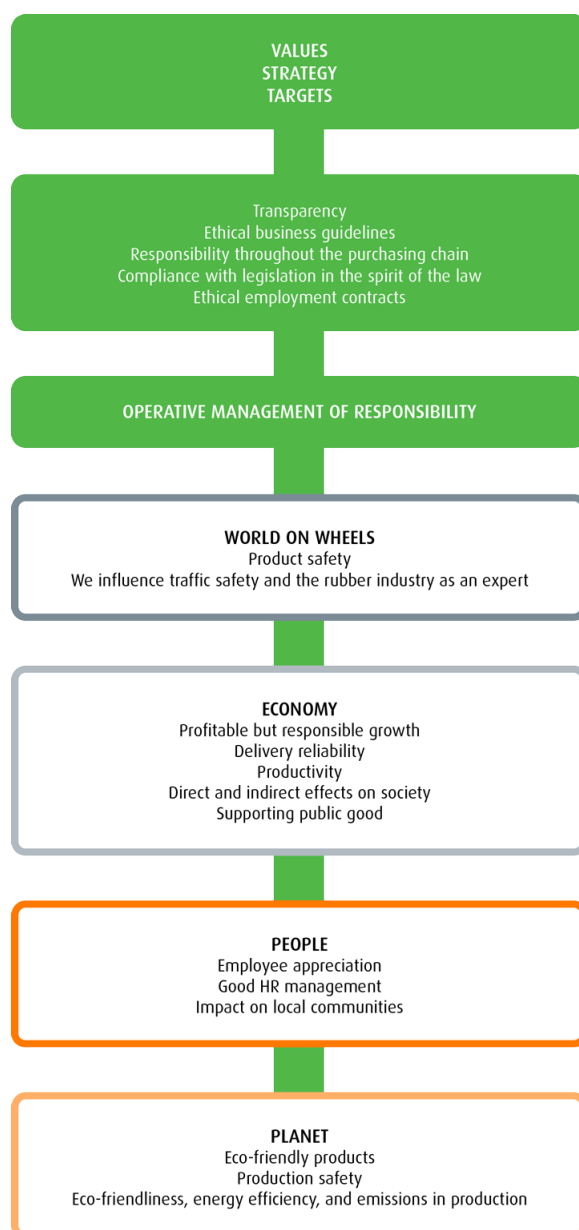
Ethical business guidelines

The board-approved [ethical guidelines](#) guide the operations throughout the Nokian Tyres group. The document has been published in several languages, and it specifies the ethical guidelines for Nokian Tyres' business, instructions for ethical issues and a procedure for the group personnel. Furthermore, the document discusses the enforcement and supervision of the rules. While local and international documents may include additional instructions, the ethical guidelines establish a strong foundation and we expect all employees to abide by them. This ensures ethical business practices at all of the levels of our operations.

Responsibility throughout the purchasing chain

We follow the principles of the UN Global Compact as well as our own ethical guidelines, which also address the issues of responsibility in the purchasing chain. Furthermore, we require all of our suppliers to adhere to a Supplier Code of Conduct that both parties

- **People** form the community around us: our employees and subcontractors around the world.
- **Planet** describes our environmental footprint.



sign as well as to have an ISO 9001 certified quality system in place. We also prefer suppliers with valid ISO 14001 certification or, alternatively, auditing. The basic raw material for tyres is crude rubber. As an agricultural product, it is the livelihood of many families living in countries where the local legislation and working conditions have not been fully

developed. Our purchasing policy oversees the local crude rubber processors and wholesale dealers. We track the implementation of our purchasing policy by auditing and by co-operating with local parties. The Supplier Code of Conduct was implemented also at Vianor in 2013. Our aim is to sign the document with all of our international suppliers and Vianor's importers.

Compliance with legislation in the spirit of the law

We follow the law in letter and spirit in every country of operation. Our ethical guidelines provide every employee with instructions in case they see something in our operation that may conflict with the applicable legislation.

Ethical employment contracts

We follow the local laws and regulations in every country of operation as well as good Western business practices and the local customs. In addition to the law, our operation must follow the group's internal rules and guidelines. We respect the privacy of our personnel, and we handle personal information according to this principle. Employment in Nokian Tyres is always based on clear and unambiguous employment contracts in accordance with the local legislation and any collective agreements. Nokian Tyres' salaries are always equal to or above the statutory local minimum wage. We respect our employees' right to organise and we co-operate with the appointed representatives of trade unions.

WORLD ON WHEELS

Product safety

Product safety is the most important area of responsibility with regard to our company as well as our customers and end users. We develop safety through continuous product development and testing. Extreme weather phenomena that are caused by climate change increase the importance of tyre safety and especially contribute to the increased use of winter tyres. As a leading manufacturer of winter tyres, we have a special responsibility for making winter traffic better and safer.

We influence traffic safety and the rubber industry as an expert

We are a member of various industrial and employer organisations. Our participation in such organisations depends on the current topics and our opportunities to offer our expertise. Nokian Tyres is also a member of various communities and organisations that participate in the development of the legislation and political decision-making. Nokian Tyres is not involved in political activities, fundraising, or political contributions as per our ethical guidelines.

FINANCE

Profitable but responsible growth

We aim to develop our business in order to ensure steady shareholder value and predictable future developments as well as the employment and personal development opportunities for our employees.

Delivery reliability

By delivery reliability, we mean that the right products are delivered according to contract in terms of the product quality, method of transport, delivery location, delivery time, and price. Delivery reliability is one of the prerequisites for Nokian Tyres' success. The consumer sales of winter tyres are highly focused on seasons and that requires tyre manufacturers to employ flexible and rapid logistics.

Productivity

In industrial operations, the positive development of productivity is a prerequisite for a company's success. In tyre manufacture, capacity utilisation is crucial in terms of productivity: the higher the capacity utilisation, the better the productivity. Automation of machinery and process improvements also contribute to productivity. Our indicator for measuring production efficiency is kg/man-hour.

Furthermore, we focus our production on core products with a good margin and invest in the continuous development of quality, productivity, and

logistics. Profitable growth requires that we continuously expand our capacity, and we invest in new production capacity according to our growth targets and the development of the market. Productivity increases support profitability, which benefits our interest groups as higher salaries or dividends.

Direct and indirect effects on society

We employ more than 4,000 people around the world, and our tyre factories are significant employers. The salaries and taxes that we pay support the structures of society and improve the quality of life for thousands of people.

Supporting public good

Open communication and collaboration with surrounding communities is a cornerstone of our operation. In addition to improving traffic safety in our areas of operation through various organisations, we support non-profits and charities with minor contributions.

PEOPLE

Employee appreciation

Our company develops and implements a company culture that promotes fair and equal treatment and respect. Everyone contributes to our profitable growth and success regardless of his or her position. All of our employees can contribute to further developing their own work and the working environment.

Good HR management

For us, personnel well-being comprises physical and mental well-being as well as cognitive and social well-being. Work that focuses on inventiveness is one way to support leadership and the active participation of our personnel in line with our company culture. We develop competence in a strategic and proactive manner that addresses future needs.

Impact on local communities

As an internationally expanding company, our impact on our surroundings is increasing and we continue to be a significant employer and developer of local infrastructure. We support the development of local communities and the improvement of working conditions at the start of our value chain, when possible.

PLANET

Eco-friendly products

In line with the product life cycle approach, our company pays attention to environmental issues already when buying raw materials and designing our products. In the life cycle of tyres, 75.2 per cent of the environmental impact is generated during use (fuel emissions). Product development aims at reducing the tyre's rolling resistance, which contributes to fuel economy. We also work continuously on reducing tyre noise.

Production safety

We work on ensuring the best possible safety, continuous improvement, and sustainable development and aim for zero accidents in all areas of safety. The Nokian Tyres' activity management system is based on the ISO 9001:2008, ISO 14001:2004, OHSAS 18001, and ISO 17025 standards as well as the regulations by the authorities. Compliance with these standards and requirements is ensured by regular internal auditing.

Eco-friendliness, energy efficiency, and emissions in production

We see the regulations established by the authorities as minimum requirements. Therefore, we actively follow the development of environmental and safety regulations in Finland, the European Union, and Russia for anticipating the impacts of the legislation that is being prepared.

Impact on the value chain

GRI G4 reporting model requires the company to evaluate its responsibility footprint throughout the value chain of its business. The new definition of responsibility interfaces (Aspect Boundary) sets challenges for the direct measurement of impacts but provides a better view of the responsibility impacts of the business. In the following diagram, we have combined our special responsibility topics with our value chain. [Here](#), you can view our value chain closer.

Commitment to external CSR initiatives and organisations

In December 2012, Nokian Tyres was included in the OMX GES Sustainability Finland Index, which offers objective and reliable information for making responsible investments. The index comprises the 40 leading companies listed on NASDAQ OMX Helsinki in terms of sustainability, and the index criteria are based on the international guidelines for environmental, social, and governance (ESG) issues.

We participate in various industrial and personnel organisations whose purpose is developing work throughout the industry. Our activity in their work depends on the topics that they address and our opportunities to offer our expertise. For us, the most important organisations are the following:

- Chemical Industry Federation of Finland
- Rubber Manufacturers' Association of Finland
- National automotive and tyre industry associations in several countries
- ETRMA/European Tyre and Rubber Manufacturers' Association
- ETRTO/European Tyre and Rim Technical Organisation
- STRO/Scandinavian Tire and Rim Organization
- Registered Association Finnish-Russian Chamber of Commerce
- International Chamber of Commerce
- Russian Tyre Manufacturers Association

- AEB (Association of European Businesses)
- AmCham (American Chamber of Commerce in Russia)
- Tampere Business Campus
- Corporate Responsibility Network FIBS

Sponsorship and support for communities

In addition to trade associations, Nokian Tyres supports various non-profits and charities. We also offer expert services for communities free of charge. In Finland for example, we provide the police with technical support in investigations of accidents that may have been caused due to the poor condition of tyres and we produce training materials on occupational safety for the rubber and tyre industry together with the Centre for Occupational Safety.

In 2014 Nokian Tyres joined forces both with the International Orienteering Federation and the Tough Mudder event organizers. A three-year co-operation contract with the International Orienteering Federation ensures that our company receives strong visibility in the annual Orienteering World Championships and World Cup events. The Tough Mudder co-operation contract that focuses on Central Europe remain in force until the end of 2015. The partnership will be visible in our marketing across Europe and in many different ways.

Since 2010, Tough Mudder has organised more than 100 events, and nearly two million participants have finished a course designed to test their all-around strength, stamina, teamwork skills and mental grit. The Nokian Tyres brand and Tough Mudder both express the same mentality: thriving in exceptionally demanding conditions through smarts and intense fighting spirit. This co-operation gives our new, ultra-strong SUV tyres a suitable brand image. To honour the sponsorship, we chose a pilot team from our Nokia factory to represent Nokian Tyres at Tough Mudder London South in autumn 2014.

<https://youtu.be/1pMb7b85ciA>

From the rainforests onto the riding arenas:

Nokian Tyres' value chain

A tyre is a genuinely global product. Its journey begins deep in the rainforests of Indonesia and Malaysia, and at the manufacturers of industrial components from everywhere in the world. The different parts are then assembled by the tyre manufacturers which send their products back out into the world. During the last stage of its life, a tyre may be recycled for use as foundation for riding arenas, where it provides a flexible ground for the horses to run on.

The new definition of responsibility interfaces (Aspect Boundary) sets challenges for the direct measurement of impacts but provides a better view of the responsibility impacts of the business. In the following diagram, we have combined our special responsibility topics with our value chain. We have defined our value chain as follows.

1. Raw materials

The main raw material groups in tyre manufacturing are synthetic rubbers, fillers, chemicals, reinforcing materials and natural rubber, which forms one fourth of a tyre's raw materials. We use more than a hundred different raw material suppliers that all follow the same rules. We only use suppliers that have passed our demanding approval processes. The raw materials for tyres come from around the world, and all our suppliers are committed to our purchase terms. In accordance with our purchasing policy, our raw material procurement process includes determining the suppliers' commitment to environmental issues. In 2014, 60 per cent of our raw material suppliers had the ISO 14001 certification. Here is an example of the value chain of natural rubber.

1.1. Rubber production

Natural rubber forms one fourth of a tyre's raw materials. As an agricultural product, it differs from the other materials by its means of production. Most of the natural rubber that we use originates from Malaysia and Indonesia. The production of natural rubber is forestry, and the farms are often very small. Over 85 per cent of the world's natural rubber originates from small farms that are less than two hectares in size; their daily output may be two kilograms of crude rubber. Some of the crude rubber that Nokian Tyres purchases from traders has been produced by larger companies on their plantations.

1.2. Wholesalers

Local wholesalers purchase the crude rubber from the family farms. Rubber production is an everyday process: the wholesalers travel from farm to farm and buy their harvest each day. You can try to put these small streams into perspective by comparing them to the natural rubber production in Indonesia in 2014, which amounted to over three million tonnes*. The wholesalers sell the crude rubber to the processors. (*source: IRSG, International Rubber Study Group)

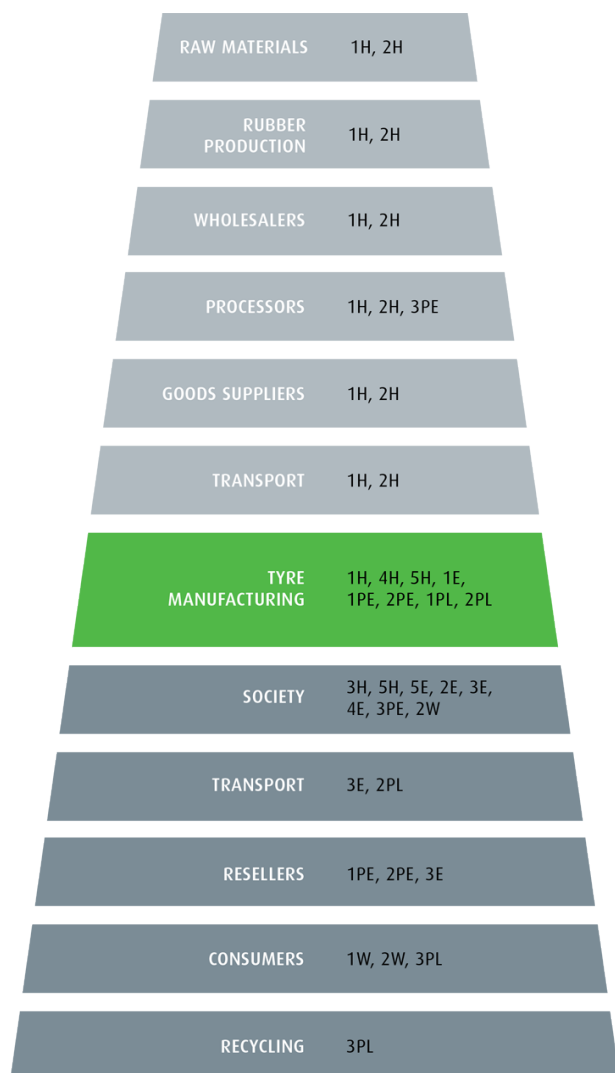
1.3. Processors

The processors wash the incoming raw materials, after which they refine and package the rubber for further use.

1.4. Traders

From the processors, the rubber passes into the international market via traders that Nokian

Tyres also uses to purchase rubber. The price of rubber is determined in commodities exchange in Singapore and other locations. Nowadays, even the family farms are using their mobile phones to check the daily market value.



HAKKAPELIITTA WAY

- 1H Ethical business guidelines
- 2H Responsibility throughout the purchasing chain
- 3H Compliance with legislation in the spirit of the law
- 4H Ethical employment contracts
- 5H Transparency

WORLD ON WHEELS

- 1W Product safety
- 2W We influence traffic safety and the rubber industry as an expert

ECONOMY

- 1E Profitable but responsible growth
- 2E Productivity
- 3E Delivery reliability
- 4E Direct and indirect effects on society
- 5E Supporting public good

PEOPLE

- 1PE Employee appreciation
- 2PE Good HR management
- 3PE Impact on local communities

PLANET

- 1PL Production safety
- 2PL Eco-friendliness, energy efficiency, and emissions in production
- 3PL Eco-friendly products

Supervision of crude rubber production and ethical principles

We supervise the activities of our own raw material suppliers with audits and a Supplier Code of Conduct that the suppliers must commit to. We have defined the purchase terms from the processors onwards, and for a few of our long-term plantation farmers. The large number of wholesalers and family farms prevents us from setting terms for their

operations. Furthermore, the crude rubber from different farms is already mixed by the wholesalers, which makes tracing its origin practically impossible before the processing stage. We also help the processors further develop their activities.

2. Transport

Most of the raw materials for tyres are transported as sea freight to the large ports in Europe, Hamburg and Rotterdam, from where they are shipped to Finland and Russia. Both of our factories use similar raw materials from the same sources, which allows us to ensure the quality of our tyres regardless of the site of manufacture: the tyres are marketed everywhere in the world and, therefore, it is only by using similar raw materials and methods of manufacture that we can ensure that the consumer can experience the same level of quality anywhere in the world.

3. Tyre manufacturing

We manufacture tyres at two locations, in Nokia, Finland and Vsevolozhsk, Russia. Each day, our employees, who number more than 4,000, share their expertise and ideas in the interests of continuous improvement. The Hakkapeliitta Way is our way of working, and it can be seen in how we do our jobs.

4. Society

Our effect on the surrounding society is most visible at our factory locations in Nokia and Vsevolozhsk. We are a large local employer, and we operate as a stable part of our surrounding communities: We offer tyre industry training in Nokia, and in Vsevolozhsk, the Hakkapeliitta Village is a concrete example of the effect that we are having. The cash flow diagram in the report visualises the financial effects of Nokian Tyres. The purchases, salaries, taxes, and dividends paid to our owners contribute to well-being all over the world.

5. Transport

The expansion of the Vianor retail chain and the requirements of the car dealer business have brought about changes concerning the logistics chain for our tyres as well as our consumer insight. Previously, we

delivered tyres to large wholesalers, but nowadays, distribution is increasingly divided into smaller product lots and smaller warehouses. Logistics planning becomes even more important as the need for individual transport increases.

6. Resellers

The Vianor chain of tyre retailers that we own and operate is the largest and most comprehensive business in its field in the Nordic countries, Russia, and the CIS. At the end of 2014, it included 1,355 sales outlets, of which 294 were owned by Nokian Tyres, while the rest operated on a partner or franchising principle. The Vianor chain has expanded to 27 different countries in Nokian Tyres' main markets. Vianor is building the foundation for the permanent market share of the group's products and it spearheads its growth; in these tasks, it is assisted by the new partner network Nokian Tyres Authorized Dealers (NAD). Our tyres are also sold by car and tyre dealerships all over the world.

7. Consumers

Consumers, the users of our tyres, are the most important link in our value chain. The top quality and unique innovations of our test-winning products are intended to ensure trouble-free travel and arrival for the consumers, regardless of weather. Over 85% of a tyre's environmental effects are generated during its use, which means that consumers are the benchmark for our product development efforts that are aimed at improving the safety and eco-friendliness of the tyre.

8. Recycling

Most tyres are recycled as materials, i.e. they are crushed and ground and then used to replace rock in different road construction and landscaping projects. Ground tyres form a light material that seals off moisture and maintains its physical shape; it works well in supporting road foundations and reducing asphalt noise. The flexible properties of rubber can give it a new life as foundation for sports arenas, where it puts more spring in the steps of horses.

Retreading a tyre is one of the best forms of recycling. A tyre with an intact body can be

retreaded, and for bus and truck tyres, the process can be repeated up to 2–4 times. Tyres can also be incinerated in order to produce energy, since the thermal value of tyres is nearly equivalent to oil. New recycling methods and means of utilisation are constantly being sought.

[Read more about Finnish Tyre Recycling Ltd](#)

Stakeholder work

The stakeholder analysis carried out in 2012 defined the most important groups in terms of Nokian Tyres' corporate responsibility. These groups are: customers, product end users, local organizations, NGOs, co-operation partners, the company's employees, suppliers, shareholders, investors and officials.

In terms of social responsibility, the constantly developing civil society and the possibilities for immediate feedback and public debate created by social media have made stakeholder work increasingly important. Stakeholder work is part of Nokian Tyres' business, and it is steered by the company's internal stakeholder guidelines and by the company's ethical guidelines. Every Profit centre's Vice President, the company's Marketing & Communications department and ultimately the

President & CEO are all responsible for leading the stakeholder work. Nokian Tyres complies with the principle of openness and the regulations set for listed companies in its stakeholder operations. Nokian Tyres strives to fulfil all of its stakeholders' expectations, particularly in matters related to corporate responsibility, despite the fact that between different stakeholder groups there may be conflicting expectations of the company's operations, especially when it comes to social responsibility. The company continuously develops its stakeholder operations: the adjoining chart lists Nokian Tyres' stakeholders, the expectations stakeholders have of the company, and the actions the company has taken to fulfil stakeholders' expectations in 2014.

Stakeholder (in alphabetical order)	Expectations	Nokian Tyres' actions
Authorities	Compliance with laws and regulations Dialogue & expertise Reporting Transparency	Comply with laws and regulations We report and communicate actively, regularly and openly Support in decision making
Customers	Deliveries on time and good service Good brand image Good Corporate responsibility management Long-term customer relationship	We develop new top products and give personal service Open communication and test wins We offer a good price/quality ratio Same contact persons and good service

End users	<p>Value for money</p> <p>Product quality, guarantees and liabilities</p> <p>Driving safety</p> <p>Energy efficiency and conservation tips</p> <p>Environmentally-friendly products</p> <p>Recycling of used products</p> <p>Environmental manufacturing process</p> <p>Participation in social programs (for example charity)</p> <p>Ethical business processes</p> <p>Availability of reliable information and dialogue</p>	<p>We develop new top products. Wide product range</p> <p>We offer a good price/quality ratio</p> <p>To reach test wins regularly</p> <p>New services and programs like Hakkapedia</p> <p>Hakka Guarantee and Hakkapeliitta Test Drivers</p>
Media	<p>Open and active dialogue telling everyday actions but looking also in to the future</p> <p>Nokian Tyres as business leader and commentator</p> <p>Tyre professional – seasonal tips, releases, articles, consultation (how to drive safely etc.)</p> <p>Transparent and global processes: raw materials, personnel, manufacturing, testing, logistics, recycling</p> <p>Product safety</p> <p>Environmentally-friendly products and factories</p> <p>Ethical business processes</p>	<p>Our communication is open and active</p> <p>Availability</p> <p>Tips from Nokian Tyres' tyre professionals</p>

Neighbors and local communities	<p>Dialogue and collaboration</p> <p>Elimination of noise, smell and emissions</p> <p>Plant safety</p> <p>Safeguarding local environment and biodiversity</p> <p>Transparent communications</p> <p>Cooperation and donations to schools and universities</p>	<p>Good employer and neighbor</p> <p>We communicate actively and openly</p> <p>We support activities of local communities</p> <p>We manage our risk and operate in line with our Code of Conduct</p>
Non-governmental organizations	<p>Open interaction and dialogue</p> <p>Operational responsibility</p> <p>Collaboration projects</p> <p>Reliable and transparent reporting</p>	<p>Communicate actively and openly</p> <p>Corporate Responsibility matters are online at web pages</p>
Outsourcing partners	<p>Long-term relationship</p> <p>Responsibility</p> <p>Liquidity</p> <p>Good brand image and products</p>	<p>We offer long relationships and good cooperation partnership</p> <p>We operate responsibly and reliably</p>

Personnel	<p>Equal treatment</p> <p>Training and career opportunities</p> <p>Good working atmosphere</p> <p>Rewarding and benefits</p> <p>Sustainability of employment</p>	<p>We promote the well-being of our employees through safe working conditions and motivating atmosphere</p> <p>We engage personnel in operational planning</p> <p>We develop personal competence</p> <p>We offer performance-based remuneration</p> <p>We respect the culture and values of individuals and groups, and we support equality</p> <p>We develop leadership quality regularly</p>
Public at large	<p>Activities for the good of the society</p> <p>Openness</p> <p>Good corporate citizen</p>	<p>We communicate actively and openly</p> <p>New services and programs like Hakkapedia,</p> <p>Hakka Guarantee and Hakkapeliitta Test Drivers</p>
Services and goods suppliers	<p>Liquidity</p> <p>Long-term customer relationship</p> <p>Responsibility</p> <p>Predictability and sustainability of business</p> <p>Reference value</p>	<p>We operate responsibly and reliably</p> <p>Same contact persons and good service</p>

Shareholders, investors and financial institutions	<p>Good return on investment</p> <p>Risk management</p> <p>Effective Management</p> <p>Responsible operations</p> <p>Good corporate citizenship</p> <p>Transparency in Corporate responsibility and investor information</p> <p>Ethical business processes</p> <p>Profitability and growth</p>	<p>Dividend at least 35% of the year's net profit</p> <p>We compensate investors as agreed</p> <p>We manage our risk and operate in line with our Code of Conduct</p> <p>We operate responsibly and reliably</p>
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Certificates, Reports and Awards

Nokian Tyres can be considered a forerunner in the tyre industry with regard to the long-term development of safety and environmental issues. Responsibility means more to us than just meeting the requirements and norms of society.

The core stepping stones for our actions are safe and environmentally-friendly products, industry-leading production processes, safe work environments and personnel well-being.

Nokian Tyres plc has qualified to the OMX GES Sustainability Finland index 12/2012



The index is designed to provide investors with a liquid, objective and reliable benchmark for responsible investment. The benchmark index comprises of the 40 leading NASDAQ OMX Helsinki listed companies in terms of sustainability. The index criteria are based upon international guidelines for environmental, social and governance (ESG) issues. The index is calculated by NASDAQ OMX in cooperation with GES Investment Services.

Corporate Sustainability Report 2014

31.3.2015

Nokian Tyres plc has published its GRI G4 compliant Corporate Sustainability Report, which is available at www.nokiantyres.com/company/sustainability. The report describes the activities of Nokian Tyres from the perspective of environmental, social and economic responsibility as part of an international value chain.

[Corporate Sustainability Report 2014](#)

Corporate Sustainability Report 2013

12.6.2014

The renewed Corporate Sustainability report, which has been implemented according to the revised GRI G4 guidelines, has been published as a web version. The report can be browsed through traditional navigation tools or through links in a GRI comparison table. The report can also be easily printed, either as a whole, or just by necessary sections defined by the user.

[Corporate Sustainability Report 2013](#)

Corporate Sustainability Report 2012

12.06.2013

Nokian Tyres published its first Corporate Sustainability Report that was drawn up according to the GRI (Global Reporting Initiative) guidelines; it describes the goals, plans, actions, and results of the group's sustainability programme in 2012. Added perspective has been introduced by describing Nokian Tyres' activities from the past few years.

[Corporate Sustainability Report 2012](#)

EMAS Report 2011

23.08.2012

[EMAS Report 2011, pdf](#)

EMAS Report 2010

20.05.2011

[EMAS Report 2010, pdf](#)

Environmental Report 2009

15.06.2010

[Environmental Report 2009, pdf](#)

EMAS Report 2008

01.07.2009

[EMAS Report 2008, pdf](#)

EMAS Report 2007

01.06.2008

[EMAS Report 2007, pdf](#)

Environmental Report 2006

15.04.2007

[Environmental Report 2006, pdf](#)

EMAS Report 2005

10.04.2006

[EMAS Report 2005, pdf](#)

Environmental Report 2003

14.04.2003

[Environmental Report 2003, pdf](#)

Nokian Tyres' certificates:

- [ISO 9001:2008 \(pdf\)](#)
- [ISO 14001:2004 \(pdf\)](#)
- [ISO/TS 16949 \(Nokia\) \(pdf\)](#)
- [ISO/TS 16949 \(Vsevolozhsk\) \(pdf\)](#)
- 1994 ISO 9001 Certificate (quality), Nokia factory
- 1995 BS 7750 Certificate (environmental), Nokia factory
- 1998 ISO 14001 Certificate (environmental), Nokia factory
- 2006 ISO 9001 and 14001 Certificates, Vsevolozhsk factory
- 2008 ISO 9001 and 14001 Certificates, Nokian Däck Ab
- 2013 ISO/TS 16949:2009 Certificate (quality), Nokia
- 2013 ISO/TS 16949:2009 Certificate (quality), Vsevolozhsk

Examples of awards:

- Many wins and awards in Environmental reporting
- In year 2006 Honourable Mention in "Environmentally friendly tyres" in the European Business Awards for the Environment (EBAE) contest's Finnish series



A photograph of a snowy street scene. In the foreground, a dark-colored car is partially visible on the left. In the center, a white car is driving towards the viewer with its headlights on. To the right, a red car is also visible. In the background, a large white truck is driving away. The ground is covered in snow, and the air is hazy, suggesting a winter day.

World on wheels

Our product policy in a nutshell

Our mission is to develop and manufacture the safest, highest-quality, and most eco-friendly tyres in the world. Our development efforts are guided by the principle of sustainable safety: the safe characteristics of a tyre need to remain virtually unchanged throughout the lifecycle of the product. We renew regularly our comprehensive product range that we carefully tailor to different markets and test our products in authentic environments in order to ensure their safety and reliability under diverse and demanding conditions.

Sustainable safety

For more than 80 years, our solid experience in product development and unprejudiced attitude have resulted in patented solutions that improve safety and driving comfort in the demanding Northern conditions.

Sustainable safety and premium quality with the environment in mind

Our company invests in the latest technology and materials. This is demonstrated by the rapid renewal of our comprehensive product range that we tailor carefully for different markets, and new products comprise at least a quarter of our annual turnover.

The basic principle of our product development has remained the same for more than 80 years: our tyres are designed for the Northern conditions and for consumers who demand safety, durability, and comfort in all conditions. Our development efforts are guided by the principle of sustainable safety: the safe characteristics of a tyre need to remain virtually unchanged throughout the lifecycle of the product.

In 2014, the so-called 'Nordic' winter tyres with a good grip on ice comprised 56 per cent of our entire winter tyre range. The proportion of tyres that reduce fuel consumption through ultra-low rolling resistance was 76 per cent. A total of 89 per cent of our summer tyre products were in the very high wet grip category. Our premium tyres with low rolling resistance and high wet grip correspond to categories A, B and C in the EU tyre label system. The number of our active products grew by 14 per cent in 2014.

We build our products around green choices

Our principle of sustainable safety in product development incorporates our promise of developing eco-friendly products and production technologies. In the tyre industry, our company has pioneered the development of products that use eco-friendly raw materials.

Starting at the beginning of 2010, the use of high-aromatic oils in tyre production is prohibited by an EU directive. We completely stopped using harmful high-aromatic oils in our production at the end of 2004, and we never use carcinogenic raw materials in our production. We set an example that sped up the use of purified low-aromatic oils in tyre production in Europe. We are perhaps the only tyre manufacturer in the world that does not use any toxic substances in its own production.

In addition to low-aromatic mineral oils, we only use plant-based oils in our products. Rapeseed oil is a renewable raw material that we add to rubber compounds for improving the tear strength of winter tyres as well as grip on snow and ice. In summer tyres, we use pine tree oil for improving wear resistance. Rubber compounds may contain up to 20 per cent of oils.

In addition to the rubber compounds, we use steel and textiles in tyre production as reinforcing materials. The rubber compounds contain filler substances for natural rubber, synthetic rubber, and oils, such as carbon black and silica as well as sulphur and various chemicals.

In our production, we never use raw materials that our laboratory has not approved. When we receive a raw material batch, we take a sample for a laboratory analysis, and we only use the batch in the production of rubber compounds after it has been approved by our laboratory.

In accordance with our purchasing policy, we purchase our raw materials from internationally reliable suppliers, and our product procurement process includes determining the suppliers' commitment to environmental issues.

We recycle the packaging of all raw materials that we receive and, for example, we return some of the pallets to the suppliers for reuse.

Premium tyres are an economical choice: never compromise on safety



Especially in winter conditions, safety should be the top priority when selecting tyres. Still, many opt for cheaper budget tyres despite the fact that quality tyres are an investment that pays for itself before long. Budget tyres might look like premium tyres on the surface, but the differences are significant. In winter tyres, the major differences come from the raw materials and production quality.

– A durable structure is essential for winter tyres. The tread surfaces and sidewalls of good winter tyres use optimal rubber compounds, which contain more natural rubber, for instance. Typically, budget tyres use synthetic rubber compounds that provide moderate performance only at zero degrees or slightly lower temperatures. In addition, premium tyres provide unrivalled wet grip and low rolling resistance. Premium tyres are tested for millions of kilometres under authentic Northern weather and road conditions for which they are designed, says Matti Morri, Technical Customer Service Manager for Nokian Tyres.

In the winter tyre test by Tekniikan Maailma (17/2014), there were major differences between premium and budget tyres in terms of safety and fuel consumption. This applied to both studded and non-studded tyres. At 50 km/h on an icy road, the braking distance of the best studded tyre in the test, the Nokian Hakkapeliitta 8, was more than five metres shorter than that of the best non-studded tyre and 20 metres – or four car lengths – shorter than the braking distance of the weakest tyre in the test.

The higher purchase price of a premium tyre is an investment that pays for itself over time: a premium tyre has a longer service life because it does not wear as quickly as a budget tyre. Furthermore, lower rolling resistance contributes to fuel economy. In a test conducted by Tuulilasi (13/2014), for example, the best tyre in the test, the Nokian Hakkapeliitta R2, reduced fuel consumption by 0.2 l/100 km compared to the weakest non-studded tyre. If the average consumer drives 40,000 km during the service life of his or her winter tyres, he or she saves some 80 litres of fuel, or a minimum of €120.

Lower rolling resistance is good for the environment

The most significant environmental impacts during the use of a tyre are caused by the vehicle's fuel consumption. Lower fuel consumption reduces the amount of greenhouse gases released into the air. Tyres with low rolling resistance may save up to 0.5 litres of fuel per 100 kilometres and reduce CO₂ emissions by 12 g/km.

One factor that affects the rolling resistance is the weight of the tyre. Lower tyre weight also reduces raw material and process energy consumption. Through determined, long-term product development, we have managed to further reduce the rolling resistance of our new products and create tyres that roll lighter than ever before.

We developed the world's first winter tyre with an A class rolling resistance rating



Nokian Tyres has developed the most energy efficient winter tyre model in the automotive industry designed for electric cars. The new Nokian Hakkapeliitta R2 is a non-studded winter tyre designed for BMW's unique i3 electric car. The genuine Hakkapeliitta winter tyre is tailored for the Nordic winter, and it combines ultra-low rolling resistance with excellent grip and driving comfort.

- We are proud to introduce better winter grip, more peace of mind and especially an improved range for a growing number of drivers of modern electric cars. Enabling safer and greener transportation is also a leading principle in our own product development, says **Jarno Ahvenlammi**, Product Development Manager for Nokian Tyres.

The new model is the world's first winter tyre to achieve an A class rolling resistance rating in the EU tyre label system. With the Nokian Hakkapeliitta R2, electric car drivers can enjoy up to 30 per cent lower rolling resistance compared to other winter tyres on the market. Our competitors offer products with a C or E class rolling resistance rating.

<https://youtu.be/Wo4omb0Eil4>

[Read more about the world's first A class winter tyre!](#)

Currently, passenger car winter tyres have lower average rolling resistance than summer tyres. We have achieved this by improving the tread patterns and surface rubber compounds. We continue our efforts on further reducing the rolling resistance of our tyres.

Quieter tyres improve traffic safety

While rolling noise reduction improves overall comfort, it also affects the driver's alertness and thus traffic safety.

We work continuously on reducing tyre noise, and one of our goals in product development is designing quieter tyres. The surface patterns of our products feature several inventions that reduce noise, including the placement of tread blocks, protrusions in longitudinal grooves, and noise cavities.

Natural materials and eco-friendly products that reduce fuel consumption, harmful emissions, and rolling noise will also pave the way for us in the future.

[Read more about the environmental impacts of tyres and how your tyre choice can affect the environment!](#)

Relentless testing

Our products' wear resistance is based on careful structural development and testing. Product testing conducted in authentic environments and thoroughly understanding the winter and product characteristics come naturally to us. Our Ivalo Testing Center focuses on demanding winter testing from October to May. High-quality equipment, diverse tests, and competent product development teams and test drivers ensure that all of the extreme conditions of winter driving are explored in Ivalo.

<https://youtu.be/UEGUTw7KHxE>

At our test centre in Nokia, we test tyres from spring until late autumn. It provides unique conditions for slush-planing tests, for example, which we were the first in the world to introduce in 1996.

In order to obtain sufficient test results, we also test our tyres on international tracks. Additionally, our tyres are tested indoors using testing equipment that measures structural strength and high-speed endurance. We use repetitive tests for monitoring the flawlessness of the tyres and for ensuring the high quality and technical reliability of our products. In order to ensure comprehensive knowledge, we engage in testing co-operation with many of our customers in all product groups and we welcome

customer observations. Close co-operation with leading car manufacturers ensures that the products optimise the use of state-of-the-art technology. The development process of an entirely new passenger car tyre takes 2 to 4 years.

<https://youtu.be/6kT0wLEOxY4>

[Read more about our product testing!](#)

Climate change introduces new requirements for winter tyres, which must ensure safe grip on snow and ice as well as on slush and wet roads. We take the challenges imposed by climate change into consideration in our design and testing operations.

Our group has not had any major product recalls in more than 15 years, which demonstrates our careful product testing, thorough quality control, and high-quality raw materials. Furthermore, our company has not been involved in any legal proceedings regarding product liability.

The Hakka Guarantee ensures that unexpected tyre damage does not end your trip

As a responsible company, we pay special care to the conditions for which we develop our products. For example, our durable Nokian Hakka summer tyres provide optimal grip on the rough Northern roads in a range of temperatures from early spring until late autumn. We originally developed the unique Hakka Guarantee programme for the Nokian Hakka summer tyres and later on we also extended it to the Nokian Hakkapeliitta winter tyres. The programme provides more peace of mind for the Northern roads year-round.

The Hakka Guarantee is our way of supporting our customers' investment in safer driving. If a tyre becomes accidentally damaged beyond repair on the road, we will replace it with a corresponding new product free of charge at a Nokian tyre retailer, for example in Finland, Sweden, Norway, or Russia. The Hakka Guarantee includes a roadside assistance

service which ensures that the customer will reach his or her destination even on the worst possible day. The Hakka Guarantee is valid for up to one year from the date of purchase or to a groove depth of 4 millimetres.

Tyre labelling system for supporting purchase decisions

We actively follow the development of environmental and safety regulations in Finland, the European Union, and Russia for anticipating the effects that pending legislation will have on our operations.

An EU tyre labelling system took effect in November 2012, and it follows the same principle as the energy labelling system for household appliances. The tyre classes are A, B, C, D, E, F, and G. The green class A is the highest, or best, and the red class G is the lowest or weakest class. The labelling provides information on how the tyre affects fuel efficiency and how it functions on wet roads. Furthermore, the external rolling noise of the tyre is presented in decibels. In practice, moving from one class to another means reducing the fuel consumption of an average passenger car by 2 to 3 per cent.

The tyre labelling system does not take into account the actual winter conditions that are typical in the Nordic countries. The labelling applies to non-studded winter tyres but not to studded tyres. The only safety-related piece of information provided by the labelling system concerns the wet grip of the tyre.

Emphasising wet grip is well suited to the road conditions in Central Europe, but the most important safety characteristics in the demanding and varying Nordic winter conditions are grip on ice and snow. In this respect, the tyre labelling system may be misleading and endanger traffic safety. Although the new labelling system makes it easier to compare different tyre models, it is best to support the

decision by consulting professional tyre dealers, independent tests in magazines, and tyre manufacturers. The most important aspect in terms of consumer safety is to buy the correct tyres for the given driving conditions.

[Read more about EU labelling system](#)

New eco-friendly tyres

A good tyre is much more than just a hunk of rubber. It is a product of high technology that is produced with precision as the result of careful development work and comprehensive testing. The production of a reliable tyre involves chemical and technical competence, high-quality raw materials and structural solutions, and thorough testing.

The optimised structure and advanced raw material design improve the eco-friendly properties of modern winter tyres.

Tested safety - Nokian Hakkapeliitta 8 and Nokian Hakkapeliitta 8 SUV

In winter 2014, Nokian Hakkapeliitta 8 was the superior test winner in Finland, Sweden, Norway, and Russia. Our new tyre combines extreme winter safety and low road wear, which is significant for the environment. This is made possible by our revolutionary Nokian Eco Stud 8 concept. It ensures that the tyre is very gentle on the road surface, even though the tyre's winter grip properties are even safer than before. When the studs are properly cushioned, the road wear impact of the tyre is considerably lower than the limit defined in the Nordic stud legislation, the studs are more durable, and the tyre noise is The modern stud technology optimises winter grip and eco-friendly properties, and it enabled us to increase the number of studs in the

tyre. While the tyre is gentle on the road surface, it has, on average, 50 per cent more studs compared to previous generation tyres. Furthermore, the symmetric tread pattern and ingenious innovations of the tyre reduce the tyre.

[Learn more about our next-generation anchor stud with improved eco-friendly properties, which we are also using in our 2014 novelty, the studded Nokian Hakkapeliitta 8 SUV!](#)

The Nokian Hakkapeliitta SUV 8, which we launched in 2014, is the result of careful product development over the course of nearly four years. As a result of determined testing in our testing centres in Ivalo and Nokia, the Hakkapeliitta 8 SUV can bear and manage its high wheel loads in a stable and confident fashion on icy, snowy, slushy and dry roads. Additional challenges for drivers are posed by freezing ground, which damages roads and makes them uneven, and the sharp edges of the kerb.

According to studies, SUV tyres are most often damaged by impacts to the tyre sidewall. The versatile studded Nokian Hakkapeliitta 8 SUV and the new Nokian Hakka Black SUV, Nokian Hakka Blue SUV, Nokian zLine SUV and Nokian Line SUV summer tyres maximise impact and cut protection with the Nokian Aramid Sidewall technology.

The sidewall compound contains the extremely strong aramid staple fibre and provides exceptional protection against wear and cuts. The same material is utilised by the aerospace and defence industries. The aramid fibre stiffens and reinforces the sidewall to even better withstand external impacts and pressing against the wheel flange.

<https://youtu.be/N5LvBke-UqY>

Northern comfort - Nokian Hakkapeliitta R2 and Nokian Hakkapeliitta R2 SUV

In 2013, we introduced the new Nokian Hakkapeliitta R2 non-studded winter tyre. It continues the triumph of its predecessor, the Nokian Hakkapeliitta R winter tyre, as the most fuel-efficient tyre in almost every tests. The extremely low rolling resistance of the Nokian Hakkapeliitta R2 creates significant fuel savings and lower CO₂ emissions. In addition to the extremely low rolling resistance, advances have also been made in handling on ice, snow, and wet roads, which are all safety features that drivers highly value.

<https://youtu.be/1KtYGth-4-k>

Hakkapeliittas dominated the magazine tests



The Nokian Hakkapeliitta winter tyres are designed for the demanding Northern winter, and they reigned supreme in the autumn 2014 comparison tests of Nordic motoring magazines. The studded Nokian Hakkapeliitta 8 and Nordic non-studded Nokian Hakkapeliitta R2 won the most important winter tyre tests in Finland, Sweden, Norway and Russia. [Follow our test success!](#)

Nokian Hakka - Cool Performance

Uneven and rough road surfaces as well as rapidly changing weather conditions are typical of the north, and they require special features from a tyre. We have developed the rubber compounds and tyre structures for our Hakka summer tyres for the demanding and varying summer conditions. Our Hakka summer tyres perform predictably across a wide temperature range and they have a high tolerance for wear and the occasionally poor road conditions.

Learn more about our new Nokian Hakka SUV tyres:

<https://youtu.be/u00rU28qq98>

<https://youtu.be/JS8tJoBGlv0>

The Hydro Grooves innovation effectively prevents aquaplaning by storing water from between the surface and the tyre, and by guiding the water into the longitudinal grooves. The innovation ensures a safe driving feel, even in the rain.

Our summer tyre range is more comprehensive than ever before



Developed for the varying summer conditions, the Nokian Hakka summer tyre range is now more comprehensive than ever before. In 2014, new

products and size options grew our summer tyre range by 30 per cent. We have especially expanded our offering of the popular SUV tyres. We offer five new premium summer tyres that provide great grip and handling, and the Aramid fibre-reinforced sidewalls add protection against the surprises of the Northern summer. The unique Hakka Guarantee and Hakka Roadside assistance ensure that unexpected tyre damage does not end your trip.

[Learn more about our new summer tyres that improve road safety!](#)

Test success and pioneering products

Over the years, Nokian Tyres' products have regularly been at the top of international tyre tests. We continuously track our success by a test success indicator tool. Magazine tests are a transparent and objective way to compare our products to those of our competitors. Below you can see our products' success in magazine tests for 2013 and 2014.

2013

74 summer and winter tyre tests in different magazines:

1st place in 31 tests – 41.9%

2nd place in 6 tests – 8.1%

3rd place in 3 tests – 4.1%

In the Top 3 in 40 tests – 55.4 per cent.

2014

83 summer and winter tyre tests in different magazines:

1st place in 52 tests – 62.7%

2nd place in 7 tests – 8.4%

3rd place in 6 tests – 7.2%

In the Top 3 in 65 tests – 78.3 per cent.

As a demonstration of our inventiveness and role as a pioneer, we presented a futuristic new concept tyre with pop-out studs to celebrate the 80th anniversary of the winter tyre. The tyre combines the properties of studded and non-studded tyres, and the switchover is made by pushing a button on the dashboard when the road conditions change significantly. On dry roads and even winter conditions, it can act as a nonstudded tyre, and the studs can be activated on icy

Our new concept tyre is an incredible display of technological skill. The unique concept tyre may someday become a reality. As a winter tyre pioneer, we wanted to demonstrate that it is possible to combine studded and non-studded tyres.

<https://youtu.be/qNXL2EEscuE>

Respecting the fields and forests

Nokian Heavy Tyres, which is part of the Nokian Tyres group, is one of the most well-known and successful manufacturers of special tyres in the world. Our unit designs, develops, and manufactures high-quality and eco-friendly tyres and retreading materials for the industry, heavy truck and trailer combinations, lorries, and buses. Our product range also includes special tyres that are designed for agriculture, earthmoving, road maintenance, military vehicles, ports, and the mining industry. Nokian Heavy Tyres is a market leader in forestry tyres.

The rubber compounds, tread patterns, and structures of the Nokian special tyres are designed to withstand heavy-duty use, which ensures more operating hours

and reliable functionality under all conditions. Our thorough field testing and research guarantee the desired properties of the tyres. The eco-friendliness and high quality of raw materials are also essential in the manufacture of all heavy tyres.

Safe driving with articulated vehicles

The Nokian lorry tyres and the Nokian Noktop retreading materials are designed for demanding professional use and changing conditions. In 2014, all of our Hakkapeliitta and Hakka lorry tyres received official winter tyre approval, which makes it easier to choose a tyre for the Northern conditions. For example, there are very few trailer tyres on the market that would meet the requirements of winter conditions.

We are actively involved in the improvement of heavy vehicle safety and the reduction of their environmental impact. We work closely and in strict confidentiality with bus and transport companies in order to enable effective product development.

In the winter of 2013, we arranged a test event in Ivalo for testing the behaviour of new winter tyres and new All Season tyres that are typically used in Central Europe and their differences under winter conditions. The event was arranged in co-operation with Liikenneturva (The Finnish Road Safety Council), Scania, PNO, the University of Oulu, and Oulu Vocational College.

Based on the test results, the difference between the winter tyres and the All Season tyres was over 20 per cent in favour of the winter tyres in terms of both braking distance and acceleration. The test conditions were very wintry, as the temperature varied between -16 and -27 degrees Celsius during the event. Broadly speaking, the lower the temperature falls the smaller the differences between the tyres

become as the friction of the surface increases. Had the test been conducted under the most slippery and demanding conditions at temperatures close to zero, the differences between the tyres would have likely reached more than 30 per cent.

Due to the heavy loads, trailers account for most of the rolling resistance in full trailer trucks. The research showed that the right choice of tyres can keep the rolling resistance low and significantly reduce the swinging of the trailer. We immediately applied the new research results to our tyre recommendations.

However, minimising rolling resistance alone is not a sufficient solution for safety in the Nordic conditions. According to our research, all tyres of the truck and trailer combination have a significant impact on safety under winter conditions. The right choice of tyres and retreading materials can achieve the best solution in terms of economy and safety.

Professional drivers require a specialised service



Availability is key when providing service for heavy equipment and professional drivers. The majority of Finnish Vianor outlets offer heavy equipment service. The turnaround time is also essential for

professional drivers. In Finland, Vianor provides a national on-call service 24/7. Retreading heavy tyres reduces raw material consumption, and it is an economically responsible practice. Vianor has six retreading plants in the Nordic countries: three in Finland, one in Sweden and two smaller plants in Norway. The annual retreading volumes are approximately 65,000 tyres in Finland, 40,000 in Sweden and 20,000 in Norway. Service outlets take the tyre bodies to retreading, and the retreaded tyres are reinstalled by the same outlet: Vianor's process ensures that the customer receives his or her tyre bodies back, retreaded as requested.

Many ways to make a difference

Have you ever thought when you are driving that your car's only contact point with the road is exactly four palm-sized patches – your tyres? A safe and high-quality tyre is a display of technical skill in several fields. As the creator of industry-leading innovations and a pioneer in safety, we see that it is our right and obligation to influence traffic safety and society in our role as an expert.

Being a pioneer requires expertise

To us, it is self-evident that developing and producing safe tyres according to high standards of quality involves carrying our responsibility for improving traffic safety and for educating consumers about tyres and other issues that contribute to safe driving.

Our experts have extensive knowledge about the different factors that affect traffic safety, including the choice of tyres, their environmental impact, or safe driving behaviour. We are proud to share this information actively in order to ensure road safety even under demanding conditions.

In addition to our own communications and expert interviews, we co-operate for example with the Finnish Driving Schools Association and the Automobile and Touring Club of Finland for improving safe driving. Furthermore, we are a member of tyre and automobile organisations in different countries and work on improving traffic safety.

The Hakkapeliitta Winter Driving School is one example of our efforts to make winter driving safer and more comfortable. It is a comprehensive and multilingual set of training material on winter driving. Our goal is to increase awareness and promote safe driving under winter conditions.

[View the Hakkapeliitta Winter Driving School!](#)

Stronger together

Our company is involved in international and local co-operation with organisations, companies, and educational institutes in different fields. The co-operation with educational institutions and expert organisations is very important in terms of product development and promoting traffic safety.

Our product development personnel work closely with technical universities and polytechnics. The co-operation includes diploma theses written for our company as well as joint development projects concerning traffic safety, material development, and design. We offer students trainee placements in production and product development.

Close co-operation with educational institutions offers real, interesting, and practical projects for students and new future experts for our company. Higher educational institutions and companies also have joint projects with Tekes (the Finnish Funding Agency for Innovation). We work with educational institutions in Finland as well as in Russia.

Many ways of combatting street dust

Our operations are driven by road safety. We develop safer and eco-friendlier studded and non-studded tyres for varying conditions. We will continue our long-term product development efforts that aim at reducing the road wear impact and particle emissions of studded tyres. To us, it is important to make every effort for combatting street dust without compromising traffic safety.

As a result of several years' product development, modern winter tyres contribute less to street dust

than ever before. The new Nordic stud legislation applies to tyres that are manufactured after July 2013. Studded tyres that follow the new regulations have a significantly reduced road wear impact compared to older tyres.

The Hakkapeliitta Test Driver programme: Authentic experiences, aha moments, and earned trust

The Hakkapeliitta Test Driver programme is Nokian Tyres' global way of promoting traffic safety by acting locally. Collecting user experience from everyday

drivers' observations is one of the ways to develop new innovations and offer even safer tyres. The test drivers provide us with a window to the real, local driving conditions that motorists from all over the world experience. In addition to supporting our product development, our test drivers promote traffic safety locally by sharing their experiences in safe winter driving.

Through the Hakkapeliitta Test Driver Programme, we offer individuals an opportunity to gain experience in driving with the safest tyres and to learn how important tyres are for safety in the course of their everyday driving.

People



HR management at Nokian Tyres

The purpose of HR management is creating an effective and functional work community. Determined HR management efforts help our committed, motivated, and professional personnel to further develop their competence, support their well-being at work, and promote equal treatment. Managers implement our company and management culture into the everyday work of our personnel in a natural and consistent way. Well planned HR management provides the tools that are necessary for good management work and for improving leadership skills. The competence and inventiveness of our personnel are our most important resource that needs a safe and healthy work environment.

[Read more about how we are improving our HR management!](#)

Focus areas of Human Resources and People Management 2014-2015

In many areas, we have been, and still are, renewing our current ways of carrying out the fundamental people processes. When changing and developing everyday managerial procedures, we always keep in mind that there has to be a business need for the things we plan and implement, and we avoid changing the practices too much at once.

By following these principles, we have selected four focus areas for our development actions:

- Leadership development
- Well-being management
- Engagement improvement
- Improving internal customer service through the Business Partner model

In the area of leadership, we have defined corporate-wide leadership principles, which describe in a nutshell which kind of leaders and leadership we aim at developing in the company. The principles will guide our leadership & talent development, managerial recruitment and performance management in the long run. Furthermore, the principles will be embedded in the everyday managerial processes such as performance reviews, engagement surveys and 360 evaluations.

In well-being management, we have taken a wider approach than before in order to improve the well-being of the organisation and the personnel. In addition to the typical medical and physical dimensions, we are taking into account individuals' need for continuous learning and development, possibilities to influence their own work and social acceptance. The focus is on the work-related matters. The way we lead our people is a key factor in the improvement of well-being.

Engagement improvement is a continuous process in our company. We use one survey for tracking engagement throughout the Group. Based on the findings, we focus our development efforts on a corporate, unit, department and team level. The concrete steps for improving engagement form the core of this process. We concentrate on the matters which we can improve on and change ourselves instead of external issues or things which are not concrete enough.

By implementing the HR Business Partner model in our operations, we aim to provide better and timely service for our internal customers. The model enables HR professionals to better understand the business and its needs in terms of People Management. And at the same time, we can coordinate the efficient implementation of our people processes.

[Read more about our actions in HR management!](#)

We build our success together

Everyone has an opportunity to grow and learn in our company. In accordance with our ethical principles, our company develops and implements a company culture that promotes fair and equal treatment and respect. Everyone contributes to our profitable growth and success regardless of his or her position.

Appreciation increases motivation and profitability

Fair and equal treatment of personnel is important to us. We believe that a fair work community is a motivating factor that improves our profitability and competitive ability.

One example of fair treatment in our company is that our employee stock options and bonus programmes cover all of our employees.

We appreciate the competence and ideas of our personnel. Our work on inventiveness is an important channel through which our personnel can further develop their work, the work environment and our business. It provides everyone with an opportunity to make a difference.

[Read more about our work on inventiveness!](#)

Our traditional Hakkapeliitta of the Year award highlights Hakkapeliittas around the world

As the northernmost tyre manufacturer in the world, we make roads safer by developing innovative, premium-quality tyres designed for demanding conditions. Therefore, our employees' competence, will to win, inventiveness and ability to deal with challenging situations are important for our success.

The Hakkapeliitta of the Year award is one of the ways of showing appreciation and rewarding persons whose actions and example contribute to the work environment, who go above and beyond what is required and who can also celebrate the success of others. We give out the award in Nokia and Russia, and the tradition has continued for more than a decade. The award is significant because our personnel can nominate others for the award and the winners are selected by an independent panel.

Jorma Mäkinen, Hakkapeliitta of the Year 2014 in Nokia



Jorma Mäkinen, who was voted the Hakkapeliitta of the Year 2014 in Nokia, is especially known for the good-humoured stories he tells. Jorma's own example and sincere, persistent work have contributed to a positive work environment in his department. Jorma's colleagues tell us that he always does more than the minimum effort. For example, he is always ready to show visitors around his hometown and help out colleagues or suppliers who are in need of a ride to the factory.

Jorma Mäkinen did not expect to win the Hakkapeliitta of the Year vote because even the nomination was a total surprise to him.

– Just the nomination took me by surprise and the result of the vote blew me away. This recognition is very important for me, and I appreciate it immensely. Still, I feel that the recognition belongs equally to our entire team. We work as a team and all contribute to the atmosphere in our department, Jorma explains.

Jorma believes that one of Nokian Tyres' absolute advantages is the solid experience and competence of the personnel and that the company's strength lies in its people.

– To me, the Hakkapeliitta Spirit is about a sense of community. It means working together as a competent team and helping others out whenever necessary. Relentlessness is also an important part of the Hakkapeliitta Spirit. We do everything we can to keep our promises and support each other along the way, Jorma says.

In Russia, three persons received the Hakkapeliitta of the Year 2014 award

Andrey Shikhov, forklift operator



Andrey Shikhov has worked as a forklift operator for Nokian Tyres since 2007. He delivers components to worksites under a strict schedule.

– Friendship and good team spirit are important to me. – We have a great crew here. It is easy to work with such wonderful people.

“You are a skilled person who helped his colleagues implement, start-up and adjust the new production lines of the factory. Your forklift driving skills help the assembly department operate smoothly. You have a creative approach to your duties and you are able to deal with challenging situations. You actively participate in the inventiveness efforts and get along with your colleagues. You are liked by others, and nothing is impossible for you.”

Olga Kubareva, forwarding supervisor



Olga has worked at Nokian Tyres since 2012, first as a coordinator in Logistics and Purchasing and then as a forwarding supervisor as of April 2014.

– Our team is responsible for working with haulage companies and competitive bidding, Olga says. We make sure that the transport of raw materials and the delivery of finished products run smoothly. We

often face impossible conditions: delivery lorries arriving late, or not at all, and breaking down on the road. This job requires an ability to work under pressure with tight deadlines. It is important to remain calm and act quickly.

“You are a great personality, a solid professional and an excellent leader. You help others and create a positive and open atmosphere around you. Nothing is impossible for you, and you are not afraid of challenges in your work. You are persistent and inventive. You have a passionate attitude towards your work and you finish what you start. You are a good coach and mentor for new employees. As a good leader, you value your team and develop a creative company culture.”

Vladimir Burakovskiy, materials handler



Vladimir has worked for Nokian Tyres for almost seven years.

"You are a responsible, hard-working and inventive worker with an uncompromising attitude and attention to detail. You are a fair colleague all around. You are always ready to help others in times of need. You are good at organising.

You co-operate well with others and promote true Hakkapeliitta Spirit. You take care of your work like it is your own company."

Nokian Heavy Tyres selected the Market of the Year award



Each year during its international sales meeting, the Nokian Heavy Tyres unit gives out the Market of the Year award to the sales company that has actively improved sales and profitability. In 2014, the award went to Trond Andersen and Thomas Børke in Norway. The award criteria included the development of sales, profitability and activity in the sales of lorry tyres and heavy tyres.

Good HR management supports well-being and improves our results

Our efforts focus on the generally recognised elements of physical and mental well-being as well as on continuous learning and the development of the work environment. Good management practices are essential for our operations. Work that focuses on inventiveness is one way to support leadership and the active participation of our personnel in line with our company culture. We develop competence in a strategic and proactive manner that addresses future needs. To improve the functionality of our work community, we track the well-being and commitment of our personnel as well as the level of service that we provide.

Good HR management improves our results

High standards of HR management help our committed, motivated, and professional personnel to further develop their competence, support their well-being at work, and promote equal treatment.

Managers implement our company and management culture into the everyday work of our personnel in a natural and consistent way. Functional HR

management provides the tools that are necessary for good management work and for improving leadership skills. The competence and inventiveness of our personnel are our most important resources that need a safe and healthy work environment.

[Read more about our principles of HR management!](#)

Motivation and commitment are critical

The Drive! survey that we introduced in autumn 2013 throughout the group has proved to be an effective tool for developing our organisation. It has helped us identify specific strengths and areas for improvement in our work community. In 2014, our management interpreted the survey results at the organisational level and looked for solutions with an eye to implementing the strategy and taking care of personnel well-being. With these guidelines and decisions, we can influence the factors that promote or prevent the commitment of our personnel. Furthermore, we used the results to prepare unit-specific action plans for improving our operations and started their implementation. We are actively discussing the improvements in our units, and Group HR is ultimately in control of implementing the action plans. We will carry out the next survey in autumn 2015.



"The high response rate tells us that the Nokian Tyres' employees want to actively participate in the development of our work community. The main function of personnel surveys is creating a better workplace. While it is important to analyse the

results and discuss them with the personnel, it alone does not improve the procedures or eliminate the bottlenecks of our current operations. Therefore, it is important for us to implement the development plans in practice for making our company an even better and more successful workplace. By improving the practices that we follow in our work, we can achieve excellent results and stay competitive under the demanding conditions.

- **Ville Nurmi**, Vice President, Human Resources, Nokian Tyres plc

Even though commitment, management culture and performance as well as belief in our products, services, sustainability and supervisor work were on a very good level, we decided to improve the following aspects at the group level:

- Internal communication comprises open and relevant communication as well as manager communication and discussion of issues at a group and department level. In 2014, we implemented several improvements in our communication processes and methods, which were well received by our personnel.
- By improving our supervisor work and management, we aim at further engaging our employees and creating a competitive advantage. A good example of our improvements is documenting and implementing the leadership principles in the company.
- We also wanted to strengthen the communication of our strategy, so that everyone would understand his or her role in building our success on a practical level.

When conducting the survey, we emphasised everyone's opportunity to affect our operations and participate in developing our company. People working in different positions have different

perspectives and responsibilities, but we can all contribute to developing our operations, the work environment and our ways of doing things. We build our success together, and whether they are small or large, all actions matter in the big picture.

Making good progress with the Leadership Principles project

Good leadership is a prerequisite for well-being, good performances and successful business. We want to ensure that management and supervision at Nokian Tyres are functional and serve our needs. For this purpose, in late 2014 we initiated a project for improving leadership and supervision that determines the concept of "good leadership" in our company in principle and on a practical level.

The Leadership principles will function as a practical tool for supervisors and establish a basis for developing and monitoring leadership. All supervisors know how supervisor work is assessed, how they should improve their own supervisor work and how they should train their subordinate supervisors.

The goal of the project is to strengthen our leadership culture and ensure good leadership throughout the group. In the first stage of the project, we collected

background information on the type of leadership and supervisor work that is needed and expected in our company and identified our leadership principles. For this purpose, we conducted personal interviews and a survey for all employees in November 2014.

Based on the interviews, surveys and other background material, we listed the most important factors relevant to leadership and divided them into self-management, support of HR management and management of business operations. In December, the key persons and middle management reviewed the significance of the leadership principles and the critical success factors of our leadership culture. They narrowed down the list of good leadership principles, and then top management determined the five principles that are best suited for our leadership culture at Nokian Tyres.

For each leadership principle, we define specific descriptions of behaviour. These descriptions help supervisors to make decisions in line with the expectations of our personnel, customers and business as well as the Hakkapeliitta Spirit and our company values. In 2015, we will implement the leadership principles to supervisors via workshops.

People reviews

People review discussions are an important part of supervisor work. Individual units of our group have conducted performance appraisals in many different ways. In 2014, we combined the best of different ways and sought information about the practices in other companies. Based on our findings, we prepared a globally applicable model for performance appraisals, which we call the People Review process.

The new model combines evaluating the performance, setting goals and specifying personal development needs. All Nokian Tyres' employees have at least one people review discussion per year. People reviews are systematically used as a tool for managing performance and improving competence. It helps the company and unit meet their strategic goals.

We trained our supervisors on this process, so that all of them will be able to follow the new process for the 2015 reviews.

Development discussions (realisation/target, %)

	People reviews implementation %
Nokian Tyres, Nokia	82.8 %
Nokian Tyres, Vsevolozhsk	100 %
Vianor	49.5 %
Sales companies	76.2 %

Developing competence for the future

We develop the competence of our personnel in a strategic and proactive manner that addresses future needs. During people reviews, we determine the development needs and determine a competence development plan.

Development of competence in a nutshell

- We compare development needs and wishes against the set targets while taking into account the future needs. An individual competence development plan can also be supported with a 360 degree assessment.
- During a people review, the supervisor and employee discuss the employee's strengths, areas for improvement and career goals and agree on the specific aspects, goals, indicators and schedules for development.
- Improving leadership skills forms an important part of the competence development plan. In the future, we will conduct a 360 degree assessment for all managers in the group.

- The development of competence follows the 70-20-10 principle:
 - 70 per cent of competence is gained from practical work in different projects, problem solving, job rotation and new duties.
 - 20 per cent comes from learning from others, for example through mentoring and feedback.
 - 10 per cent of competence is developed through traditional training.

In 2014, we also invested in supporting the growth opportunities for talented individuals and in successor planning, so that we have potential successors for key positions growing in the organisation. We have encouraged employees to communicate their career goals and development needs to their supervisor in connection with people reviews.

One essential tool for developing competence is our international Hakkapeliitta eAcademy online portal, whose services are accessible by our personnel as well as our retailers and partners. We continually develop the content of Hakkapeliitta eAcademy: currently, we offer nearly 70 courses in up to 20 different languages. Our eLearning resources range from internal strategy and insider courses to product training and tyre fitment courses.

Vianor competes through competence



Vianor makes sure that our customers can drive safely. For corporate clients, this means a safe partnership, and for motorists this means peace of mind on the road. Succeeding in this task is demanding. The teams in our outlets must be able to work well together and develop their competence continuously in order to ensure the safety of our customers and earn their trust.



Their teamwork skills and competence are put to the test in the traditional Pitcrew Challenge, where teams compete against other Vianor outlets. This is just one of the many ways in which we are improving our competence and the ability to serve our customers.

Vianor Finland's 2014 Pitcrew Challenge final took place in Tampere this February. In the very tight final, four tasks tested the teams' skills both in theory and practice. In the end, Vianor Joensuu took first place.

All finalists had passed a tight preselection process that was conducted over the course of nearly one year. The outlets are benchmarked for quality, customer service and performance, and the most successful and best developed outlets send a team of four to the final.



The final really tested the teams' co-operation skills, competence and ability to work under pressure. In the 2014 final, the competitors answered a hundred questions on cars and maintenance, conducted a vehicle inspection and handled a challenging customer service scenario. The highlight of the final was a scenario in which the customer's vehicle did not start due to an electric fault. It involved interpreting a wiring diagram, understanding the vehicle's electrical system and logical troubleshooting of an electric fault.

The best teams will receive motorists' dream prizes in an award ceremony. However, perhaps our competitive professionals will enjoy applause from their peers even more. The preselection for the next Pitcrew Challenge has already started in the Nordic countries.

Well-being at work: practical measures for creating a better work community!

In 2014, we improved the clarity and functionality of our occupational well-being model. In our Nokia office, we piloted a change that improves well-being throughout our company and draws attention to management practices and other general issues for further improving the work environment and motivating our employees. We want to support the competence, energy, motivation and commitment of our personnel.

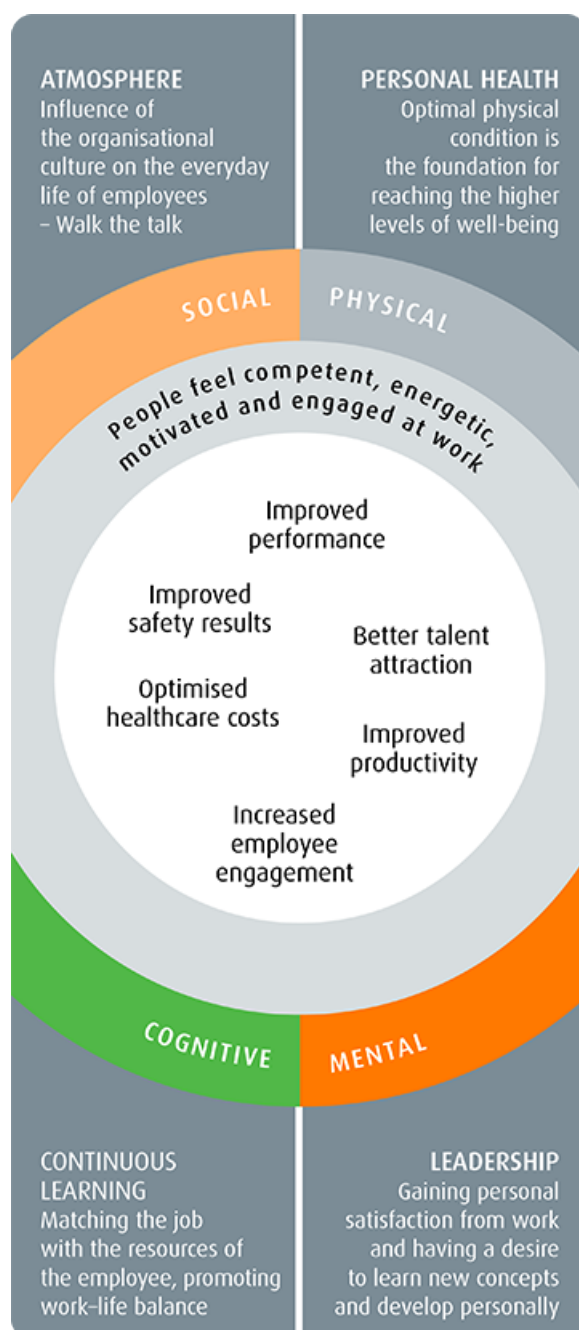
Our previous efforts in terms of well-being have focused more on tracking employees' health, whereas the new model pays attention to mental, cognitive and social aspects in addition to physical health. Furthermore, our measures are more systematic and consistent for everyone.

Well-being in Nokian Tyres comprises four areas: the physical, mental, cognitive and social. We firmly believe that by developing and advancing the different aspects, we can improve safety, commitment, productivity and well-being.

Our new model in a nutshell

We address absences and thereby improve well-being on an individual level according to four main principles:

1. We become concerned about a person's well-being/working ability if his or her absences start adding up or if his or her abilities/competence have clearly decreased. A supervisor must act, at the latest, if an employee is absent for 25 workdays during one year.



2. During a well-being discussion, the supervisor and employee fill in the relevant forms and select appropriate further measures, such as working on competence or leadership or conducting a detailed review of the individual's health or the work community. The discussions take place between the individual and supervisor and, as necessary, representatives of occupational health care and HR.
3. The discussions are documented centrally by occupational health care, which records an action plan with specific schedules and responsibilities. We seek external assistance if our own resources are not sufficient.
4. An assigned occupational health nurse monitors the situation and contacts the supervisor, employee and a health care professional if the situation does not advance according to plan. The nurse also creates an indicator for assessing the efficacy of the measures.

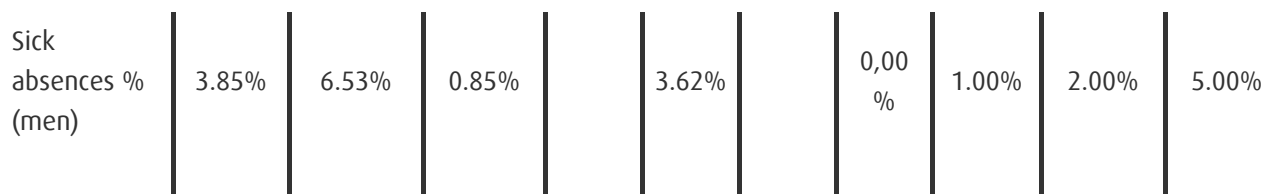
New well-being model an excellent improvement



Nokian Heavy Tyres' health and safety representative Jari Honkaniemi, Supervisor Marko Oksanen from the Components department, HR Manager Altti Korpela and Occupational Health Nurse Anne Takku and Physician-in-Charge Selina Selin from Finla Työterveys all agree that Nokian Tyres' new well-being model is an excellent improvement and a step towards a safer, healthier and more functional work community!

Absenteeism by company and by gender

	Nokian Tyres, Nokia		Vianor						Nokian Tyres, Vsevolozhsk	
	Nokian Tyres (FI)	Nokian Heavy Tyres	Vianor Holding Oy	Vianor Oy*)	Vianor AB	Vianor AS*)	Vianor AG	OOO Vianor SPb	OOO Nokian Shina	OOO Nokian Tyres
Sick absences % (total)	4.72%	7.46%	0.72%	4.30%	3.56%	7.58%	0,00 %	1.00%	3.00%	5.00%
Sick absences % (women)	5.06%	10.64%	0,00 %		3.07%		0,00 %	0,00 %	4.00%	6.00%



*) Information of absenteeism by gender not available

Russian health programme yields good results



In February 2014, our Russian location started a health programme that involved more than 200

employees who all set their personal health targets: some hoped to lose weight, and others wanted to quit smoking or boost their immune system. Their goal was to find a healthy lifestyle and a suitable physical activity.

Throughout the year, the participants earned points by reducing their BMI, exercising, reducing smoking and staying healthy. The organisers tracked the progress of personal targets and rewarded the best results. In the end, 63 employees shared first place, 11 shared second place and 14 shared third place.

Measures and tools for improving the safety culture

A safe and comfortable work environment is essential for our operations. We promote occupational safety through risk management, continuous improvement of our processes and new investments. The purpose is improving the safety of the work environment even

further as well as ensuring risk management in our production and functions. The interconnection between safety and environmental aspects is especially apparent in matters that are related to work hygiene and the use of chemicals.

Our goal is to further improve the safety of our operations and aim for zero accidents. In 2014, we piloted a safety walk in our location in Nokia. The purpose of this measure is to further increase the awareness of occupational safety and its impact on our everyday operations.

Safety walks by the management are for discussions and observations



In the first safety walk of 2015, President and CEO Ari Lehtoranta observed safety with Vice President, Quality and Process Development and production personnel. From the left operator Ari Kantanen and Ari Lehtoranta.

The safety walks by the management are conducted for evaluating the employees', supervisors' and specialists' competence and their attitudes towards safety, for identifying areas for improvement based on feedback and the observations made, and for reviewing how the measures determined during previous walks have been implemented. For each safety walk, we also publish the essential observations and assign the parties responsible for the related actions through our internal channels. The management plans to organise three safety walks per year in our factories in Finland and Russia.

In 2014, we also focused our efforts on investigating accidents and near miss reports and arranging induction training, instruction and guidance. Our campaigns had a positive impact on the safety culture: we improved the reporting rate of near misses and reduced the accident frequency by approximately 14 per cent. We conducted our safety reviews as planned and made significant efforts in terms of the investigation of accidents.

We also use other new action models for improving the safety culture. For example, we will report all accidents periodically to the management team. In Nokia, we improved the efficiency of department-

specific occupational health and safety workgroups in the Passenger Car Tyres unit and created similar groups also for the Heavy Tyres unit. Regular meetings are arranged for discussing the accidents in the unit and other areas for improvement.

In 2014, one severe accident occurred in our Nokia factory, when an operator's glove was entangled in the ply calender's rubber, which started to pull the operator's hand towards the roll. The operator's arm and body were pressed against the hot roll and rubber, which resulted in burns in both hands and on the left side of the body. Following an accident and machinery investigation, we made an investment, examined the machine thoroughly and implemented the necessary corrections in the equipment and work instructions.

Accident rate (more than 3 days absence / million working hours)

	Vianor Nordic	Nokian Tyres (Nokia)	Nokian Tyres (Vsevolozhsk)	In all
2014	14	18	5	11

Safety observations engage the personnel



We communicate and discuss safety visibly in our company, which has made our personnel more

active. Occupational Health and Safety Manager Mika Vanhanen says that, for example, including safety observations in inventiveness operations as of 2015 has engaged the personnel in Nokia: in the first two months, we recorded more than 170 different safety observations. Our previous near miss reports and current safety observations are highly significant in terms of accident prevention, for instance. In 2015, we will continue to develop our safety culture throughout the group.

Equal treatment and compensation

The well-being and equal treatment of our personnel are vital to our operations, and we have a long history in their development. Our ethical guidelines comprise several principles regarding the treatment of our personnel, and we promote equality at work. Every employee of our company is always entitled to fair and appropriate treatment at work. All kinds of discrimination, harassment, and hostility are absolutely forbidden, and we take immediate measures in case of violations.

Employment in our group is always based on clear and unambiguous employment contracts in accordance with the local legislation and any collective agreements. Our salaries are always equal to or above the statutory local minimum wage. Furthermore, we offer employee stock options to everyone employed by the group.

In Vianor, the peak seasons offer opportunities for young people and the workload is reflected in the salary



Vianor's business involves strong variation according to different seasons. In practice, this means varying workloads and numbers of employees. For example, in Vianor Hyrylä in Tuusula, we offer car tyre change, car maintenance, heavy equipment service and tyre storage. The outlet has eight permanent workers but employs twice as many people during peak season. Systematic and careful induction to Vianor's processes is very important for seasonal workers.

– It ensures good quality and enables the seasonal worker to do his or her work well, says Janne Määttä, the manager of the outlet.



Vianor's EHSQ Manager Olli Heinonen says that tyre fitters can also affect their salary.

– Everyone who works in the industry surely knows that the fluctuating workload and peak seasons come with the job. We offer bonus programmes for motivating all of our employee groups, for example. During peak season, tyre fitters can really affect their salary by working hard.

Peak seasons employ especially young people. In Vianor Hyrylä, for instance, the average age of seasonal employees is around 20 years.

– They are local boys: students who get to earn a little extra, says Määttä. He explains that many of them have worked in Vianor Hyrylä for several seasons.

– Seasonal workers are part of the Vianor team. They fit here well.

Inventiveness is a strong part of our company culture

Inventiveness has a long tradition in our company, and it is an important part of our company culture. Our inventiveness and suggestion procedure is a way to encourage everyone to actively participate in the development of their own work and the operation of

our company. The outset of inventiveness is continuous improvement of work and questioning the current state of things. Suggestions for improvements and new solutions can be made by individuals or groups

We welcome suggestions for increasing efficiency and productivity and for improving the quality of our operations and products, occupational safety and well-being at work. Starting in 2015, inventiveness in our Nokia factory also involves observing and recording safety issues.

The total number of ideas was slightly higher in 2014 compared to the previous year, and in our Nokia office we received 800 suggestions more than in 2013. In Russia, the number of suggestions remained nearly the same. In 2014, the number of ideas implemented in our group was slightly lower than in 2013.

Inventiveness summary

	Created ideas	Created ideas/person	Realised ideas	Realised ideas/person
Nokian Tyres, Nokia	5756	5.2	4268	3.9
Nokian Tyres, Vsevolozhsk	1340	1.0	431	0.3
Vianor	461	0.3	259	0.2
In all:	7557	1.9	4958	1.2

Total workforce by employment type, employment contract and region, broken down by gender

	Nordic	Russia and CIS	CE and Eastern Europe	North America	The rest of the world	Total
Total workforce on 31.12.2014	2566	1350	123	181	12	4232
Women	393	193	41	20	6	653
Men	2173	1157	82	161	6	3579
Total number of own employees	2559	1350	114	181	12	4216
Women	389	193	41	20	6	649
Men	2170	1157	73	161	6	3567
Number of supervised workers	7	0	9	0	0	16
Women	4	0	0	0	0	4
Men	3	0	9	0	0	12

Total number of season workers in Vianor during 2014	966	0	0	10	0	976
Permanent	2426	1312	112	181	0	4031
Full-time	97.73%	99.92%	93.75%	98.34%	0,00 %	98.36%
Part-time	2.47%	0.08%	7.14%	1.66%	0,00 %	1.79%
Women	15.25%	12.24%	35.71%	11.05%	0,00 %	14.65%
Men	84.75%	87.76%	64.29%	88.95%	0,00 %	85.35%

Total number and rate of new employee hires and employee turnover by gender, age group, and region

	NORDIC	RUSSIA and CIS	CE and Eastern Europe	North America	The rest of the world	Total
Total number of new employees	533	177	27	35	5	777
Number of women	50	43.5	8	3	3	107.5
Number of men	483	133.5	19	32	2	669.5
Number of under 30 years old	291	132.5	12	15	2	452.5
Number of 30-50 years old	185	44	12	10	3	254
Number of over 50 years old	57	0.5	2	10	0	69.5
New employee hires rate (Total)	20.83%	13.12%	23.68%	19.34%	41.67%	18.43%
Percentage of women	1.95%	3.22%	7.02%	1.66%	25.00%	2.55%
Percentage of men	18.87%	9.89%	16.67%	17.68%	16.67%	15.88%
Percentage of under 30 years old	11.37%	9.82%	10.53%	8.29%	16.67%	10.73%
Percentage of 30-50 years old	7.23%	3.26%	10.53%	5.52%	25.00%	6.03%
Percentage of over 50 years old	2.23%	0.04%	1.75%	5.52%	0,00 %	1.65%
	NORDIC	RUSSIA and CIS	CE and Eastern Europe	North America	The rest of the world	Total

Total number of terminated employees (fixed terms not included)	243	182	16	14	5	460
Number of women	23	42	3	1	3	72
Number of men	220	140	13	13	2	388
Number of under 30 years old	66	105	7	5	1	184
Number of 30-50 years old	127	66	4	7	4	208
Number of over 50 years old	50	1	5	2	0	58
Turnover rate (Total)	9.50%	13.49%	14.04%	7.73%	41.67%	10.91%
Percentage of women	0.90%	3.11%	2.63%	0.55%	25.00%	1.71%
Percentage of men	8.60%	10.37%	11.40%	7.18%	16.67%	9.20%
Percentage of under 30 years old	2.58%	7.78%	6.14%	2.76%	8.33%	4.36%
Percentage of 30-50 years old	4.96%	4.89%	3.51%	3.87%	33.33%	4.93%
Percentage of over 50 years old	1.95%	0.07%	4.39%	1.10%	0,00 %	1.38%

Composition of governance bodies and breakdown of employees per employee category according to gender and age group

	NORDIC	RUSSIA and CIS	CE and Eastern Europe	North America	The rest of the world	Total
Number of individuals within the top management	17	1	4	3	2	27
Number of women	2	0	0	0	0	2
Number of men	15	1	4	3	2	25
Percentage of women	12%	0,00 %	0,00 %	0,00 %	0,00 %	7%
Percentage of men	88%	100%	100%	100%	100%	93%
Number of under 30 years old	0	0	0	0	0	0
Number of 30-50 years old	10	1	0	2	1	14
Number of over 50 years old	7	0	4	1	1	13
Percentage of under 30 years old	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Percentage of 30-50 years old	59%	100%	0,00 %	67%	50%	52%

Percentage of over 50 years old	41%	%	100%	33%	50%	48%
Number of white collars	998	348	90	78	10	1524
Number of women	207	147	41	19	6	420
Number of men	791	201	49	59	4	1104
Percentage of women	21%	42%	46%	24%	60%	28%
Percentage of men	79%	58%	54%	76%	40%	72%
Number of under 30 years old	79	152	17	9	3	260
Number of 30-50 years old	655	187	59	43	7	951
Number of over 50 years old	265	9	14	26	0	314
Percentage of under 30 years old	8%	44%	19%	12%	30%	17%
Percentage of 30-50 years old	66%	54%	66%	55%	70%	62%
Percentage of over 50 years old	27%	2%	16%	33%	%	21%
Number of blue collars	1545	993	16	96	0	2650
Number of women	177	43	0	0	0	220
Number of men	1368	950	16	96	0	2430
Percentage of women	11%	4%	0,00 %	0,00 %	0,00 %	8%
Percentage of men	89%	96%	100%	100%	%	92%
Number of under 30 years old	310	462	6	30	0	808
Number of 30-50 years old	885	510	7	45	0	1447
Number of over 50 years old	349	21	3	21	0	394
Percentage of under 30 years old	20%	47%	38%	31%	0,00 %	30%
Percentage of 30-50 years old	57%	51%	44%	47%	0,00 %	55%
Percentage of over 50 years old	23%	2%	19%	22%	0,00 %	15%
Composition of the Board	7					
Number of women	2					
Number of men	5					
Percentage of women	29%					
Percentage of men	71%					
Number of under 30 years old	0					

Number of 30-50 years old	1					
Number of over 50 years old	6					
Percentage of under 30 years old	0,00 %					
Percentage of 30-50 years old	14%					
Percentage of over 50 years old	86%					

Even small actions matter

We pay salaries and taxes, and we have built homes and a day-care centre for the personnel of our location in Russia. Furthermore, we support local sports clubs with minor contributions and sponsor a school in Nokia. Our tradition of giving back to our communities goes back to the early 1900s when our company built housing for the personnel. We at Nokian Tyres believe that even small actions matter.

Our long tradition in influencing local communities

We affect our local communities in many ways: In Nokia, we are one of the major employers. In Russia, we have built housing for our personnel. We annually support the Finnish war veterans' celebrations. The taxes that we pay support the well-being of people in different countries. We are also actively involved in making road traffic safer. Furthermore, our small actions – such as our dialogue with our neighbourhood, co-operation with educational institutions and minor contributions for local sports clubs – affect individual persons and communities alike.

When possible, we try to contribute to the well-being of communities throughout our value chain, whether by improving the functions of rubber processors or the well-being of our personnel.

Our tradition of giving back to our communities goes back to the early 1900s when our company understood that its personnel are the most important resource. Despite the tough economy, our company

emphasised personnel well-being and, for example, constructed hundreds of apartments for the employees. Although the world has changed drastically in the last hundred years, we still find it important to support the well-being of our personnel as well as our local communities.

Hakkapeliitta Village – the residential area for our Hakkapeliittas

We built the Hakkapeliitta Village, high-quality homes for the employees of our Russian location, only 15 minutes away from our factories. We offer our personnel the opportunity to work and live in excellent, European conditions, and we want to use this as a way of committing our key resources to long employment relationships. We also want them to utilise the career advancement opportunities that our company offers. Hakkapeliitta Village is a social project the likes of which have not been commonly seen in Russia.

We completed the first stage of Hakkapeliitta Village in 2009 and the second stage in 2013. All of the apartments in the Hakkapeliitta Village are only sold to the personnel of Nokian Tyres' Russian location, and anyone can apply for an apartment, regardless of his or her job position. Participants in the housing programme receive control of the apartment after a set period of time; if they end their employment before the time has passed, the investment is returned.

New day nursery full of safe activities



We handed over the first day nursery that we built in connection with the Hakkapeliitta Village to the

municipality in 2011 and the second one in 2014. The Hakkapeliitta Village day nurseries have room for sleeping, playing and other activities. Modern sleeping rooms and playrooms, high-quality sports equipment, good care and good opportunities for the children to develop have received high praise from the Hakkapeliitta Village's parents and children alike. The day nursery has two groups for children between 3 and 5 years of age and for children between 5 and 7 years of age, with places for 25 children in each of them.



Finance

Financial management at Nokian Tyres

In our company, financial management actively influences our operations and decision-making thereby enabling us to reach our objectives. Our finance function extensively collects information on the operating environment as well as the different stages and results of the company's business processes. By processing this information, we aim at forming an understanding of the impact that our business decisions will have. Good financial management provides our company with the best opportunities for planned and foreseeable operations as well as for finding the best operating models in different situations.

Profitable but sustainable growth

As a commercial business, one of the key elements in our responsibility is ensuring financial success and being able to provide added value to our financial interest groups. Profitability enables us to further develop our business and it offers financial security, work, and well-being for our personnel as well as our shareholders.

Financial success benefits all interest groups

We seek growth and strong profitability for our business by producing premium-quality, special tyres. By focusing our efforts on improving our products, we can keep up with the industry's development, consistently win independent tyre tests and gain lots of recommendations from consumers on social media. This strengthens the reputation of our company and thereby drives our sales. We have been able to expand our product range and sales to new areas based on our strong expertise in the Northern conditions.

New products comprise some 30 per cent of our turnover. In addition to product development, we focus on the continuous improvement of our business models and processes. We focus systematically on quality, productivity and logistics. The management and functionality of the distribution chain are basic requirements for improving our sales and for receiving a good return on investment.

We aim for even further development and growth as we want to be the world's most profitable tyre manufacturer today and in the future. Profitability enables us to further develop our business and it offers financial security, work and well-being for our personnel as well as our shareholders. Financial success also makes our own business even more interesting and varied.

Review of the market areas in 2014

Stable development continued in the Nordic countries

Approximately 10 million car and van tyres are sold each year in Finland, Sweden and Norway. Some 6 million of these are winter tyres. Generally, the market grows 1–3 per cent per year, and there are approximately 80 competing brands. The legislation in these countries requires the use of winter tyres during the winter months.

The Nordic countries accounted for approximately 40 per cent of Nokian Tyres' sales in 2014. Nokian Tyres is the market and price leader and the only local manufacturer in the region. The company has an extensive distribution network, including its own Vianor tyre chain that comprises 294 outlets.

Russia presents both potential and risks

Russia is a large market with an estimated 2.5 million new cars and 39 million car and van tyres sold in 2014. Nokian Tyres is the market leader and largest manufacturer of segment A and B tyres in Russia. Our total sales in Russia and the CIS countries in 2014 amounted to €386.7 million, or 26 per cent of the total sales of the Nokian Tyres Group. The Russian economy was in turmoil in 2014 due to the crisis in Ukraine and Crimea and the strong decline in oil prices. Fluctuation of the rouble exchange rates made it challenging for Nokian Tyres and other international companies to secure and optimize their financial result.

Central Europe – the largest winter tyre market

Central Europe is globally the largest winter tyre market – 12 times larger compared to the Nordic countries. The expanding tyre markets and the adoption of winter tyre legislation in more countries have made Central Europe one of the most important

growth areas for Nokian Tyres. We sell tyres to 32 European countries in addition to the Nordic countries, Russia, and the CIS countries. Central Europe accounted for some 24 per cent of Nokian Tyres' sales in 2014. The Ejpovice logistics and service centre serves the main markets around the clock.

North America – Focusing on the winter tyre niche

In North America, Nokian Tyres focuses on Canada and the US snowbelt region. There, the market potential for winter tyres is twofold compared to the Nordic Countries. Canadian winter tyre legislation

supports the growth of demand. North America accounted for some 9 per cent of Nokian Tyres' sales in 2014. Nokian Tyres has a strong brand and a solid reputation for quality in the North American regions where winter tyres are used.

View of the future

For more information on the development of our sales and our financial standing, please refer to our 2014 annual report at www.nokiantyres.com/company/publications/annual-reports/.

EUR million

	2014	2013	change %
Net sales	1,389.1	1,521.0	-8.7
Operating profit	308.7	385.5	-19.9
% net sales	22.2	25.3	
Profit before tax	261.2	312.8	-16.5
% of net sales	18.8	20.6	
Return on capital employed (ROI), %	19.2	21.8	
Return on equity (ROE), %	16.0	13.0	
Interest bearing net debt	-164.6	-56.4	-191.9
% of net sales	-11.8	-0.9	
Gross investments	80.6	125.6	-35.8
% of net sales	5.8	8.30	
Earnings/share, EUR	1.56	1.39	12.9
Shareholders equity per share, EUR	9.07	10.45	
Equity ratio, %	67.5	67.60	
Taxes, EUR	52.8	129.1	
Wages, fees, social security contributions	196.6	189.6	

Delivery reliability and a look at our markets

Delivery reliability is one of the prerequisites for Nokian Tyres' success. The consumer sales of winter tyres are highly focused on seasons and that requires tyre manufacturers to employ flexible and rapid logistics.

Deliveries according to contract

By delivery reliability, we mean that the right products are delivered according to contract in terms of the product quality, method of transport, delivery location, delivery time, and price. Delivery reliability is one of the prerequisites for Nokian Tyres' success. The consumer sales of winter tyres are highly focused on seasons and that requires tyre manufacturers to employ flexible and rapid logistics. Good availability of tyres and quick delivery on time are increasingly important factors by which the customers select their suppliers. Nokian Tyres' delivery reliability is generally recognised in the field, and it contributes to reinforcing our price position in the market.

Development efforts for optimising transportation

Nokian Tyres products are sold in more than 50 countries by our in-house sales organisation and thousands of client companies. Our clientele includes tyre chains, car dealerships, tyre wholesalers and retailers, independent importers, machine and equipment manufacturers, port and logistics companies, and haulage companies. The Vianor tyre chain and new NADs (Nokian Tyres Authorized Dealers) have an increasingly important role in the sales and seasonal management of Nokian Tyres. A significant part of the Group's sales are currently made through Vianor outlets.

Nokian Tyres and Vianor have, for a long time, worked together for improving and streamlining logistics. Our Group aims to avoid all unnecessary transportation and thus reduce the environmental impacts. To minimise the transportation distance and the consequent environmental impact, tyres are delivered from the production plants to our clients as directly as possible in fully loaded trucks.

Transportation is specifically one of Vianor's most significant environmental impacts, and the chain strives to maximise the number of tyres in each delivery from the import warehouse and to minimise transportation between outlets. The chain monitors the weight of the deliveries from the warehouse and packs the tyre trucks as fully as possible, for example by 'lacing' the tyres densely.

Nokian Tyres' shipments in Central Europe use sea and rail transport as much as possible. From marine containers, we mainly deliver the tyres directly to the client by train or trucks. We prefer the largest container sizes (45' HC and 40' HC) in order to minimise our environmental impact. If at all possible, we use round-trip transportation to avoid return legs with empty trucks. Most of the time, haulage companies serve different clients on the outward and return legs, and trucks rarely have to drive back empty.

When selecting haulage companies for tyre deliveries, our main criteria are quality and cost-efficiency as well as the operator's environmental performance and valid environmental certifications.

Effects on society

The salaries and taxes that we pay support the structures of society and improve the quality of life for thousands of people.

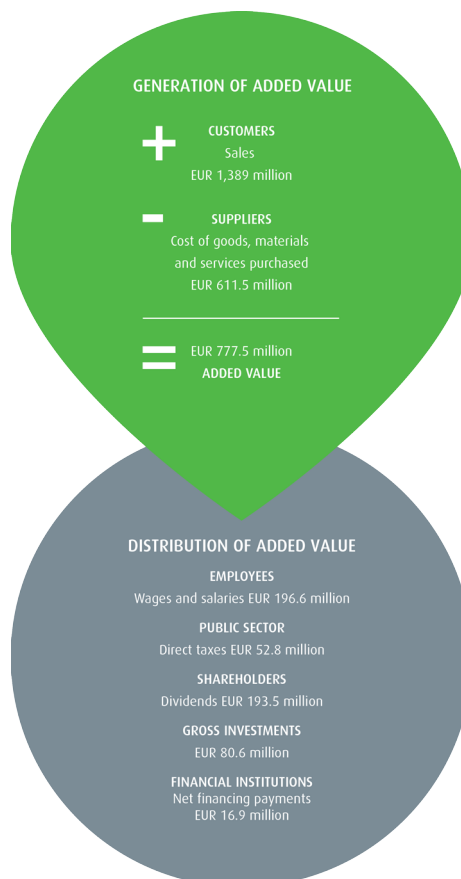
Employer, taxpayer, and safety expert

We employ more than 4,000 people around the world, and our tyre factories are significant employers. The salaries and taxes that we pay support the structures of society and improve the quality of life for thousands of people.

As a leading manufacturer of winter tyres, we have a special responsibility for making winter traffic better and safer. Nokian Tyres is a member of different communities and organisations that participate in the development of the legislation and political decision-making.

Nokian Tyres and the cash flow between interest groups

A good financial result has extensive effects on the interest groups of the company. The diagram below shows Nokian Tyres' economic footprint in terms of its interest groups.





Planet

EHSQ management at Nokian Tyres

The outset of our operations includes respecting environmental and safety aspects without compromises and ensuring high quality and a good customer experience. Our operations take into account ethical principles, diversity of nature, and sustainable development. We respect individual and cultural differences as well as differing opinions.

[Read more about how we manage environmental issues, health, safety, and quality.](#)

EHSQ management at Nokian Tyres

Management of environmental issues, health, safety, and quality at Nokian Tyres

EHSQ management at our company is handled at the Group level, and it encompasses, for example, quality management, environmental protection, well-being at work, safety management, and property protection. When developing operations, we aim at solutions that are more advanced than the minimum required by the legislation and standards. Our activities follow the principles of sustainable improvement and are based on the social responsibility assumed by our company, as well as the strategic goals of our business. At the same time, we secure our business, create added value, and enhance its critical success factors: the development,

manufacture, and marketing of tyres. We have especially strived to ensure the continuity of our manufacturing operations by promoting the EHSQ functions. By minimising risks and interference, we can ensure cost-efficient production.

We have a broad view on EHSQ issues. We pay attention to the entire lifecycle of our products and to all of our company's activities. We emphasise the management of EHSQ issues in our own operations as well as in our distribution chains. In terms of direct competitive advantages, this means safety innovations for tyres. Sustainable safety is an important dimension in our research and development activities, as well as our main argument in marketing.

Our EHSQ policy comprises our promises regarding the environment, health, safety, and quality as well as our plans for keeping those promises.

EHSQ policy

Our promise

We develop and manufacture high-quality premium products in the tyre industry. The unique innovations of our products ensure safe, economical, and comfortable driving. We offer our customers the best service in the industry in all areas of our operation. As a forerunner in the industry, we are continuously improving the quality, safety, and eco-friendliness of our products and processes. In our operations, we take into account our products' entire lifecycle.

How we fulfil our promise

The outset of our operations includes uncompromising respect for environmental and safety matters, as well as ensuring high quality and a good customer experience.

We guarantee the high quality of our products with controlled, efficient, and closely monitored development, procurement, and manufacturing processes. Our operations are customer-oriented and profitable.

We commit to compliance with the laws and regulations as well as our customers' requirements. In our operations, we take into account ethical principles, biodiversity, and sustainable development. We respect different individuals, cultures, and opinions.

When procuring raw materials and ordering work from external service providers, we only select partners that have a good reputation and that we determine to be reliable. We do not accept the use of child labour in our own operations or those of our service providers.

Our management is committed to creating working conditions in which individuals have good opportunities to take responsibility for and influence the development of environmental issues, occupational safety, and quality. We strive towards efficiency and zero accidents in all areas of our operations.

We familiarise our employees with our basic operating principles and goals and provide training on the impacts that their work has on quality and the environment. Furthermore, we encourage our employees to promote quality, occupational and chemical safety, and environmental protection in their work.

Our management sets goals regarding economy, the environment, health, safety, and quality, and it monitors their implementation and allocates sufficient resources for meeting and maintaining these goals.

We conduct regular internal audits for assessing the efficiency of our activity management system as well as compliance with customer requirements and the legislation, regulations, and instructions.

Our operations are based on these international criteria

Our operations are based on and fulfil the requirements of the ISO 9001:2008, ISO/TS 16949:2009, ISO 14001:2004, OHSAS 18001, and ISO 17025 standards, as well as the customer and authority requirements.

Organisation

Environmental, health and safety aspects (EHS) are assigned to Quality and Process Development, and Vice President, Quality and Process Development coordinates their management globally. The goals of EHS management are accident prevention in all areas of operation, uninterrupted production and good corporate citizenship.

Management systems

We aim at managing the environmental impacts of our products over their entire lifecycle and addressing the safety and quality aspects of our operations in a comprehensive and systematic manner. The activity management system that encompasses the environmental, safety, and quality issues serves as a key tool for this purpose. The operations manual complies with the ISO 14001 standard in terms of environmental matters and with the ISO 9001 standard as regards quality. Our factory in Russia and the Swedish sales company Nokian Däck are also covered by the joint EHS and quality (EHSQ) system and included in the ISO 14001 and ISO 9001 certifications. The management system, furthermore, covers the safety management system that is referred to in the Finnish Government Decree 855/2012 (industrial handling and storage of dangerous chemicals, SEVESO II). In 2013, we received the automotive industry's ISO/TS 16949 approval for all of our production plants.

Nokian Tyres' EHSQ targets are laid down in our quality and process development strategy, which is drawn up for a period of five years at a time and updated annually. The production plants' environmental programme annually sets the detailed targets, means, schedules, and persons responsible for achieving the goals that are specified in the strategy. Each unit also has its own projects for developing the operations and processes.

We review the development of EHSQ matters each month during the management meetings. The senior

management provides direct feedback to the EHS team as required. The quarterly EHS Global video conferences are intended for discussing the plants' current safety as well as chemical and environmental matters.

Authorities and permits

Nokian Tyres' environmental and safety operations are supervised by several authorities, with the most important in Nokia being the Pirkanmaa Centre for Economic Development, Transport, and the Environment (ELY), the Finnish Safety and Chemicals Agency (TUKES), the environmental protection and construction supervision units and other offices of the Town of Nokia, and the Tampere Regional Emergency Service. The body in charge of occupational safety is the Pirkanmaa ELY Centre. The most important authorities supervising the Vsevolozhsk factory's operations are the Ministry of Natural Resources and the Environment of the Russian Federation, the Committee on Natural Resources, Environmental Protection, and Ecological Safety of the Leningrad Region, and the Federal Service for Supervision of Consumer Rights Protection and Human Well-Being. The operations of other Nokian Tyres' units are supervised by the national authorities. We maintain continuous dialogue with various authorities in order to take any official requirements and requests into account in a timely manner. We immediately communicate any disruptions, accidents, or deviations from the terms and conditions of our permits to the authorities.

We see official permits as the minimum requirements and regard eco-friendliness as much more than simply complying with the permit limits. We are committed to being a part of genuinely sustainable development. We actively follow the trends in environmental and safety regulations in Finland, the EU, and Russia, and anticipate the effects of pending regulation on our operations.

The Nokia unit has a valid environmental permit that was granted by the Regional State Administrative

Agency for Western and Inland Finland in 2014, and the reviewed permit decision was issued in November 2014. In addition to the chemicals permits from TUKES, the Nokia unit has been granted permission by the Water Court to take cooling water from the river Nokianvirta. We obtained the numerous permits required for the Russian factory already during its construction and have since maintained them in compliance with the local legislation.

Chemical control operations

The chemical control operations of Nokian Tyres were started in the early 1960s. Our company complies with all the requirements of the EU chemicals legislation aimed at ensuring the safest possible use of chemicals for the employees, environment, and end users. To improve the level of chemical safety and to comply with the REACH directive, we continuously co-operate with component and chemicals suppliers and producers.

In our production, we never use carcinogenic chemicals or SVHC chemicals (Substances of Very High Concern) as per the EU's REACH regulation. Our contract manufacturers do not use any SVHC chemicals. All of our products fulfil the PAH related requirements set in the EU REACH directive. We also aim at ensuring that no goods sold at this time or in the future through the Vianor units include any such chemicals. We require all chemicals suppliers to provide a material safety data sheet (MSDS) in compliance with the valid legislation prior to the procurement of chemicals. The MSDSs of the chemicals in use are registered in a database that is made available to our personnel.

Nokian Tyres produces and sells adhesives and paints in Finland that are used by the rubber industry and it imports specific raw materials that are used in rubber compounds. Our company creates MSDSs for these chemicals and submits them to TUKES for verification and registration.

We test new raw materials that are to be used in rubber compounds for quality assurance and suitability in production under laboratory and production conditions in Nokia. We document the raw materials approved for rubber compounds in a list of approved raw materials. Our procurement staff are only allowed to purchase raw materials that are included in this list of approved materials. The raw materials used by the Russian plant are also tested and approved in Finland.

No booster chemical is taken into use at the Nokia plant before the chemical control team has issued a department-specific usage permit for the substance in question. The team includes the EHS Manager, an environmental engineer, a chemist from the R&D laboratory, and an occupational physician. The purpose of this policy is to streamline the use of chemicals throughout the company and, whenever possible, to replace hazardous chemicals with safer ones. Each year, a chemical survey is carried out at our factory in Russia.

Audits

Regular audits are an important part of our environmental, safety, and quality operations. Their purpose is to guarantee eco-friendliness in production and ensure a safe working environment according to high standards. The audits aim to verify if the operation under scrutiny complies with the legislation, EHSQ policy, and the instructions provided in our activity management system.

We carry out internal environmental and quality audits according to an annual plan. This ensures that each area of activity that is specified in our activity management system is audited at least once every three years. The annual plans are drawn up on the basis of a five-year schedule, taking into account the findings of the previous audits.

An internal safety audit includes an environmental audit and an occupational safety audit. The safety audit looks into machine guarding, fire safety, cleanliness and order, proper handling and storage of

chemicals, occupational hygiene, working conditions, and waste management. The audit team also monitors the development of the departments' safety index. The audits that are carried out are reported to the management, enabling the planning of any new development measures that we deem necessary.

Audits carried out by customers and co-operation partners, such as the automotive industry, are also considered internal audits. The internal audits, furthermore, include the audit that is carried out in conjunction with the weekly management review.

An external auditor performs an audit once a year for assessing compliance with the relevant standards. We supervise legal and regulatory compliance annually or as required by the authorities and insurance companies.

We want to be an industry leader

We want to be an international industry-leader in EHSQ matters. The principle of "A safe company means safe tyres" is an essential part of our company's identity and reputation. Corporate social responsibility is an integral part of the Finnish business culture, and we are not willing to compromise in this respect in our global operations. The awards and excellent reviews that our company and products have received demonstrate that environmental issues, quality, and safety are important for our customers and other interest groups. Therefore, our successful development projects guide the development throughout the industry.

We are a member of FiBS (Finnish Business & Society ry), a non-profit corporate responsibility network. The network's mission is to promote financially, socially and ecologically sustainable business in Finland.

Taking care of biodiversity

In 2014, we participated in the Business & Biodiversity pilot programme organised by Corporate Responsibility Network FIBS, whose aim was to provide Finnish companies with information and support on comprehensively taking biodiversity into account. The programme included different training sessions and workshops which were mainly led by experts from the Finnish Environment Institute. In addition, the participating companies' representatives shared their best practices and offered peer support.

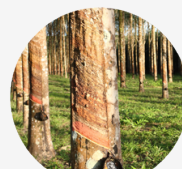
We have always considered biodiversity to be a part of our environmental aspects, even if we have not listed it specifically. The training programme confirmed our vision of the direction in which we are taking our company. Although our operations have little direct effect on biodiversity, we strive to take these aspects into account even better in what we do. We started reviewing biodiversity in our location in Nokia and we intend to expand it to our facilities in Russia as well as the Vianor outlets. We will also pay closer attention to our test tracks in Nokia and Ivalo. Carrying out a thorough review throughout the group will make it easier to consider biodiversity also on a strategic level.

The images marked with grey present the ecosystem services that we are utilising. Natural rubber and other raw materials are necessary for our operations, we utilise different forms of energy in our production, we use cooling water in our process and we need built-up land for our factories and test tracks.

The middle section with orange describes the most significant environmental impacts of our production, which we strive to minimise. It also describes the ecosystem services that we especially want to maintain.

The bottom row describes the potential effects of our production on the biodiversity of the close

environment. The images represent the endangered species that live near our production facilities in Nokia: The asp and freshwater pearl mussel live in the lower reaches of the Nokianvirta river, and the red-throated loon nests near our Nokia test track. Our test track in Ivalo, Finnish Lapland, is located in the reindeer herding area. We strive to minimise our impact on the habitat of these species. We want to do our part in maintaining the full diversity of nature for future generations.



RAW MATERIALS



ENERGY



WATER & LAND USE



PROTECTION OF AIR

PROTECTION OF
WATER COURSES

BIODIVERSITY

Biodiversity in Vsevolozhsk

Vsevolozhsky District is located in the area of south taiga and is characterised by coniferous forests consisting of pines and spruces that cover 60 per cent of the district. Other species of trees, such as birch, aspen, grey alder and less often common alder, are native to the area, with willow, sorbus, bird cherry, viburnum, ribes and dog-roses too but rarer. The area is rich in wild berries and mushrooms. Meadows and bogs cover the small part of the territory.

The fauna of Vsevolozhsky District consists mostly of elks, wild boars, foxes, raccoon dogs, and less often lynxes and wolves. There are American minks, weasels, and European polecats as well as squirrels, mice, rats, hares, moles and bats. The water fauna consists of ringed seals that can occur in Lake Ladoga.

Functional and safe production

We improve our EHSQ operations comprehensively in co-operation with the personnel, occupational health care, authorities, and experts. Our goal is to ensure a safe and efficient work environment that takes into consideration the physical, mental, and social well-being of our personnel. Our personnel actively participate in the voluntary, further development of occupational safety, processes, and environmental issues.

We improve our EHSQ operations comprehensively in co-operation with the personnel, occupational health care, authorities, and experts. Our goal is to ensure a safe and efficient work environment that takes into consideration the physical, mental, and social well-being of our personnel. Our personnel actively participate in the voluntary, further development of occupational safety, processes, and environmental issues. We work towards our goals with environmental and safety programmes, continuous auditing, and risk management surveys, for example. They form the outset for the systematic induction and training of our personnel. We provide training on working ability and ergonomics, chemical safety, and minimising fires and other risks.

1. Buying and reception of raw materials

Raw materials for tyres include natural rubber, synthetic rubber, soot, various chemicals, and reinforcing materials. We buy these raw materials from around the world, but mainly from Europe, Asia, and Russia. From Finland we get, for example, rapeseed oil that is used in production. Some 50% of our raw materials are oil based. Each batch of raw materials is tested in our laboratory before it is used in a rubber mixture. Raw material costs comprise nearly 30% of the manufacturing turnover and some 50% of the production costs.

We also have in place a technology policy that supports the achievement of our goals. We invest in the most advanced production technology possible in order to prevent harmful impacts on safety and the environment.

With a number of initiatives at the Nokia factory, we aim to improve the safety culture and halve the number of accidents in five years.

This is how our production works!

Natural rubber and other raw materials travel a long and interesting way to finished premium tyres. It comprises thousands of hours of work, expertise, professional skill, and inventiveness. The tyre manufacture process has six main parts: buying and reception of raw materials, mixing, component manufacture, assembly, curing, and inspection. Furthermore, the storage, transportation, and retail sales of tyres are important for successful operations.



2. Mixing

In the early stages of production, we follow specific recipes to process the raw materials into rubber compounds that we then use in the manufacture and rubber-coating of tyre components. We test each 200-kg mixing batch in our laboratory before we put it into use. The recipes for the compounds depend on the intended properties of the tyre. Different components require different kinds of rubber compounds.



3. Component manufacture

In component manufacture, we use rubber compounds, textiles, and wires to make various components, like body plies, and the inner lining, bead, core, sidewall, sidewall wedge insert, and steel belt of the tyre. Most of the components are reinforcements, and one tyre may include 10 to 30 different components.



4. Assembly

The assembly machine begins to shape the tyre by assembling the components into the carcass and belt package. The carcass side of the assembly machine assembles the inner surface and the sidewall of the tyre and uses reinforcement ply as necessary. The belt side assembles the so-called 'tread package', which comprises the steel belt and surface rubber. Then, the machine mounts the cables, turns the sidewalls and rolls the tread package on the carcass package. This results in a green tyre, which is still soft and shapeable.



5. Curing

The assembled green tyres are placed into a curing press, in which the high steam pressure of the curing pad presses the green tyre against the heated mould. The tyres are cured at around 170 degrees Celsius for 8–20 minutes depending on the tyre size. Heavy mining tyres are cured for more than 7 hours. Curing vulcanises the rubber and provides the tyre with the intended properties, such as the tread pattern, sidewall markings, airtightness, grip that affects handling, and low tyre noise. The production of heavy tyres is similar to that of car tyres, except for the curing time.



6. Inspection

After curing, we inspect all car tyres visually and by a machine. As far as we know, Nokian Tyres is the only manufacturer that inspects every tyre it produces this way. Tyres require a flawless tread pattern, pure raw materials, and an undamaged, symmetrical structure. Our trained operators inspect the tyre for flaws visually and by feel. Then, the tyre is pressurised in a testing machine and spun to inspect the roundness as well as lateral and radial force variation.



7. Sale, studding, storage, and shipping

The tread of a finished tyre is labelled by machine with the basic tyre information: name, size, load-bearing capacity, speed rating, product code, and EAN code. Specific tyres are studded, and then all tyres are stored. We have our largest warehouses and distribution centres in Nokia, Vsevolozhsk, Ejpvovice, and North America, but we have several smaller warehouses in our other important markets. Our tyres are sold in more than 60 countries by our in-house sales organisation and thousands of client companies. The delivery times range from 24 hours to four weeks. Successful seasons are essential for our business.

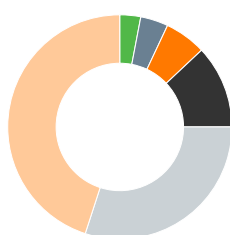


8. Good service ensures satisfied customers

At the end of our supply chain, the sales personnel of Vianor and other retailers find the right product for each customer, taking into account the customers' type of car and driving habits, among other things. We use internal testing as well as independent external testing to ensure the excellent safety and world-class innovations of our tyres. This allows the salesperson to communicate openly and stand by the product that he or she is selling. Vianor plays an important part in product sales and the management of the season. In addition, direct contact with the consumer provides us with valuable information about the hopes and needs of our end-users. We want the users of our products and services to be very satisfied.



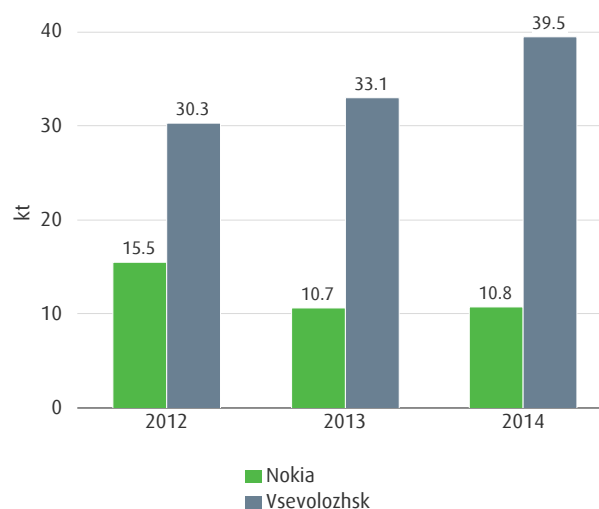
Raw material composition of rubber compound



Protective agents **3%**
 Booster chemicals **4%**
 Vulcanising agents **6%**
 Plasticiser **12%**
 Filler substances **30%**
 Rubber **45%**

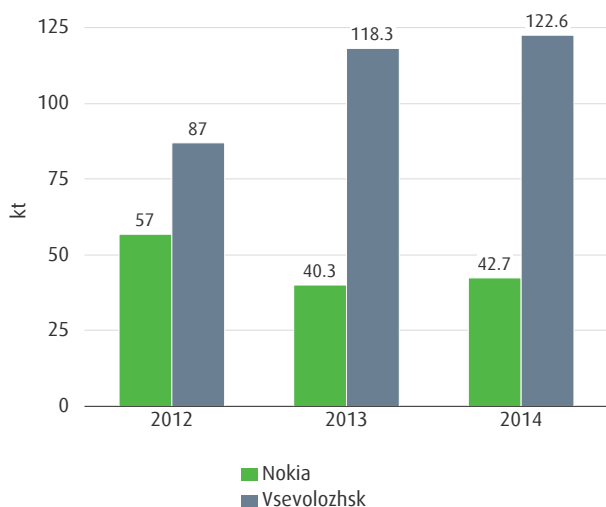
Raw materials

Renewable raw materials

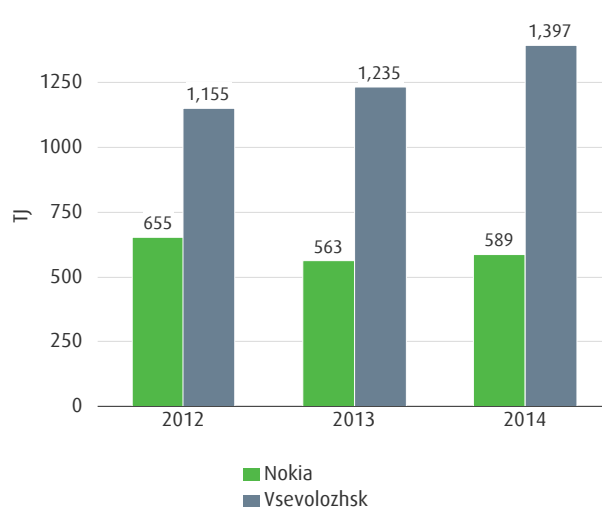


Raw materials

Non-renewable raw materials

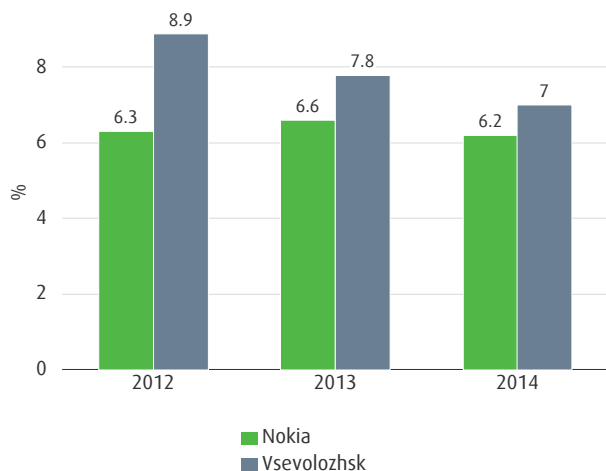


Energy consumption within the organisation

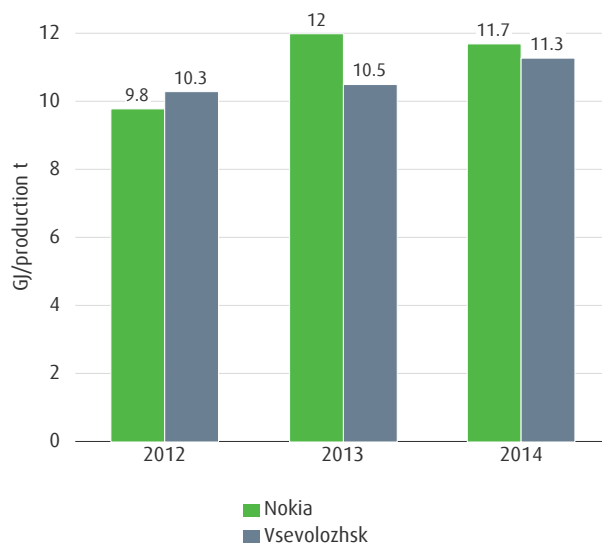


Raw materials

Percentage of materials used that are recycled input materials



Energy intensity



[You can find more information on personnel safety and our accident statistics under the section "Good HR management"!](#)

Environmental impact of tyre plants

We aim at managing the environmental impacts of our products over their entire life cycle and addressing the safety and quality aspects of our operations in a comprehensive and systematic manner.

The environmental impacts caused by the production of vehicle tyres include odour, solvent and dust emissions, noise, waste, and consumption of energy. The most significant of these impacts are waste and, locally, odour. Solvent emissions (i.e. VOC emissions) are also a significant impact of the Nokia plant. In compliance with our company's EHSQ policy, we strive for zero tolerance in terms of faults in all areas of EHSQ.

We document the environmental impacts of our tyre plants in annual records and report them to the authorities as required in each country of operation. The Nokia plant has a separate register for the environment-related feedback received from the residents of the neighbourhood and the plant personnel. Our goal is to handle environmental matters so effectively that people have no cause for complaints or comments. In 2014, we did not receive any environmental complaints. In the Vsevolozhsk plant, there is no need for registering neighbourhood feedback because the plant is situated far away from residence. Still, we use the same standards there as we do in Nokia.

Environmental impact of tyre plant in Nokia, Finland

SOLVENT EMISSIONS	PARTICLE EMISSIONS
VOC	< 1.0 t/v
93.2 t/a	
CO₂	NOISE
3,600	< 50 dB
kg CO ₂ eq/production (t)	ODOUR



WASTE:	WATER:
non-utilized (landfill) 26.7 t	into the sewage 700 m³/d
utilized 4,500 t	into the Nokianvirta river
hazardous 205 t	~ 30,600 m³/d

Environmental impact of tyre plant in Vsevolozhsk, Russia

**ALL EMISSIONS
UNDER LIMITS**
(measured at a
distance of 300 m)

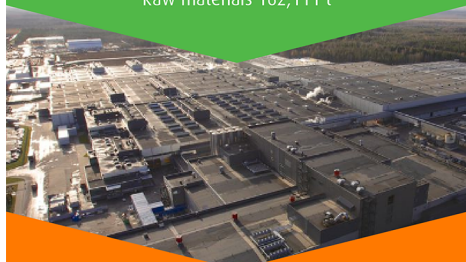
NOISE
< 50 dB

INPUT:

Energy 151,888,455 kWh^a
12.11 kWh^a/pcs

Water:
Lake Ladoga 329,147 m³
26.25 l/pcs

Gas 30,505 k m³
2.43 m³/pcs
Raw materials 162,111 t



PRODUCTS:
124,114 t

WASTE:
non-utilized
(landfill) 2,052 t
utilized 9,863 t

WATER:
into the sewage 195,396 m³
into the drain 168,760 m³

Emissions into the air

Volatile Organic Compounds, VOC

Solvents or volatile organic compounds (VOC) constitute the most significant emissions into the air. Solvents are used in the production of heavy tyres and treads for improving adhesion. Since 2012, we have not used any solvents in the production of

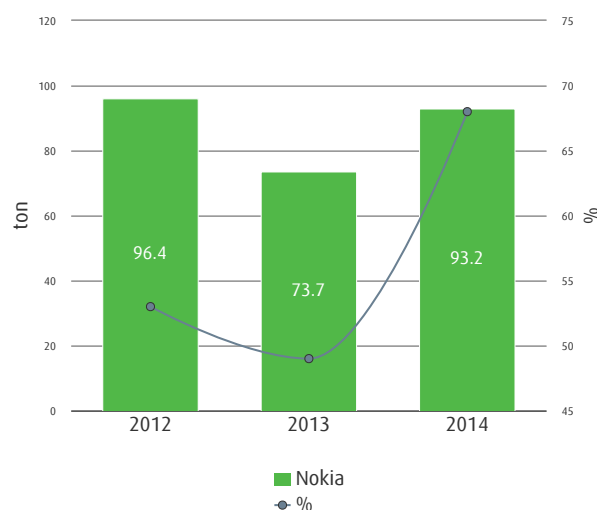
passenger car tyres. Our company collects the VOCs from tread production and conveys them to a catalytic incineration plant. In 2014, our solvent emissions amounted to 93.2 tonnes, equalling 1.9 kg/tonne of products.

Our company aims at compliance with the total emission limit according to the EU's VOC directive, which is 25% of the solvents used. However, in 2014 our emissions amounted to 68%, which exceeded the emission limit according to the directive.

In late 2014, we installed an incineration plant in our Nokia factory for treating VOC emissions. The purpose of the plant is to reduce VOC emissions from the manufacture of heavy tyres and retreading materials and further improve the air quality of our production. Due to the dismantlement of the old incineration plant and the installation of the new plant, our VOC emissions exceeded their limits. The new technology enables Nokian Tyres to fulfil the legal obligations concerning VOC emissions in the future.

Other significant air emissions

VOC emission



Carbon dioxide, CO₂

In 2011, we developed a CO₂ calculator for tyre production. Our calculations were carried out as a

greenhouse gas assessment with the “cradle-to-gate” approach in line with the PAS 2050 standard. Now, we use this calculator annually for assessing the emissions. Further development of the calculations is still needed: for example, not all other indirect CO₂ emissions (so-called scope 3 emissions) are currently evaluated. Vsevolozhsk factory has its own energy production unit. Due to this the CO₂ scope 1 emissions are so much higher than in Nokia.

Odour

According to surveys commissioned by Nokian Tyres, odour emissions are momentary. The mastication process for softening natural rubber causes discharges of compounds that are generated during the precipitation and dehydration phases of rubber milk, which results in an unpleasant odour in the neighbourhood. We use droplet separators for reducing the odours from mastication. We have also achieved a reduction of odours due to a decreased amount of separate mastication processes. Some odours are generated during the tyre curing process. The quantity of the curing fumes released during the process is directly proportional to the quantity of cured rubber. The concentrations of individual substances in the fumes are extremely small. Currently, there is no cost-efficient system available for collecting and processing the curing fumes.

Particle emissions (dust)

Particle emissions are caused by the processing of powdery chemicals in the compound mixing department. We have replaced dust filters and selected state-of-the-art dust reduction technology for the expansion of the mixing plant. Our mixing equipment is fitted with efficient ventilation and dust collection devices. The best separating rates achieved by the water cleaners exceed 99%. We monitor particle emissions by means of particle concentration and differential pressure gauges. In addition, external specialists carry out regular concentration measurements. The measured particle concentrations

have complied with the permit limits at both production plants. The dust that passes through the filter system mainly causes an aesthetic inconvenience and poses no harm to the environment or human health.

Noise

The environmental permit of the Nokia plant requires that the noise level in the yard areas of residential buildings remain below the equivalent continuous level of 55 decibels (L_{Aeq}) in the daytime. At night, the limit is 50 dB (L_{Aeq}). The figures refer to L_{Aeq} decibels, or in other words the mean noise level as detected by the human ear. According to the newest noise survey carried out by an external specialist in 2013, the 50 dB noise zone barely extends to the old residential area on the southeastern, eastern, and northeastern sides of the plant. We did not receive any noise complaints in 2014. The permit limit for the Vsevolozhsk plant is 50 dB at a distance of 300 metres from the plant. In the latest measurements, the actual noise level was 45 dB.

Our zero tolerance objective applies to all environmental emissions. In 2014, there were no accidental emissions to the water or soil at our tyre plants. The Nokia plant received no specific complaints concerning environmental emissions.

Greenhouse gas emissions (GHG)

Most greenhouse gas emissions occur when raw materials are manufactured (approx. 65% of total GHG emissions) and transported to the factories (15%). Production amounts to approx. 18% of total emissions. In production, the most significant sources of greenhouse gas emissions are energy and water consumption.

In 2013, we prepared a plan for cutting greenhouse gas emissions and revised it in 2014. Our aim is to reduce these emissions by 20% by 2020.

Waste

Waste is generated both in the production and support functions. We keep department-specific files for monitoring the generation of production waste. The generated waste is sorted at the plant according to separate waste management instructions. Most of the production waste is taken directly to specific locations for utilisation without any intermediate storage. Hazardous waste is stored separately at collection points in containers marked with warning labels. The waste generated can roughly be divided into three categories: landfill waste or non-recycled waste, utilised waste, and hazardous waste.

Waste utilisation

Waste that is suitable for utilisation or recycling is sorted at the point of origin and collected in separate, labelled containers. The recycling volumes are growing rapidly in our Russian plant: In 2011, the recycling rate was 64% of the generated waste, while in 2014 it was as high as 82.6%. At our Nokia factory, the recycling rate is 99%.

Scrap tyres – i.e. tyres that do not meet our high standards of quality – are routed for utilisation directly from production. This is handled in Finland by Finnish Tyre Recycling Ltd. and in Russia by three partner companies.

Non-vulcanised scrap rubber is generated in the production stages preceding vulcanisation or curing. The non-vulcanised scrap rubber can be divided into two categories: compound mixing waste (scrap rubber) and other non-vulcanised rubber waste. The compound mixing waste that is suitable for use in compounds is separately collected on platforms and reused as raw material. Reuse applications for rubber include products with non-critical material requirements, such as impact padding and conveyor belts.

The sources of plastic waste include packaging materials and the plastic used for separating materials in the production departments.

We send wooden packages and pallets for reuse, energy generation, or composting. Our aim is to reuse pallets as long as they are in good condition. The main source of scrap wood is the raw material storage as much of the raw materials arrive at the plant on wooden pallets or in wooden boxes.

We mainly obtain scrap iron and steel from discarded machinery and equipment. We also recycle waste paper and cardboard and deliver biodegradable waste for composting.

In 2014, a total of 4,492 tonnes of recyclable waste were generated in our facilities in Nokia and 9,865 tonnes in Vsevolozhsk.

If wastes cannot be recycled as material, we dispose of them as energy waste.

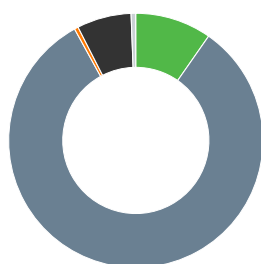
A total of 297 tonnes of waste suitable for energy production were generated in our facilities in Nokia and 1,816 tonnes in Vsevolozhsk.

Landfill waste

Mixed waste that cannot be utilised or recycled is taken to a landfill. A total of 26.7 tonnes of landfill waste were generated in our facilities in Nokia and 1,105 tonnes in Vsevolozhsk.

Wastes by disposal method

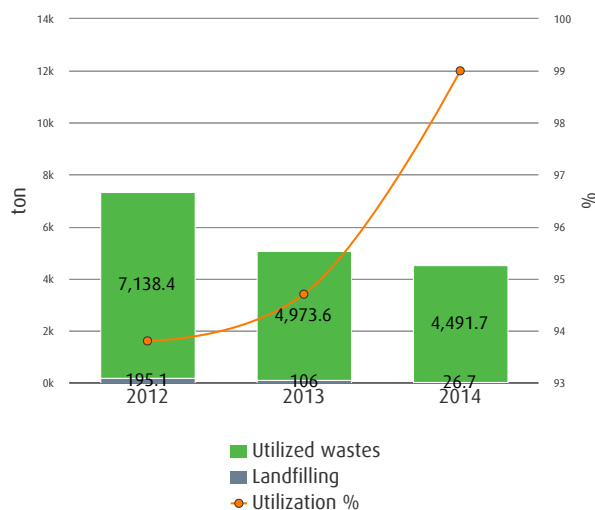
Nokia



Reuse **9.7%**
 Recycling **82.3%**
 Composting **0.5%**
 Recovery as energy **6.9%**
 Landfill **0.6%**

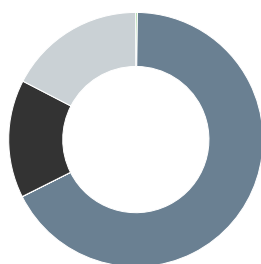
Amount of wastes

Nokia



Wastes by disposal method

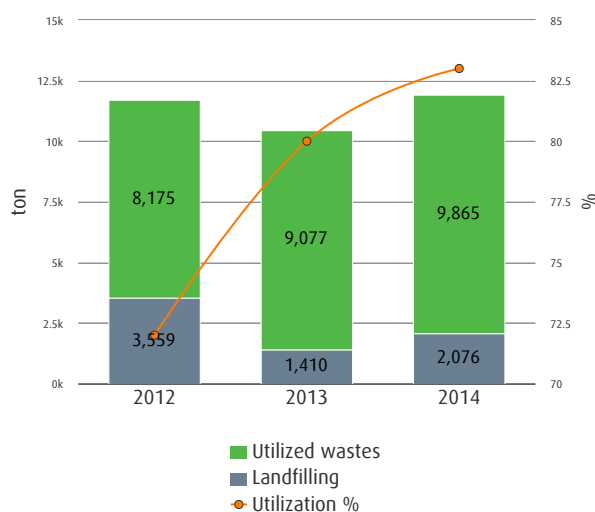
Vsevolozhsk



Reuse **0.2%**
 Recycling **67.4%**
 Composting **0%**
 Recovery as energy **15%**
 Landfill **17.4%**

Amount of wastes

Vsevolozhsk

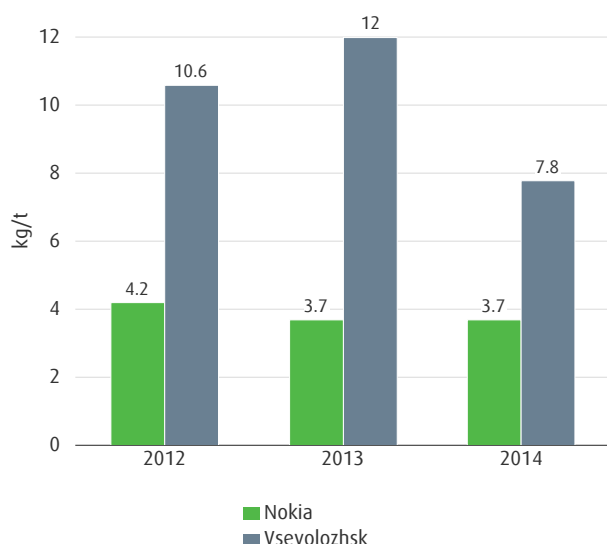


Hazardous waste

We deliver all hazardous waste to an authorised processing plant. In 2014, a total of 205 tonnes of hazardous waste were generated in our facilities in Nokia and 971 tonnes in Vsevolozhsk. Roughly half of this is blade seal oil from compound mixing machines (so-called box grease). The consumption of these oils is directly dependent on the manufactured rubber

volumes. Other types of waste classified as hazardous include oily waste, waste chemicals, waste oil, fluorescent tubes, and batteries. Approximately 90% of the hazardous waste generated in our Nokia facilities is reused for energy.

Hazardous wastes

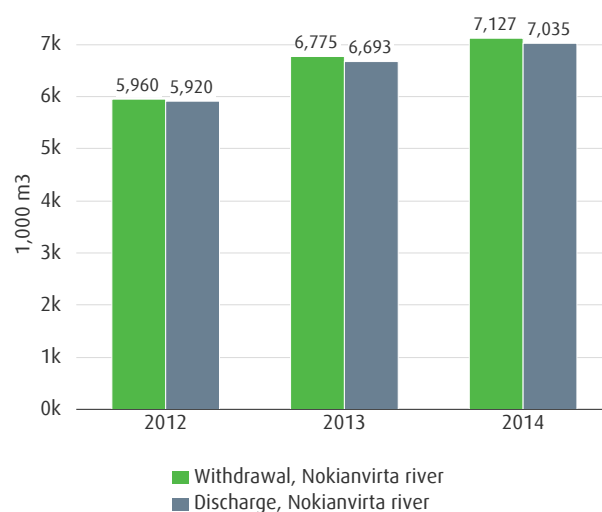


Wastewater and cooling water

Large amounts of water are used for cooling in the tyre manufacturing processes. Our Vsevolozhsk plant uses municipal water for cooling. The Nokia plant takes cooling water from the nearby Nokianvirta river and discharges it back into the river after use. The cooling water has no contact with chemicals at any stage and, therefore, is not contaminated when it returns to the river. The consumption of cooling water depends on the temperature of the river water, which makes it impossible to set a numeric target for it. Wastewater from the plant is conveyed to the municipal treatment plant of the town of Nokia. The amount of cooling water discharged into the river and wastewater discharged into the municipal sewerage are shown in the adjacent graph.

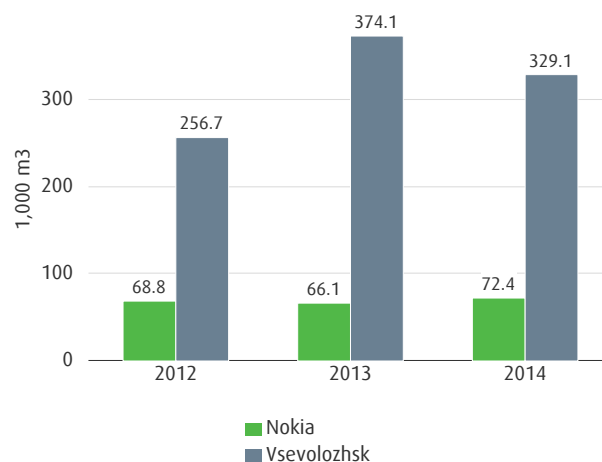
Cooling water

Nokia



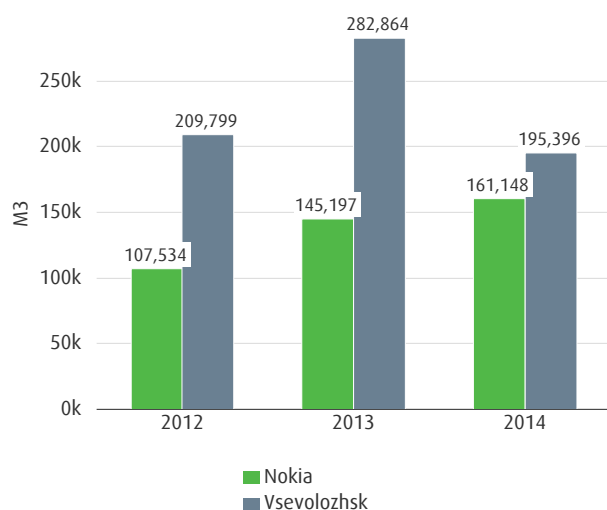
Total water withdrawal by source:

Municipal water



Water discharge

Sewage (Municipal)



We take samples annually from the cooling water that is discharged into Nokianvirta as well as the wastewater that is conveyed to the municipal treatment plant in order to verify the water quality. The water pumped into the town of Nokia's sewerage system is fairly typical sanitation water. The water from all of the cooling water drains has been practically clean. No analysable amounts of oil or solvents or any other indications of effluent load were detected in 2014. Our Vsevolozhsk plant also regularly analyses the wastewater it discharges into the sewerage.

Continuous improvement

We have several ongoing waste reduction projects in various production departments. In recent years, our focus has shifted from one-off waste projects to continuous improvement efforts. We weigh production waste (non-vulcanised scrap rubber) separately for each category and enter the data into a database by using a bar code scanner. We use this database for monitoring the generated daily amount of waste per each category, which enables taking immediate measures if we detect any deviations. By utilising online reporting, the total amount of waste and the six most significant sources of waste are now reported each morning during the production staff

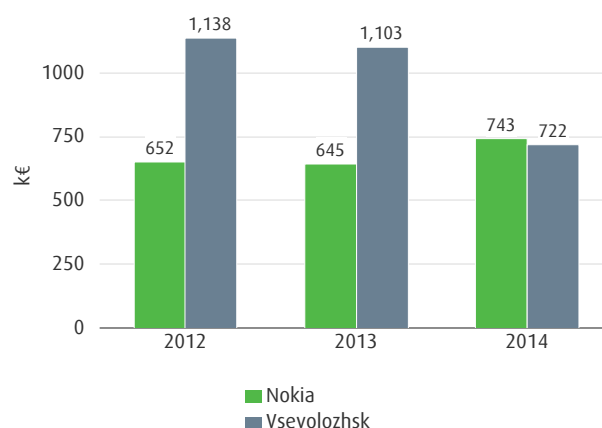
meeting, instead of the previous monthly reports. The amount of waste is one of the key indicators monitored daily by the management, and appropriate improvement measures are expected of production supervisors for lowering the volume of waste.

Environmental costs

Environmental costs comprise the expenses and investments that are related to air, soil, and water protection, waste management, management of environmental issues, and noise reduction. The table below presents our environmental administration costs, emissions processing costs, and the paid monetary compensation in relation to environmental permits and legislation. In 2014, our factory in Vsevolozhsk was issued a fine of €379 for exceeding the emission limit in stormwater. In 2012, the factory was fined €792 for the same reason.

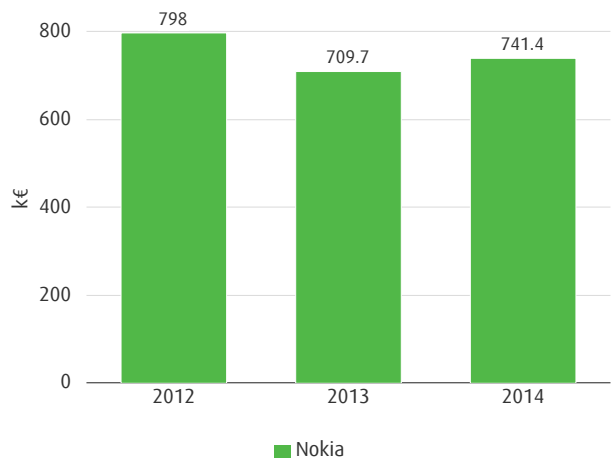
Total environmental protection expenditures

Waste disposal, emission treatment and remediation



Total environmental protection expenditures

EHS management costs



Key measures in 2014

A summary of the most significant targets of Nokian Tyres’ 2014 environmental programme and their implementation and targets for the year 2015 are presented in the adjacent table.

Object	Target in 2014	Status in 2014	Explanation/outcome
Statutory requirements	Implementation according to the Nokian Tyres' environmental permit and legislation	Completed according to plan	
VOC emissions	Progress in compliance with Nokian Heavy Tyres' project plan: procurement and commissioning of a new incinerator	In compliance except for VOC emissions	VOC emissions were 68% of the used solvent volume (the limit is <25%). Incinerator not in use during construction work.
Energy	Creating an energy analysis (Motiva's model) and the related action plan	Analysis done, action plan in progress	
Environmental risks	Updating the environmental risk assessment (Nokia)	In progress.	Continuing in 2015
Wastewater	Reducing pollutants in wastewater (Vsevolozhsk)	Implemented	Will still continue in 2015
Chemical safety	New programme for material safety data sheets; ensuring the safe use of trial chemicals	Implemented	
Safety audits and monitoring the use of chemicals	2 audits/department		
Materials development	Ensuring that no Substances of Very High Concern as referred to in REACH are contained in the products	Implemented	No Substances of very High Concern are used in production
Increasing environmental awareness among the personnel	According to the plants' environmental programmes	Implemented	Articles in every internal magazine

Key measures in 2015

Object	Target in 2015
Statutory requirements	Implementation according to the Nokian Tyres' environmental permits and legislation
VOC emissions	Compliance with VOC-directive. Ensuring usability of new incinerator.
Energy	Analysing energy saving potential and the related action plan
Environmental risks	Updating the environmental risk assessment (Nokia)
Wastewater	Reducing pollutants in wastewater (Vsevolozhsk)
Chemical safety	Updating MSDS database according CLP-legislation.
Safety audits and monitoring the use of chemicals	2 audits/department
Materials development	Ensuring that no Substances of Very High Concern as referred to in REACH are contained in the products
Increasing environmental awareness among the personnel	According to the plants' environmental programmes

Other units

The units of Vianor comply with the applicable regulations in each country of operation. We sort waste and deliver it for reuse or recycling whenever

technologically and economically feasible. The most significant environmental impacts of Vianor units are waste and energy consumption. In addition, the sales companies and Vianor outlets take into account the efficiency of product transportation.

Your tyre selection matters – the environmental effects of tyres

Everything that you see when you look around has been transported on tyres at least once. What kind of tyres do you yourself use to get somewhere each day? Most of a tyre's environmental impacts are generated during use. We take responsibility for the environmental impacts of our operations and our products throughout their lifecycle.

The right tyre choices reduce the environmental impact

Tyres make the world go round – everything that we see when we look around has been transported on tyres at least once. We need tyres for transportation several times each week, and everyday life as it is today would not be possible without tyres. What kind of tyres do you yourself use to get somewhere each day?

The use of fossil fuels, gasoline, and diesel fuel comprise approximately three fourths of human

carbon emissions. Carbon dioxide is the most significant greenhouse gas that is generated by traffic. When a tyre rolls against the road surface, the generated friction is called the rolling resistance. The higher the rolling resistance is, the higher the fuel consumption. Therefore, the tyre has a direct influence on fuel consumption and traffic emissions. Fuel consumption during driving is the single most significant environmental effect during the use of a tyre. The right tyre choices lower fuel consumption and reduce the amount of carbon dioxide released into the air. The determined long-term development carried out by Nokian Tyres has strongly emphasised the reduction of the rolling resistance.

Your tyre choice affects

We all can influence our surroundings and the world by seemingly minor choices.

Your tyre choice matters	What you can do	What we are doing
<p>Your safety</p> <ul style="list-style-type: none"> The safety of everyone in your car as well as other people on the road <p>Your well-being</p> <ul style="list-style-type: none"> Driving comfort and peace of mind Noise levels in your car and the surrounding environment Quantity and quality of road dust <p>Your finances</p> <ul style="list-style-type: none"> Fuel consumption per every kilometre Wear resistance of tyres Condition and durability of roads <p>You can also influence</p> <ul style="list-style-type: none"> Raw material consumption Overall consumption of energy and fuel Amount of waste <p>Your choices influence your surroundings and the world!</p>	<p>Demand</p> <ul style="list-style-type: none"> Tyres with the best safety innovations Tyres that are quiet Tyres that have been manufactured without any toxic or carcinogenic chemicals Tyres that have been manufactured by only using purified, low-aromatic oils Information about the raw materials used in your tyres, tyre makers' working conditions, and the environmental impacts of tyre production <p>Drive wisely and rotate your tyres</p> <p>You can lower your fuel consumption by up to 0.3–0.5 litres per one hundred kilometres by regularly checking your tyre pressure and selecting tyres with low rolling resistance. To further extend the safe life of your tyres, rotate them mid-season.</p> <p>Recycle</p> <p>The raw materials that have been used in your tyres deserve a second life. What you no longer need can be used elsewhere.</p>	<p>On the frontline of safety</p> <p>Our uncompromising product development and testing result in technical innovations that improve the properties of tyres and increase the safety, comfort, and eco-friendliness of driving.</p> <p>Quiet tyres</p> <p>After fuel consumption, tyre noise is the second most significant environmental effect during the use of a tyre. Our tread patterns feature a number of noise-reducing innovations. The placement of tread blocks, new types of tread compounds, protrusions in longitudinal grooves, and noise cavities all reduce tyre noise.</p> <p>Clean raw materials</p> <p>We were the world's first tyre manufacturer to introduce a manufacturing method that only uses purified, low-aromatic oils. In order to improve grip in icy and wet conditions, we use a renewable raw material – canola oil – in our compounds.</p> <p>Transparent operations</p> <p>We monitor all of our operations with sustainable development in mind. All of our raw material suppliers go through the same stringent process. In accordance with our purchasing policy, our product procurement process includes determining the suppliers' commitment to environmental issues. We require that our contract partners commit to our principles. Transparency also means fostering a spirit of fairness and enthusiasm in our work community, and being a good neighbour.</p>

Rolling resistance impacts the environment as well as your finances

The rolling resistance of tyres may differ greatly. A nearly 40 per cent difference in rolling resistance transforms to an approximately 6 per cent difference in fuel consumption. Therefore, the right tyre can save the environment and money. With the current fuel prices, a tyre with a more economic rolling resistance can save nearly 300 euro over a driving distance of 40,000 kilometres. A wise choice of tyres and a careful driving style also help to significantly reduce the CO₂ emissions that are generated during driving.

Rolling resistance means the energy consumed by the deformation during the road contact of the tyre. This deformation, and the amount of energy it requires, can be influenced with structural and material choices in tyre design. Examples of factors that increase energy consumption include the tyre temperature, tyre pressure, load index and tyre wear, as well as air resistance and turbulence due to the driving speed. Furthermore, a 0.5-millimetre water layer may increase rolling resistance by 50 per cent.

Rolling resistance affects the environment throughout the tyre's useful life. Light rolling corresponds to lower fuel consumption and CO₂ emissions. Rolling resistance is measured in terms of a rolling resistance coefficient: the greater the coefficient, the heavier the tyre rolls. The average rolling resistance value for contemporary tyres varies from 1 to 1.2.

Only about 20–30 per cent of the energy in fuel can be used to move a vehicle. This energy is used in accelerating and braking, but also in overcoming rolling resistance and air resistance.

Tyre lifecycle

Lifecycle refers to the different stages a product undergoes from manufacture to use and to removal from service or, in other words, from raw material to waste. The lifecycle of a tyre begins from a caoutchouc tree in the southern hemisphere, in Indonesia or Thailand, for example. The lifecycle spans the manufacture of raw materials and products, storage, and several rounds of transportation. The tyre's actual lifecycle ends, for example, when the tyre is crushed and used in land construction.

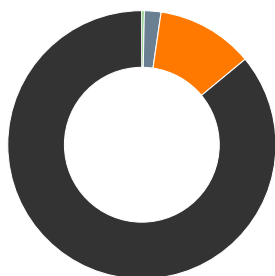
The lifecycle can be roughly divided into four parts:

1. Procurement and manufacture of production inputs such as raw materials and energy
2. Tyre manufacture
3. Use of tyre
4. Utilisation of used tyres.

The outset for our environmental protection is the lifecycle approach. This means that we take responsibility for the environmental impacts of our operations and our products throughout their lifecycle. In accordance with our purchasing policy, our product procurement process includes determining the suppliers' commitment to environmental issues. In 2014, 60 per cent of our raw material suppliers had the ISO14001 certification. All contract partners, such as contractors and subcontractors, must be committed to Nokian Tyres' principles.

Most of a tyre's environmental impacts are generated during use. The single most important factor is the vehicle's fuel consumption. Fuel consumption can be reduced by lowering the tyre's weight and rolling resistance, thereby reducing the exhaust fume emissions and the formation of greenhouse gases. However, the most significant factor affecting the level of exhaust fume emissions is driving style. Economic driving can generate 10–20 per cent savings in fuel consumption.

Distribution of environmental impacts over a tyre's lifecycle



Transportation **0.3%**

Discarding **2%**

Raw material and tyre production **11.7%**

In-use environmental impacts (automotive fuel consumption 75,2) **86%**

INPUT	PRODUCTION	USE	END OF LIFE
Raw materials ● ● ●	VOC ● ●	Fuel consumption ● ● ●	Impacts on scenery ●
Energy ● ●	Particles ●	Tyre noise ●	Tyre incineration ●
Water ●	Odour ●	Impacts on terrain ●	Utilisation of used tyres ●
	Noise ●	Road erosion ●	Retreading ●
	CO ₂ ●	Tyre particles ●	
	Utilized waste ●		
	Hazardous waste ●		
	Landfill waste ●		
	Cooling water ●		

● Low

● ● Moderate

● ● ● Substantial

Global

Regional

Local

Where do tyres end up after use?

Approximately 3.5 million tonnes of used tyres are discarded each year in Europe. The upside for the environment is that the tyres are not worthless and can serve various reuse or recycling applications. They can be used to build noise barriers on motorways or to form a component in the sub-course of a horse-back riding arena for increasing its elasticity.

If tyres are not appropriately recycled, they will end up in nature or pile up in people's garages. In 1995, Nokian Tyres and other companies in the tyre industry established the Finnish Tyre Recycling Ltd in order to promote the centralised collection and utilisation of tyres nationally. The recycling rate of tyres in Finland,

close to 100 per cent, is quite high in comparison with many other countries. For all of Europe, for example, the figure is 85 per cent, and non-recycled tyres are taken to landfills. In Russia, the recycling rate of tyres is generally low in all areas. Nokian Tyres is involved in various discussions to develop recycling in Russia.

Most of the recycled tyres are utilised for their material; they are crushed or granulated to replace rock materials in various highway construction and civil engineering applications. One of the best ways to recycle tyres is to retread them. If the carcass of a tyre is undamaged, it can be retreaded – up to two or

even four times for bus and truck tyres. Another way to utilise recycled tyres is to combust them for energy, as the thermal value of tyres is close to that of oil. New ways to recycle and utilise tyres are constantly being sought.

Nokian Tyres plc publishes its Corporate Sustainability Report in accordance with the CORE option of the GRI G4 Guidelines

Indicator G4	Content	WHERE TO FIND?
	Strategy and analysis	
G4-1	Managing director's review	From the President and CEO
	Organizational profile	
G4-3	Name of the organisation	Nokian Tyres in brief
G4-4	Most important trademarks, products and services	Nokian Tyres in brief
G4-5	Location of the organisation's head office	Nokian Tyres in brief
G4-6	Area of operations	Nokian Tyres in brief
G4-7	Operational structure of the organisation	Nokian Tyres in brief
G4-8	Market areas	Nokian Tyres in brief
G4-9	Size of the reporting organisation	Nokian Tyres in brief
G4-10	Total number of employees by employment contract and gender	Good HR management
G4-11	Percentage of total employees covered by collective bargaining agreement	Good HR management
G4-12	Organization's value chain	Value chain
G4-13	Significant changes to the size, structure, or ownership structure of the organisation	No significant changes during the accounting period.
G4-14	Precautionary approach or principle addressed by the company	http://www.nokiantyres.com/company/investors/corporate-governance/mechanisms-of-internal-control--internal-audit-and-risk-management/
G4-15	Commitment to external corporate social responsibility initiatives	Important to us
G4-16	Memberships in organisations	Important to us
	Identified material aspects and boundaries	

G4-17	Ownership structure and form of company	http://www.nokiantyres.com/company/about-us/
G4-18	Defining the report content and aspect boundaries	Important to us
G4-19	Material aspects	Important to us
G4-20	Aspect boundary within the organization	Important to us
G4-21	Aspect boundary outside the organization	
G4-22	Causes for and impact of information deviating from previous reports	Important to us
G4-23	Most important changes to the scope of the report, its delimitations or measurement methods	Important to us
	Stakeholder engagement	
G4-24	Stakeholders of the organisation	Stakeholder work
G4-25	Definition and selection criteria for stakeholders	Stakeholder work
G4-26	Principles of stakeholder activities	Stakeholder work
G4-27	Topics brought up by stakeholders	Stakeholder work
	Report profile	
G4-28	Reporting period	Important to us
G4-29	Time of publication of the previous report	Important to us
G4-30	Report publication frequency	Important to us
G4-31	Contact information	Nokian Tyres in brief
G4-32	GRI content comparison	
G4-33	Verification	The report has not been validated by an external auditor.
	Governance	
G4-34	Governance structure of the organisation	http://www.nokiantyres.com/company/investors/corporate-governance/
G4-48	Highest governance body approving organization's sustainability report	Top management approves sustainability report annually.
	Ethics and integrity	
G4-56	Organization's values, principles and standards	Hakkapeliitta Way
	G4 specific standard disclosures	

	Economic	
G4-DMA	Disclosure of the Management approach	Finance
G4-EC1	Produced and distributed direct financial added value	Profitable but sustainable growth
G4-EC8	Key indirect financial impacts and their scope	Effects on society
	Environmental	
G4-DMA	Disclosure of the Management approach	EHSQ Policy
G4-EN1	Materials used by weight or volume	Environmental impact of tyre plants
G4-EN2	Percentage of materials used that are recycled input materials	Safe production
G4-EN3	Energy consumption within the organization	Environmental impact of tyre plants
G4-EN5	Energy intensity	Safe production
G4-EN8	Total withdrawal by source	Environmental impact of tyre plants
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	EHSQ Policy
G4-EN15	Direct greenhouse gas emissions	Environmental impact of tyre plants
G4-EN16	Indirect greenhouse gas emissions	Environmental impact of tyre plants
G4-EN18	Greenhouse gas (GHG) emissions intensity	Environmental impact of tyre plants
G4-EN21	Nitrogen and sulphur dioxide emissions and other significant emissions	Environmental impact of tyre plants
G4-EN22	Total water discharge by quality and destination	Environmental impact of tyre plants
G4-EN23	Total weight of waste by type and disposal method	Environmental impact of tyre plants
G4-EN27	Measures to reduce the environmental impact of products and services	Your tyre selection matters – the environmental effects of tyres
G4-EN29	Monetary value of fines for non-compliance with environmental laws and regulations	Environmental impact of tyre plants
G4-EN31	Total environmental protection expenditures and investments by type	Environmental impact of tyre plants
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Environmental impact of tyre plants

	Social labour practises and decent work	
G4-DMA	Disclosure of the Management approach	People
	Occupational health and safety	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Good HR management
G4-LA6	Number of accidents and occupational diseases, lost working days and absences	Good HR management
	Training and education	
G4-LA10	Personnel expertise development programmes and learning action programmes	Good HR management
G4-LA11	Development discussions	Good HR management
	Diversity and equal opportunity	
G4-LA12	Composition of governance bodies	Composition of governance bodies
	Society	
G4-S01	Operations with implemented local community engagement and development programs	Impact on local communities
G4-S06	Political contributions	Important to us
	Product responsibility	
G4-DMA	Disclosure of the Management approach	World on wheels
G4-PR1	Product and service categories for which health and safety impacts are assessed for improvement	Product safety and quality

