

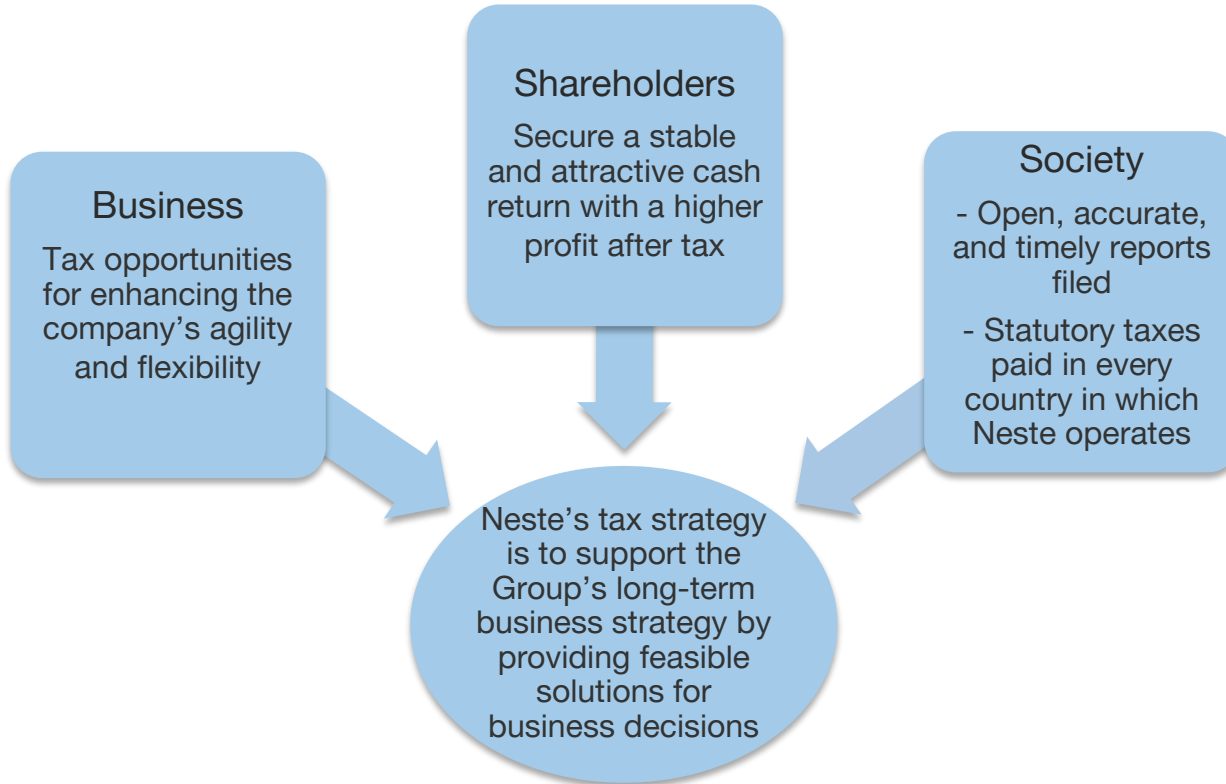
Tax Strategy



Agenda

1. Main Objectives
2. Tax Principles
3. Our Tax Management
4. Tax Contribution 2018 (Tax Footprint) Statement –

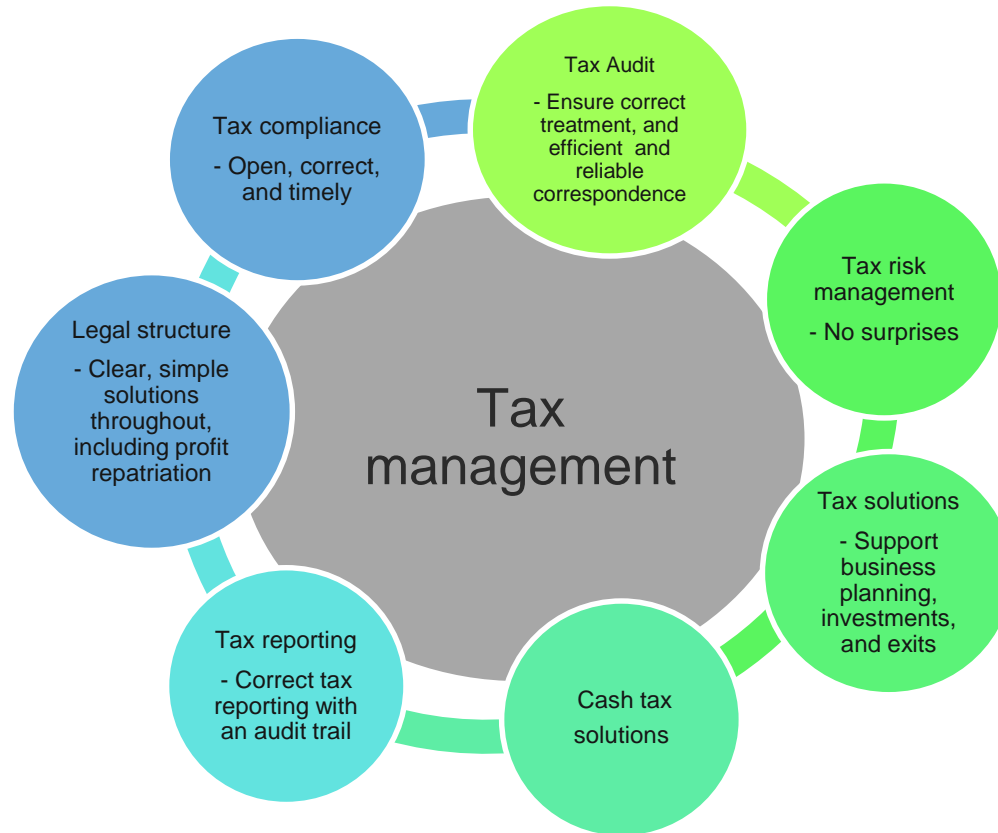
1. Main Objectives



2. Tax Principles

- We follow all relevant local laws and regulations, as well as the OECD Transfer Pricing Guidelines
- The material business decisions take into account the feasible tax solutions
- We do not use tax havens to avoid taxes
- We ensure a high level of tax compliance in every jurisdiction in which we operate
- We maintain open and honest relationships with the tax authorities
- We publish a Tax Contribution (Tax Footprint) statement annually

3. Our Tax Management



4. Tax Contribution (Tax Footprint) statement

- Increases interest in taxes both internally and externally
- Provides a deeper understanding of statutory taxes and charges, as well as their magnitude
- Provides accurate input for tax solutions
- Keeps us focused and helps prioritization
- Provides valuable benchmarking data on tax management
- Increases useful tax discussion based on detailed facts

4. Tax Contribution 2018 (Tax Footprint)

| | 2018 | 2018 | 2018 | 2017 | 2017 | 2017 |
|--|--------------|-----------------|----------------|--------------|-----------------|----------------|
| | Finland | Other countries | Group in total | Finland | Other countries | Group in total |
| Revenue, MEUR | 7 815 | 7 104 | 14 918 | 7 264 | 5 953 | 13 217 |
| Earnings before taxes, MEUR | 635 | 316 | 951 | 784 | 310 | 1 094 |
| Personnel (on average) | 3 681 | 1 787 | 5 468 | 3 604 | 1 693 | 5 297 |
| Taxes borne, MEUR | | | | | | |
| Corporate income tax | 145 | 25 | 170 | 146 | 20 | 166 |
| Real estate tax | 2 | 6 | 7 | 2 | 6 | 8 |
| Employer's charges | 56 | 10 | 66 | 59 | 10 | 69 |
| Environmental taxes | 8 | 0 | 8 | 8 | 0 | 8 |
| Customs duty | 2 | 3 | 4 | 1 | 4 | 6 |
| Total taxes borne, MEUR | 213 | 44 | 255 | 216 | 40 | 257 |
| Taxes collected, MEUR | | | | | | |
| VAT/GST, remitted | 996 | 266 | 1263 | 870 | 217 | 1087 |
| Excise taxes | 2000 | 325 | 2325 | 1970 | 326 | 2295 |
| Withholding taxes | 93 | 13 | 106 | 88 | 12 | 100 |
| Employee's social security | 20 | 4 | 24 | 18 | 3 | 22 |
| Total taxes collected, MEUR | 3109 | 608 | 3718 | 2946 | 558 | 3504 |
| Total taxes borne and collected, MEUR | 3 322 | 652 | 3 973 | 3 162 | 598 | 3 761 |

NESTE
The only way is forward