NOKIA UK GROUP

2023 TAX STRATEGY

This tax strategy complies with The Nokia Group's duty under section 16(2) of Schedule 19 "Large Businesses: Tax Strategies and Sanctions" of the Finance Act 2016 to publish the UK sub-group's tax strategy (as applicable to a UK sub-group of a foreign group pursuant to sections 19 and 20 of Schedule 19 "Large Businesses: Tax Strategies and Sanctions" of the Finance Act 2016). This tax strategy applies to all UK companies of the Nokia Group ("UK Nokia Group") and is approved by the directors of the UK legal entities listed in the Appendix.

The UK Nokia Group's approach to risk management and governance in relation to UK taxation is described below.

1 Tax Governance

The Nokia Group recognises the importance of taxes as part of it's corporate responsibility and is committed to transparency, fairness and a sustainable tax strategy. The UK Nokia Group's tax strategy aligns with The Nokia Group's Risk and Control Framework and Code of Conduct.

Tax for each entity in the UK Nokia Group is managed by the in-house Tax Managers or Financial Controllers, with support from the outsourced tax compliance partners and Nokia's Regional Tax Manager. The Regional Tax Manager is supported by the Nokia Group's Tax Department. The responsible roles oversee the UK tax compliance work, tax accounting & reporting, corporate tax audits and transfer pricing. The UK Nokia Group also has a wider integral support network from shared services centers, regional finance, dedicated centers of excellence, plus specialized teams within The Nokia Group's corporate functions such as transfer pricing team, indirect tax team and trade experts.

2 Tax Risk Management

The Nokia Group maintains a preventive tax risk management framework ensuring all potential tax risks are identified, analysed, reported and managed effectively. There are a variety of closely monitored and controlled tax risks faced by the group, as follows:

2.1. Compliance and Reporting

The Nokia Group commits to be compliant with all local and international tax regulations in a responsible manner and act with integrity and transparency in all tax matters. The foundation of the UK Nokia Group's tax strategy is to declare all taxes due when required and pay the right amount of tax legally due in the right jurisdiction and at the right time.

This is managed by ensuring adequately qualified staff are employed and where necessary appropriate subcontractors and external advisors provide specialist support. This is within a strong internal control framework.

2.2. Changes in legislation

The UK Nokia Group monitors changes in legislation with support from our external advisors, as appropriate. The impact of such changes in legislation is reported quarterly and discussed internally between relevant stakeholders in finance and tax functions.

2.3. Transactional Risk

The UK Nokia Group companies engage in cross-border intercompany transactions. These transactions are closely monitored and transacted from a tax perspective on an "arm's length" basis. These transactions are audited and must comply with The Nokia Group's transfer pricing policy. This policy is based on the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations issued by the Organisation for Economic Cooperation and Development (OECD).

2.4. Reputational Risk

The Nokia Group has a Code of Conduct directed at protecting its mission statement, whilst complying with all local laws. The Code of Conduct is contractual upon employment and applies to all employees of UK Nokia Group entities. This Code of Conduct ensures employees conform to, "be proud not only of what we achieve but also of the way we achieve it".

2.5. Merger and Acquisitions

A dedicated Group Tax Team located in Finland is a key stakeholder in UK Nokia Group tax matters including mergers and acquisitions, providing necessary advice and undertaking appropriate due diligence with appropriate support where required from external advisors. No entity is acquired or disposed of without Group Tax Team's involvement.

3 Attitude towards Tax Planning & Risk Appetite

The UK Nokia Group's appetite for tax risk is low, and our operations are based on firm principles, in-line with The Nokia Group policy and tax legislation. External advice is sought where required and appropriate.

The Nokia Group's tax planning is aligned with business reality and taxes are considered as one of many elements in business decision making. The Nokia Group does not undertake purely tax-driven transactions or use artificial tax structures. All transactions must have a business purpose and must comply with local and international laws.

New business structures and projects are reviewed between local Finance Controllers and The Nokia Group teams such as the corporate tax function, the Regional Tax Manager, and other corporate functions tax experts. These teams maintain involvement from the early project stages through to project conclusion. External resources support by proposing tax solutions with the internal tax department confirming the viability of the solution.

4 Relationship with HMRC

Under UK tax legislation Nokia UK Limited, the UK Nokia Group's largest trading entity, is defined as a Large Business; Thus, HMRC has allocated the group a CCM who supports the relationship with the most complex issues to ensure adherence to HMRC policy and visibility to HMRC.

The UK Nokia Group's attitude is to have an open and honest approach towards this relationship, committing to a transparent and timely approach to all tax matters. The UK Nokia Group's aim is to be as low risk as possible.

APPENDIX

This UK Tax Strategy was approved by the Board of Directors of all Nokia UK entities, as follows:

No	Legal entity
1	Nokia UK Limited
2	Apertio Ltd
3	Iris Service Delivery UK
4	R.F.S UK Ltd
5	Alcatel Submarine Networks UK Ltd
6	Alcatel IP Networks Ltd
7	Mesaplex Ltd
8	STC Ltd