Scandinavian-Polish CHAMBER OF COMMERCE SPCC 15th Anniversary

SCANDINAVIAN BUSINESS IN POLAND

— past, present & the future —

CONTENT PARTNER

DNB

HONORARY PATRONAGE

ROYAL DANISH EMBASSY Warsaw

Embassy of Finland Warsaw

Norwegian Embassy

Embassy of Sweden Warsaw

Looking into the future

Carsten Nilsen
Chairman, Scandinavian-Polish Chamber of Commerce

The Scandinavian-Polish Chamber of Commerce for the past 15 years has had the privilege to represent Nordic businesses in Poland and support the development of the Nordic-Polish economic cooperation. Members of the Chamber have strongly influenced the Polish economy by new investments and in the process created more than 170 000 workplaces. The Scandinavian companies have introduced numerous innovations based on Nordic solutions contributing to the development of Poland becoming the strongest and most competitive market in CEE. Since 2004 when the Chamber was established there has been a 120% growth in the number of Members. Currently some 430 companies and institutions are part of the Chamber sharing common values such as cooperation, trust, equality and transparency. The Board and Staff thank you for the trust and support which you have given us during the last fifteen years and we appreciate your contribution to the development of the Chamber.

Artur Tomaszewski
CEO
DNB Bank Polska S.A.

The last 15 years were a time of remarkable development of the Polish economy. In order to continue this trend and avoid the middle-income trap, Poland needs to create conditions for investments in innovations and new skills. From investors' (especially Scandinavian) point of view the most important issues are sustainability and stability of development. We cannot underestimate the positive impact of foreign capital on growth of the Polish economy. This is a result of CAPEX investments and transfer of technology, as well as influence of international corporate organisational culture. For Scandinavian companies, corporate responsibility issue is also very important. In DNB we pay plenty of attention to environmental responsibility; it needs to effect from properly planned and performed energy transformation. In the case of Poland, this will not be an easy process, yet a necessary one, not only in terms of the economic growth, but primarily from the perspective of social and civilisation development. And also in this field the experience of Scandinavian partners can prove extremely valuable.

Jacek Siwiński
General Manager
VELUX Polska

Next year VELUX will be celebrating the 30th anniversary of its presence and investments on the Polish market. We are convinced that the next decades will be just as fruitful. Poland is a very promising market due to the need to modernize many unhealthy and inefficient buildings, as well as the high demand for new apartments. We plan to further increase the production for export markets and at the same time modernize, automate and implement new technologies. One of the factors of further development of our Group in Poland will certainly also be entering the commercial building market, by using the current potential of our Group strengthened by global acquisitions of new companies from this sector. We will continue our Founder's vision of being a Model Company, promoting responsible business and the highest standards as a large employer. For many years, we have appreciated the role of SPCC in building a dialogue between Scandinavian investors and Polish public opinion and administration and we look forward to further good cooperation.

Carolina Garcia Gomez
CEO
IKEA Retail Poland

To support growth in the long term, we must respond to growing expectations of our customers and adapt to the fast-changing retail environment. We want to become even more affordable and convenient for more of Poles. To achieve this, we are exploring the potential of city centres, focus on developing our digital channels and plan further investments in existing stores, ensuring their high level of inspiration and vitality. At the same time we are transforming our business to become circular, providing our customers with sustainable solutions and ensuring equality, diversity and inclusion in our working environment and communities.

Poland as the location of foreign direct investment

1 INVESTMENT ATTRACTIVENESS OF POLAND IN NUMBERS

EUR 199 BN
THE VALUE OF LIABILITIES from foreign direct investment in 2017

EUR 8 BN
WAS THE VALUE of foreign direct investment inflow in 2017

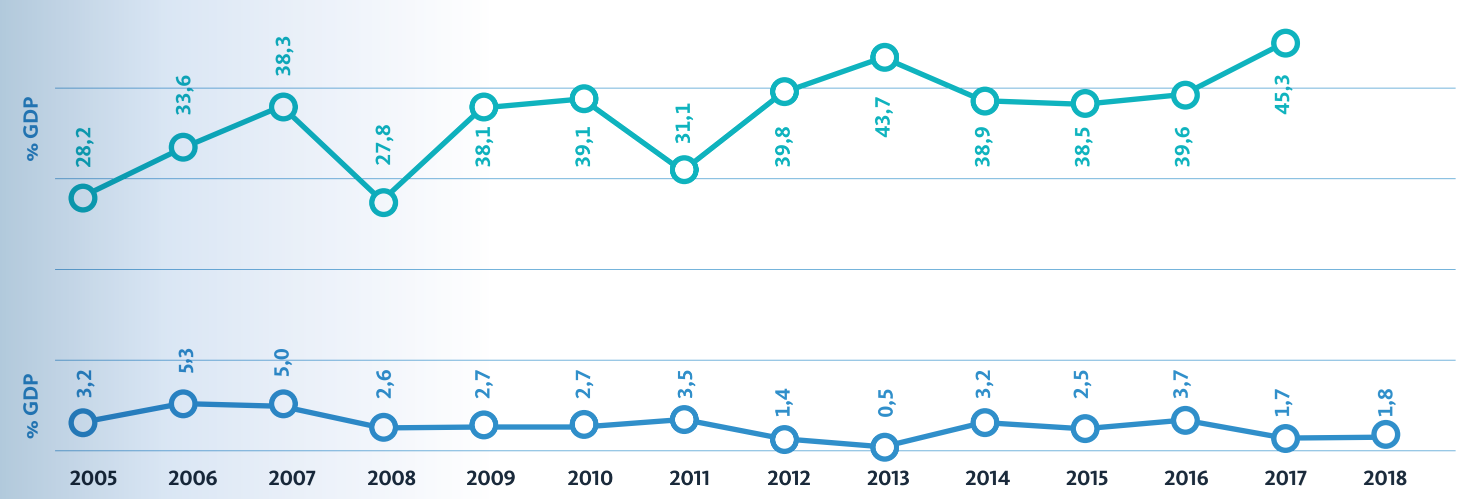
33RD
POSITION in Doing Business ranking

Doing Business project by the World Bank, attempts to measure the ease of doing business in 190 countries

37
RANK in Global Competitiveness Index 4.0 classification

Global Competitiveness Index 4.0 quantifies micro- and macroeconomic aspects of competitiveness of an economy

2 HOW DOES FOREIGN DIRECT INVESTMENT (THE INFLOW AND STOCK OF LIABILITIES) LOOK LIKE IN POLAND IN THE RECENT YEARS?



In 2017 the inflow of foreign direct investment to Poland (measured in relation to GDP) dropped by 2 percentage points, to 1,7%.

In the same year however, the liabilities from FDI grew from 39,6% to 45,3% of GDP.

Source: OECD

Photo: Łukasz Jabłoński

Scandinavian investment in Poland

1 THE LARGEST FOREIGN INVESTORS IN POLAND IN 2017 (RANKED BY AMOUNT OF FDI LIABILITIES)*

1 **The Netherlands** (EUR 38.3 bn)
2 **Germany** (EUR 35 bn)
3 **Luxembourg** (EUR 27.7 bn)
4 **France** (EUR 17.9 bn)
5 **Spain** (EUR 12.1 bn)
6 **Scandinavia** (EUR 10.3 bn)
7 **United Kingdom** (EUR 9.6 bn)
8 **Austria** (EUR 8.5 bn)
9 **Cyprus** (EUR 7.2 bn)
10 **Belgium** (EUR 6.4 bn)

THE SCANDINAVIAN COUNTRIES

RANK 6TH

in terms of amount of FDI liabilities which was EUR 10.3 bn in 2017. It is equivalent to **2,2% of Polish GDP**

Sweden (EUR 4.2 bn)

Denmark (EUR 3.3 bn)

Finland (EUR 1.4 bn)

Norway (EUR 1.3 bn)

**Source: DNB Bank Polska analysis on the basis of The National Bank of Poland data*

Value of FDI inflowing from countries like the Netherlands and Luxembourg should be treated with caution, because due to favorable tax regulations these countries are chosen by entrepreneurs from third states as attractive place to locate their business activity.

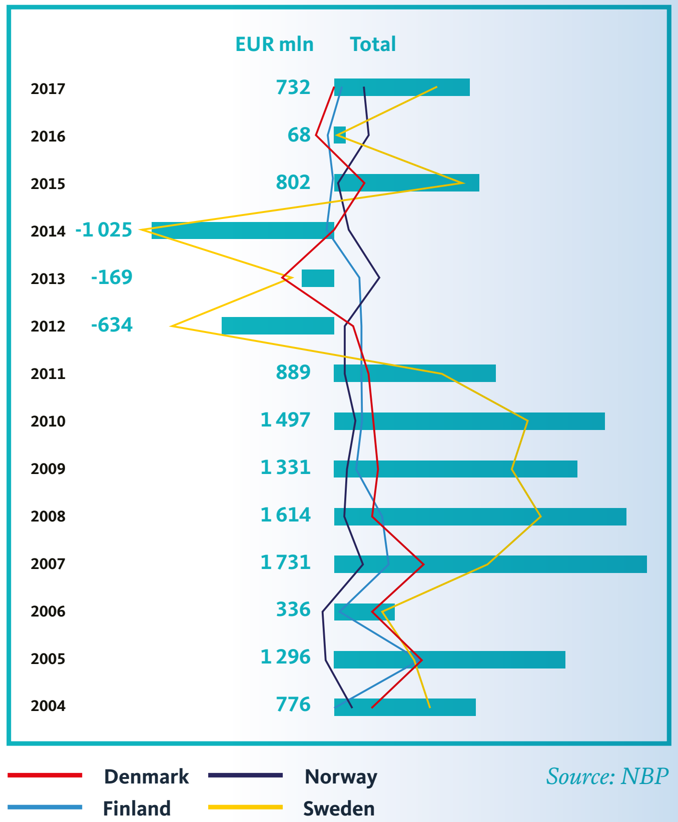
2 WHAT WAS THE INFLOW OF SCANDINAVIAN INVESTMENTS TO POLAND SINCE 2004?

In 2017 **the net inflow of the FDI** from Scandinavian countries to Poland amounted to

EUR **732** MLN

In 2017, the Scandinavian countries **reinvested in Poland** the amount of

EUR **414.7** MLN



Source: NBP

3 WHAT IS THE STRUCTURE OF SCANDINAVIAN INVESTMENTS IN POLAND BY INDUSTRY*?

1 Manufacturing

Denmark	62%
Finland	57%
Sweden	52%
Norway	51%

2 Wholesale and retail trade

Sweden	18%
Denmark	10%
Norway	9%

OTHER BRANCHES

Information & Communication

Construction

Transport and warehousing

**Structure of foreign direct investment in Poland in 2018, % of companies which invested in given industry (measured by number of 283 businesses)*

Source: PAIH

4 WHAT BENEFITS SCANDINAVIAN INVESTMENTS BRING TO THE POLISH ECONOMY?

- **INCREASE IN CAPITAL RESOURCES,** production volume and income
- Improved efficiency of market functioning owing to an **INFLOW OF KNOW-HOW**
- Boosted productivity of factors of production induced by **NEW TECHNOLOGIES INFLUX**
- Innovation and competitiveness **GROWTH STIMULATION**

3 WHY SCANDINAVIAN AND OTHER FOREIGN INVESTORS CHOOSE POLAND*?

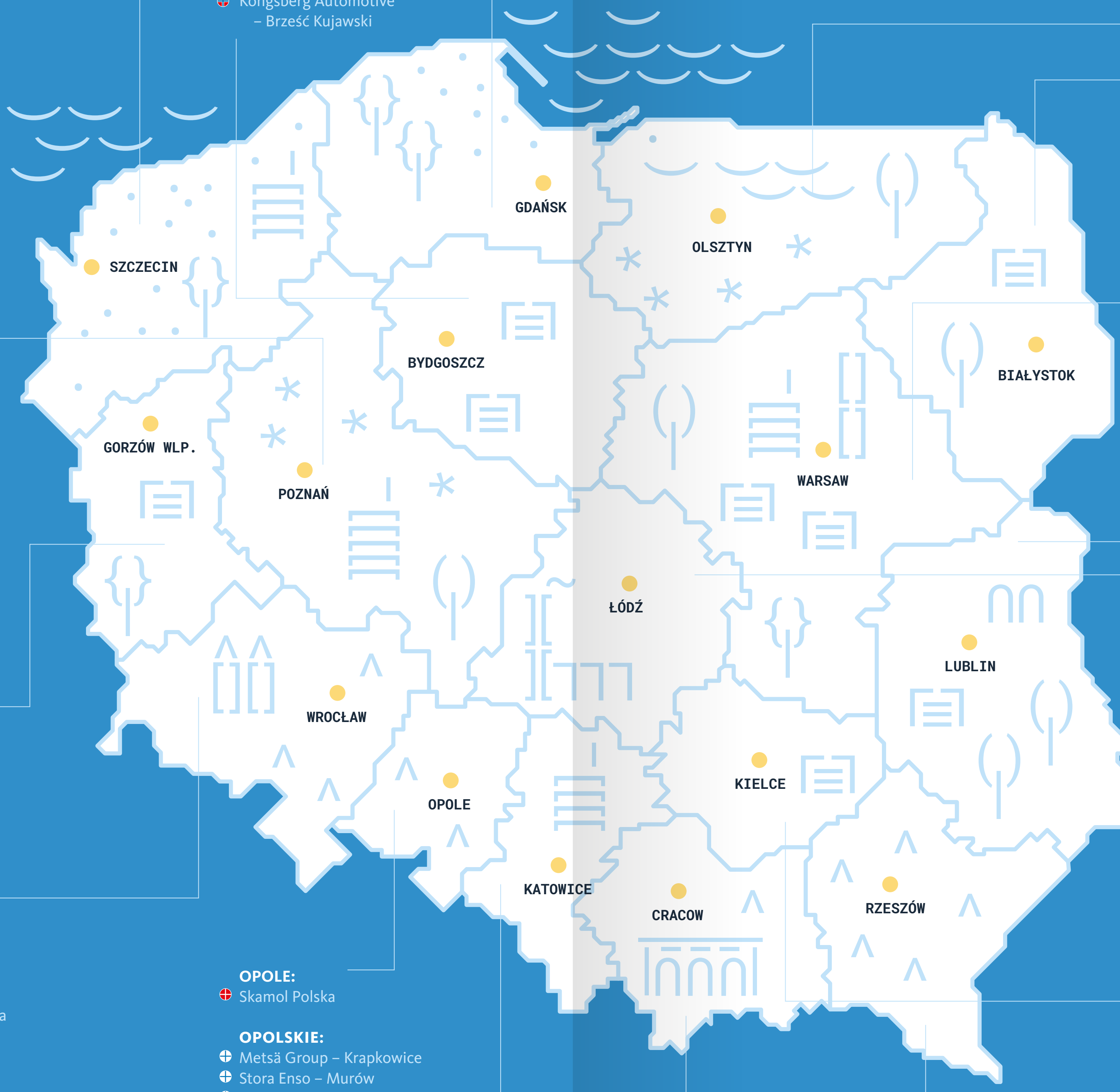
- Membership in the EU
- Qualifications, productivity and motivation of employees
- Quality and availability of local suppliers
- Payment morality
- Infrastructure (transport, IT communictation, energy)

**AHK/IGCC Business and Investment Climate Survey 2019*

Photo: Milena Rajn

Map of selected Scandinavian investments in Poland

- Denmark
- Finland
- Norway
- Sweden



SZCZECIN:
- 3shape Poland
- Coloplast
- Dansk Supermarked
- KK Wind Solutions:
- Ramirent
- Tieto
- Garo Polska
- Pierce AB
- Vastint

ZACHODNIOPOMORSKIE:
- Abena – Goleniów
- Bestseller Commerce Poland / Stylepit – Goleniów
- BG Production – Białogard
- DGS – Mierzyn
- Espersen – Koszalin
- Netto – Motaniec
- Prime Cargo – Goleniów
- Radiometer Solutions – Stargard
- Royal Greenland – Koszalin
- Cargotec – Stargard
- Firmus Group – Mielno
- Noratel – Dobra
- Forankra – Goleniów
- Klippan Safety – Stargard
- Specma – Stargard

POZNAŃ:
- Carlsberg Shared Service Center
- DFDS Seaways
- Puro Hotels
- Duni EFF
- Ingka BSC
- Skanska
- SKF Polska
- Vastint

WIELKOPOLSKIE:
- Fritz Hansen – Rawicz
- Hempel – Niepruszewo
- Lina Medical – Sady
- Q-Partners – Suchy Las
- VELUX – Gniezno
- Ruukki – Oborniki Wlkp
- Stora Enso – Mosina
- Hydro Extrusion Poland – Trzcianka
- Arctic Paper – Kostrzyn
- Flexlink Systems Polska – Plewiska
- Getinge Group – Komorniki
- Hilding Anders – Murowana Goślina
- SSAB – Oborniki Wielkopolskie

LUBUSKIE:
- Lantmannen Unibake – Nowa Sól
- Rockwool – Cigacice
- Toms Polska – Nowa Sól
- IKEA Industry – Zbąszynek

WROCŁAW:
- Etteplan
- Nokia
- Tieto
- Puro Hotels
- Opera Software
- Sigma IT Consulting
- Skanska
- Vastint
- Volvo Polska

DOLNOŚLĄSKIE:
- Aluwind – Bielany Wrocławskie
- Danfoss Power Solutions – Bielany Wrocławskie
- UPM Raflatac – Kobierzyce
- UPM Raflatac – Nowa Wieś Wrocławska
- Autoliv – Jelcz Laskowice
- Autoliv – Oława
- Electrolux – Oława
- Electrolux – Świdnica
- Electrolux – Żarów
- Essity – Oława
- H&M Distribution Center – Krzywa
- Midroc Alucrom – Oleśnica
- Nordic Truck Bodies – Jelcz Laskowice
- SSAB – Żórawina

The map was prepared based on investments in production sites, distribution & logistics centers, BPO/SSC centers, commercial real estate (office buildings) and residential investments.

KUJAWSKO-POMORSKIE:
- Istrail – Golub-Dobrzyń
- Kitron – Grudziądz
- Kongsberg Automotive – Brześć Kujawski

OPOLE:
- Skamol Polska

OPOLSKIE:
- Metsä Group – Krapkowice
- Stora Enso – Murów
- Wipak – Skarbimierz
- VELUX – Namysłów

ŚLĄSKIE:
- Fortum – Zabrze
- Fortum – Częstochowa
- Stora Enso – Tychy
- Electrolux – Siewierz
- HL Display – Gliwice

GDAŃSK:
- Arla GFSC
- Flugger
- Maersk Drilling
- Kemira
- Metsä Group SSC
- Nordea
- MOWI Poland
- Nevion
- Powel AS
- Puro Hotels
- Schibsted Tech Polska
- AQ Wiring Systems
- Eltel Networks
- Northvolt Poland
- Transcom
- Vastint

CRACOW:
- Lundbeck
- Amer Sports
- Nokia
- Puro Hotels
- Schibsted Tech Polska
- Alfa Laval
- Assa Abloy
- Electrolux Global Shared Service Center
- Ericsson
- Medius
- Skanska

GDYNIA:
- Unifeeder
- Teknos
- DNV GL

POMORSKIE:
- Danfoss Poland – Tuchom
- Dovista from VELUX Group – Wędkowy
- Goodvalley – Przechlewo
- Alteams – Lębork
- Fiskars – Wyłnkówko
- Mowi – Ustka
- NFM Group – Lębork
- Tritec – Redzikowo
- AJ Produkty – Redzikowo
- Etac Poland – Tczew
- Panlink – Tczew
- Pronordic Group – Pruszcz Gdański
- Scania – Słupsk

BIAŁYSTOK:
- Rosti Poland

PODLASKIE:
- IKEA Industry – Orla

OLSZTYN:
- Transcom

WARMIŃSKO-MAZURSKIE:
- IKEA Industry – Lubawa
- X-Yachts – Gołdap
- Sand Valley Golf & Country Club – Pasłęk

LUBLIN:
- Borg Automotive

LUBELSKIE:
- IKEA Wind Farm – Lubartów

ŁÓDŹ:
- Digital Workforce
- Nordea
- Onninen
- Stora Enso
- Puro Hotels
- Ericsson
- Skanska

ŁÓDZKIE:
- Borg Automotive – Zduńska Wola
- Jysk Distribution Center – Radomsko
- Scanfil – Sieradz
- IKEA Distribution Center – Jarosty
- Kongsberg Automotive – Koluszki

WARSAW:
- Demant Technology Centre
- DSV ISS
- H+H Polska
- KMD
- VELUX SSC
- Nordea
- YIT
- Puro Hotels
- Unicall Communication Group Poland
- Blaklader
- Elekta Instruments
- Ericsson
- Skanska
- Stena Recycling
- Vastint

MAZOWIECKIE:
- Danfoss Poland – Grodzisk Mazowiecki
- DSV Road – Ożarów
- Lantmannen Unibake – Stanisławów Pierwszy
- Rockwool – Małkinia
- Ruukki – Żyrardów
- Stora Enso – Ostrołęka
- Kongsberg Automotive – Pruszków
- H&M Distribution Center – Grodzisk Mazowiecki

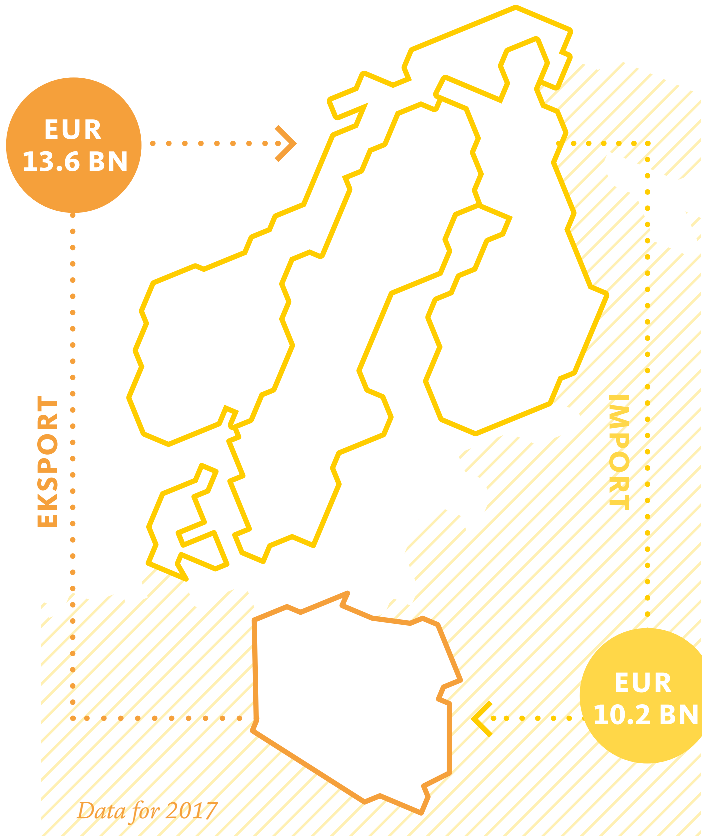
ŚWIĘTOKRZYSKIE:
- Danstoker Poland – Ostrowiec Świętokrzyski

RZESZÓW:
- Unicall

PODKARPACKIE:
- Tikkurila – Dębica
- Husqvarna – Mielec
- IKEA Industry – Stalowa Wola
- IKEA Wind Farm – Rymanów

Economic cooperation

1 TRADE EXCHANGE WITH THE SCANDINAVIAN COUNTRIES



Data for 2017

Scandinavia is the

2nd MOST IMPORTANT EXPORT PARTNER FOR POLAND

5nd PARTNER IN TERMS OF IMPORT

EUR **25.5** BN WAS THE VALUE OF TRADE EXCHANGE between Poland and Scandinavia in 2018

In the past five years (2014–2018) the value of trade exchange between Poland and Scandinavia has noted a **growth of 23%**.

2 TRADE WITH DENMARK, FINLAND, NORWAY AND SWEDEN IN 2018

35% electromechanical industry

15% agricultural products

IMPORT: € 2.5 BN

EXPORT: € 3.8 BN

33% agricultural products

25% electromechanical products

20% chemical industry products

Ole Egberg Mikkelsen
Ambassador of Denmark

Medical equipment is the most valuable commodity item in Polish export to Denmark

Poland is Denmark's 9th biggest export market globally and bilateral trade continues to grow significantly every year. More than 500 Danish companies have established affiliates in Poland and they employ more than 50.000 people. The unemployment level in Poland is at a record low level and Poland is on a fast transition towards implementing industry 4.0 with higher degrees of automatisation and value-add in production. This opens the door for Danish companies with innovative and customizable solutions in the fields of robotics, automation and IT. I firmly believe that these solutions could help a strong Polish industry to become even more competitive.

Juha Ottman
Ambassador of Finland

In 2011–2018 Polish export to Finland has grown by 80%

Poland is among the TOP10 trading partners of Finland globally and our bilateral trade has developed extremely well in recent years. There are over 200 Finnish companies present in Poland employing tens of thousands of Polish citizens. Climate change is the defining issue of our time, therefore, I believe that a carbon neutral circular economy will be one of the key future fields of cooperation for Finnish and Polish businesses.

34% wood and paper industry

21% electromechnical industry (noting a significant drop of share since 2000.)

IMPORT: € 1.7 BN

EXPORT: € 1.9 BN

35% electromechanical industry products

18% base metals and base metal products

Olav Myklebust
Ambassador of Norway

Poland is the largest recipient of Norwegian salmon in the world

Trade between Poland and Norway is now close to PLN 20 billion. Poland is among the top 10 of Norway's trading partners. Main sectors of Polish-Norwegian economic relations are maritime, food, metallurgy, defence and energy. Energy is a promising area due to increased investments of Polish companies on the Norwegian Continental Shelf and of Norwegian firms in the growing renewable energy sector in Poland.

38% fish and seafood

19% aluminium and aluminium products

IMPORT: € 2.5 BN

EXPORT: € 2.6 BN

25% vessels, boats, floating constructions

10% cast iron and steel products

Stefan Gullgren
Ambassador of Sweden

We sell more and more agricultural products to Sweden every year

Poland is Sweden's 11th largest export market and in 2018 exports to Poland increased with 21%. We believe that our strong focus on innovation, sustainability, green economy and smart industry will be beneficial for both our countries, that it will further grow our trade and increase our competitiveness. I am happy to see that the traditional industry products traded in both directions tend to climb in the value chain - this is a development we encourage and suport.

38% electromechanical products

17% metallurgy products

IMPORT: € 4.3 BN

EXPORT: € 6.1 BN

45% Electromechanical industry (motor vehicles and its parts)

11% furniture and wooden products

Source: GUS

Photo: Paweł Bruczkowski

Scandinavian companies in Poland

1785

COMPANIES WITH THE SHARE OF SCANDINAVIAN CAPITAL were registered in Poland in 2017

Denmark
639 companies

Sweden
631 companies

Finland
320 companies

Norway
195 companies

Nordic companies are **the third biggest group** of foreign companies in Poland

1 **Germany**
4 917 companies

2 **The Netherlands**
2 155 companies

3 **Scandinavia**
1 785 companies

Source: GUS

1 NORDIC COMPANIES AS EMPLOYERS

170 000 **People are employed** in Nordic companies in Poland

125 Nordic **BPO centres** are present in Poland and they employ

27 900 **people**

Nordic companies with **the largest numer of employees** in Poland:

IKEA*	16 160
Sokołów (Danish Crown)	8 000
H&M and H&M Logistics	7400
Nokia	6300
Netto	6000
Securitas	5619
Electrolux	5500
Mowi	4520
Nordea	4300
VELUX Group	4300
Volvo Group	3900

Source: own data
**Ingka Group (including IKEA Retail) and IKEA Industry*

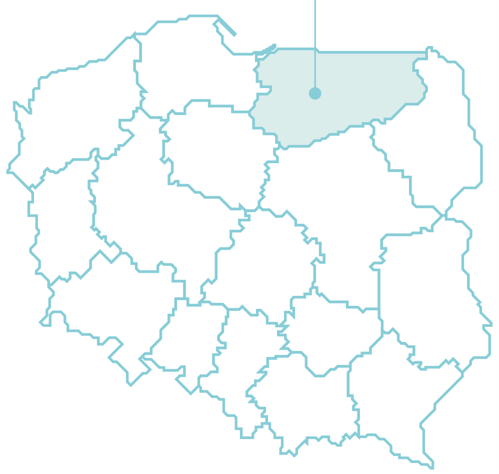
2 CORPORATE INCOME TAX (CIT) PAID BY SCANDINAVIAN COMPANIES IN POLAND IN 2018

In 2018 **Scandinavian companies paid** more than

PLN 590 MLN

of CIT Tax

Which is more than the total budget income of Warmińsko-Mazurskie Voivodeship



Source: Ministry of Finance.
Entities in liquidation were excluded from the list.

Largest Scandinavian payers of **CIT** in Poland in 2018:

Skanska Property Poland Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych
PLN 69.6 mln

Stora Enso Poland S.A.
PLN 48.5 mln

Stora Enso Narew Sp.z o.o.
PLN 36.6 mln

Scania Polska S.A.
PLN 31.7 mln

Jysk Sp. z o.o
PLN 30.9 mln

IKEA Capital Group
PLN 29.4 mln

Sokołów S.A.
PLN 29 mln

Netto Sp. z o.o
PLN 23.5 mln

Volvo Polska Sp. z o.o.
PLN 20.2 mln

IKEA Industry Poland Sp. z o.o.
PLN 20.2 mln

Carlsberg Polska Sp. z o.o.
PLN 19.7 mln

H&M Hennes & Mauritz Sp. z o.o.
PLN 19.2 mln

DNB Bank Polska S.A.
18.6 mln zł

Plans & challenges ahead for Scandinavian business leaders*

1 PLANS FOR THE FUTURE

EUR 4.1 BN
Companies taking part in the survey **have invested in Poland** in the past 5 years

67%
of surveyed companies is **planning further investment** in the next 5 years

EUR 2.8 BN
is the value of planned investments

67%
of surveyed companies **plans to employ** in the next 12 months around **1000 people**

2 WHAT ARE THE BIGGEST CHALLENGES THAT LEADERS OF SCANDINAVIAN COMPANIES AND THEIR BUSINESSES ARE FACING TODAY?

1. Labour market and employees. Lack of qualified workforce, new generations on the market, rotation, growing labour costs and challenges related to communication and cooperation

2. Legal and administrative environment Lack of stability and transparency of law regulations, high tax burden

3. Digitalization Process automation and implementation of new solutions

4. Environmental challenges. Consequences for the environment and climate change

3 WHICH SCANDINAVIAN VALUES INSPIRE LEADERS IN THEIR EVERYDAY WORK THE MOST?

— OPENNESS
— FLAT STRUCTURE
— TRANSPARENCY

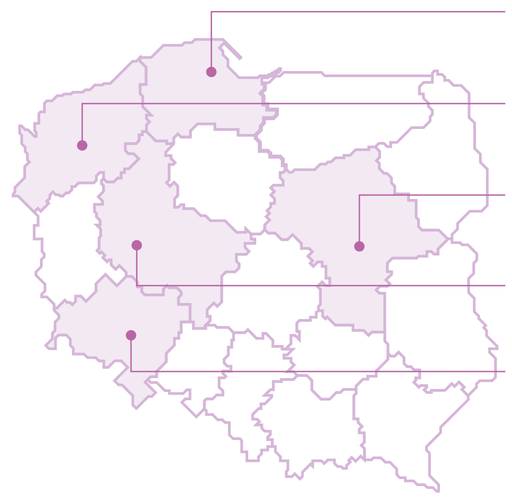
4 PROFILE OF SURVEYED COMPANIES

Sector

25% Manufacturing
25% Services
16% Retail
12% Construction and Real Estate
12% Transport and Logistics
11% Banking and Finance

68% of the surveyed companies started operating in Poland by creating a new entity, and 27% by acquiring a local enterprise

Regions where surveyed companies invested



**Results of a survey conducted on a group of 55 leaders managing the Scandinavian companies in Poland during June–July 2019*

Photo: Dagmara Żołnieruk

SCANDINAVIAN-POLISH CHAMBER OF COMMERCE is an association established by and for business people having links to Scandinavia. SPCC has been present already in Poland for 15 years and is the 3rd biggest bilateral chamber of commerce in Poland. SPCC gathers 430 companies and institutions representing interests of Scandinavian investors. Membership in the Chamber offers not only networking opportunities with an elite group of high-performing managers of Nordic companies, but is also a way of finding inspiration for everyone who would like to expand their own business. www.spcc.pl

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DNB BANK POLSKA S.A. has been present in Poland since 2002. DNB Bank Polska is the part of DNB group - the leading Norwegian financial group. The group has strong long-term credit ratings of the largest and most reputable rating agencies in the world (AA- from Standard & Poor's, Aa2 from Moody's). DNB has offices in the world's major financial centers, including London, New York and Singapore. DNB Bank Polska S.A. is a specialized corporate bank active in: energy, TMT, healthcare, foods, manufacturing, packaging, automotive, services, retail and public sector.
www.dnb.pl

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