

— 2010 —

# NOKIA SUSTAINABILITY REPORT



— 2010 —  
NOKIA SUSTAINABILITY REPORT  
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SUMMARY OF 2010



## — 1.1 —

INTERVIEW WITH STEPHEN ELOP  
PRESIDENT AND CEO OF NOKIA

In September, 2010, Stephen Elop joined Nokia as the new president and CEO. Mr. Elop shares a deep commitment to sustainability principles both as a global business leader and as a global citizen. The following Q and A provides more insight into his perspective on sustainability.

**Q** What does sustainability mean for Nokia?

**A** Sustainability is embedded in everything we do at Nokia, from the way we operate to the way we design products to the way we deliver services. By connecting more than 1.3 billion people around the world using Nokia phones, we also believe leadership calls for responsibility. As a result, sustainability is not a trend for Nokia, but rather it is our way of conducting business, which means encouraging sustainable development, supporting sustainable societies and enabling people to make sustainable choices.

**Q** What is Nokia's approach to managing economic, environmental and social issues?

**A** Incorporating sustainability into our strategy and targets means minimizing our negative impact and maximizing our positive impact - and we aim to be a leader in both. Education, health, livelihood and the environment all present global sustainability challenges, and are all areas where Nokia can be part of a solution through our business and through our strategic social investments, which focus on mobile technologies.

**Q** What broader/macro trends are affecting Nokia, and how do these influence our sustainability priorities?

**A** Around the globe, societies face challenging economic situations and adverse market conditions, which can limit an individual's ability to access information that could enrich one's life. We believe that access to communication and information is a right, not a privilege. It also is our belief that the democratizing effect of mobile communications, the Internet and Information and Communication Technologies (ICT) can strengthen public life and the role of citizens around the globe. Through our mobile devices and services, Nokia can advance the democratization of information.

**Q** How does sustainability support the overall Nokia strategy?

**A** Our mission remains focused on Connecting People. Recently, we announced a new strategy for Nokia, including a commitment to connect the next billion people to the Internet. Today, 80% of the world's population lives within mobile networks range, yet only 20% of the world's population has access to the wealth of information available on the Internet. We have set clear business objectives, and we are delivering new technologies such as proxy browsers and SMS services that will help one billion people make their first connection to the Internet. Through this effort, people can reach information to improve their livelihoods and to adopt more sustainable lifestyles.

**Q** What would you highlight as Nokia's most important achievements in 2010?

**A** In 2010, Nokia continued to make significant strides in sustainability. Most notably:

— We have reached and exceeded the climate targets we set for reduction of our facilities' CO<sub>2</sub> emissions, and those for energy savings in buildings and reduction of power used by our device chargers.

— Nokia is leading the industry in the use of sustainable materials, such as recycled metals, bio-plastics and bio-paints. Specifically, the premium smartphones we launched in 2010 are some of our most environmentally-friendly products to date. In fact, the GoodGuide recognizes our contributions through their report rating cell phones based on health, environment and social attributes. The first 26 phones on the list are all Nokia products.

— We have created a Nokia human rights approach based on the United Nations and other international Human Rights principles and on our own human rights impact assessments. We are developing metrics on how to measure our performance and development in this area.

— Nokia was rated the Global Technology Supersector Leader for the second year in a row by the Dow Jones Sustainability Indexes. We also are consistently rated highly for our sustainability efforts in many other international rankings.



## — 1.1 —

## INTERVIEW WITH STEPHEN ELOP (CONT.)

## PRESIDENT AND CEO OF NOKIA

**Q** What have been the biggest challenges or where has Nokia fallen short of your expectations and targets in sustainability related matters?

**A** We continue to face challenges around identifying available green energy. This is causing us to progress more slowly than we would like in sourcing electricity from renewable sources. Second, even though we are one of the leading companies in ethical sourcing, and we are actively involved in joint industry initiatives contributing to the work of industry bodies to identify potential conflict minerals, we have been frustrated with the slowness in obtaining results. However, we are seeing encouraging progress as the results of third-party smelter audits become available to companies in our supply chain.

**Q** What do you regard as Nokia's key goals and challenges in 2011?

**A** With our new business strategy, we announced a new path forward focused on growing and expanding our business globally. However, with this new strategy, we also need to rebalance our workforce. While it is our goal to implement our new strategy with as little adverse impact as possible, we will have significant job reductions that will negatively affect people and communities. This will be a difficult year for Nokia, and we are taking responsibility to care for the people we impact by creating an extensive support program.

**Q** How do you see our employees' role in delivering Nokia's sustainability goals?

**A** In the same way that sustainability is embedded in everything we do at Nokia, sustainability should be embedded in everything each one of us does at Nokia, at home and in our communities. On my first day at Nokia, I sent an email to each employee asking them two questions: what should we change at Nokia and what shouldn't we change at Nokia. I received thousands of responses, and many suggestions for what we should change. But, unquestionably, the number one thing employees believe that we should not change is that Nokia "does good" around the world. Deeply engrained, sustainability is a value by which Nokia and our employees live.

— 1.2 —

NOKIA IN 2010

**WHO WE ARE**

Nokia is the world leader in mobility, driving the transformation and growth of the converging Internet and communications industries.

Nokia is committed to connecting people to what matters to them by combining advanced mobile technology with personalized services. More than 1.3 billion people connect to one another with a Nokia, from our most affordable voice-optimized mobile phones to advanced Internet-connected smartphones sold in virtually every market in the world. Through Ovi (www.ovi.com), people can also enjoy access to maps and navigation on mobile phones, a rapidly expanding applications store, a growing catalogue of digital music, free email and more. Nokia's NAVTEQ is a leader in comprehensive digital mapping and navigation services, and Nokia Siemens Networks is one of the leading providers of telecommunications infrastructure hardware, software and professional services globally.

**ORGANIZATIONAL STRUCTURE**  
**DECEMBER 31, 2010**

Our organizational structure was re-designed in July 2010 to position us for a world where the mobile phone, the Internet and the computer are fusing together.

**MOBILE SOLUTIONS**

Responsible for developing and managing our portfolio of smart phones and mobile computers and developing our suite of Internet services under the Ovi brand, with a strong focus on maps and navigation, music, messaging and media.

**MOBILE PHONES**

Responsible for developing and managing our portfolio of affordable mobile phones, as well as a range of services that people can access with them.

**MARKETS**

Responsible for managing our supply chains, sales channels, brand and marketing activities, and for delivering our mobile solutions and mobile phones to the market.

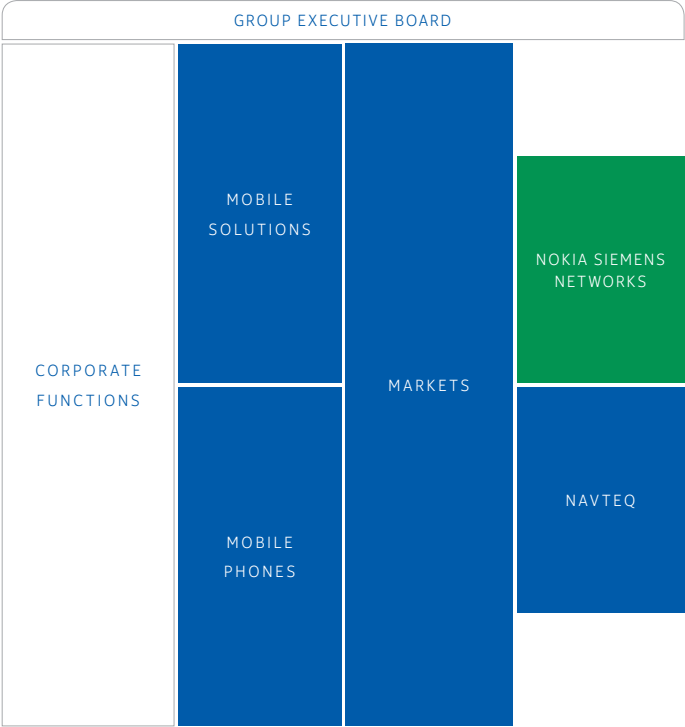
**NOKIA SIEMENS NETWORKS**

Jointly owned by Nokia and Siemens, provides wireless and fixed network infrastructure, communications and networks service platforms, as well as professional services to operators and service providers.

**NAVTEQ**

NAVTEQ is a leading provider of comprehensive digital map data and related location-based content and services for automotive navigation systems, mobile navigation devices, Internet-based mapping applications, and government and business solutions.

In February 2011, Nokia announced a new strategy, including changes to our leadership team and operational structure designed to accelerate our speed of execution in an intensely competitive mobile products market.



— 1.2 —  
NOKIA IN 2010 (CONT.)

- 2010 AT-A-GLANCE (NOKIA GROUP LEVEL)
- Head office in Finland; Production, R&D, sales, marketing activities around the world.
  - Total number of employees at year-end: 132,427 (Nokia Group)
  - Strong R&D presence in 16 countries
  - Sales in over 160 countries

More Nokia and Nokia Group data are available in the Key Data tables of this report

More information about our organization and other key corporate information can be found from Nokia's Form 20-F Annual Report 2010

REPORTING BOUNDARY

This report covers Nokia sustainability related activities with focus on year 2010.

Nokia Siemens Networks (NSN), which is approximately 50% owned by Nokia, publishes its own detailed Sustainability Report on their website. NSN is excluded in this report unless otherwise indicated.

In addition to the Nokia and NSN reports and our separate data tables, we have consolidated some key data from both companies (Nokia Group) in one data table which can be found in the Key Data section of this report.

Nokia has published corporate responsibility reports since 2002 and we have reported our environmental activities continually since 1999. Our previous sustainability report covered the year 2009.

ABOUT THE REPORT

Sustainability means balancing economic, environmental and social priorities so that the needs of the present do not compromise the needs of the future. For Nokia this means taking environmental and social considerations into account in managing our operations, and developing mobile solutions that make a positive impact. Open and transparent reporting of our progress is a key part of our sustainability activities.

Nokia has published corporate responsibility reports since 2002 and we have reported our environmental activities continually since 1999. Our previous sustainability report covered the year 2009.

Our 2010 report highlights Nokia's performance in the areas where business practices most affect society and the environment. It covers the key ethical, socio-economic and environmental areas we believe are most material to our business and our stakeholders.

Learn more about our integrated reporting and materiality process and analysis in the Reporting Approach section of this report.

We welcome your views on our activities and our performance. Please contact the Nokia sustainability team at [sustainability.feedback@nokia.com](mailto:sustainability.feedback@nokia.com).

	2010	2009
Net sales (Group), EUR million	42,446	40,984
Net sales: Devices & services, EUR million	29,134	27,853
Net sales: Nokia Siemens Networks, EUR million	12,661	12,574
Net sales: NAVTEQ, EUR million	1,002	670
Operating profit, EUR million	2,070	1,197
Earnings per share, diluted	0.50	0.24

— 1.3 —  
NOKIA’S ROLE AS PART OF A SOLUTION  
SUMMARY OF GLOBAL CHALLENGES

Our goal is a world where everyone is connected and contributing to sustainable development. It’s a world where Nokia services help our more than one billion customers make more sustainable choices every day. Where our phones and applications provide access to knowledge, and make knowledge powerful. Where better information connects people to better lives through new ways of learning, real-time data on crop prices, basic financial services or social networking. Where people are only a button away from connecting to their families, communities and causes they care about. Where our technologies help ideas come alive and change the way we see the world.

Nokia’s pioneering mobile technology is already transforming the world and we want to continue leading the way. As demand for mobile technologies continues to grow, we’re faced with a world of opportunities and challenges. Mobile technology has incredible potential to drive positive change. But we need to also manage the impact that its development and use has on society and the environment. We are determined that our business will help solve global issues like climate change, access to education, health, livelihoods and human rights.

Nokia believes in the power of people working together. Our starting point is being a sustainable business which manages its own impacts and goes way beyond what’s required for compliance. But our goal is not simply to do less bad; we want to have a net positive impact. As a mobile provider, we are in a powerful position to use our core products and services to help people live more sustainably. Mobile technologies are in the hands of billions, and it is by working together that we can truly change the world. We will have a net positive impact by harnessing what we have called “the power of we”: empowering our employees, customers and suppliers all over the world to maximize the positive differences they can make.

Our sustainable heritage makes us ready to connect the next billion. Leadership in sustainability is part of Nokia’s heritage. We have contributed to progress in our industry and in the world. We have built strong foundations, and now we’re ready to connect the next billion to a better future. Together, we can achieve more.

OUR IMPACT

Our sustainability strategy and this report are designed to address the sustainability issues that are most material to our business and to our stakeholders. Our materiality analysis process is described in the Reporting approach section of this report.

We have identified seven key impact areas, which are the global sustainability challenges where Nokia can play the most significant role as part of a solution:



In the following summary we outline the most material issues for Nokia’s business and our stakeholders under each of these impact areas.

— 1.3.1 —

ECONOMIC DEVELOPMENT

**THE GLOBAL CHALLENGE**  
Economic development is the engine for change in our society. It starts at the individual level, where people improve their livelihoods and increase their own standards of living. At a societal level, these improvements create more productive economies. This is why employment and productivity are stated cornerstones of the first United Nations Millennium Development Goal to eradicate poverty and hunger.

**NOKIA'S ROLE**  
Mobile technology enables positive change on a scale greater than ever before, and at a time when we need rapid change the most. The links are astonishing. Research shows that GDP increases by 0.6% in emerging markets when ten more mobile phones are added per 100 inhabitants. The impact of increased Internet access almost doubles that. Technology industry has also a major global role in technology transfer and human capital development.

Our technologies also enable financial innovation. By 2012, 1.7 billion people will have a mobile phone but not a bank account. The lack of bank account poses a critical obstacle to economic development, as it is a prerequisite for access to today's global economy. Through services like Nokia Money, people can use their phones to transfer money, pay bills and pay merchants for goods and services.

**MYSHOP** is a tool for entrepreneurs of all literacy levels. It enables simple visual item-based calculation, automatic bookkeeping and stock management on the go. The application improves performance and helps people learn new skills to grow their businesses.

**NOKIA TEJ** is a mobile order and supply chain management tool that makes businesses more efficient. By improving the flow of information between business partners, productivity increases and paperwork is reduced.

**OVI MAIL** is a free service that provides convenient mobile email access. With over 8 million accounts activated in just over one year, Ovi Mail has established itself as the email account for the developing world. The service supports over 25 languages, and the email account can be accessed on almost 200 Nokia devices, in virtually every country in the world.

**NOKIA GROUP** makes a big difference through the economic impact we create as a global company, both directly and indirectly. We have over one billion customers, over 132,000 employees, sales of 42,4 billion Euros in more than 160 countries, profit of 2,070 billion Euros, 5,863 billion Euros in R&D expenses, 5,808 billion Euros in salaries and tax payments of 443 million Euros. <sup>1</sup>

**NOKIA MONEY** is our mobile financial transactions service first launched in 2010 in India. It gives people a secure and convenient way to manage their money and lowers transaction costs.

**NOKIA LISTINGS** connects buyers and sellers in emerging economies, bringing the benefits of a digital marketplace to users of basic mobile phones. Through the service people can access information to secure a job or locate goods and services in their local area.

CASE STUDY

SUPPORTING LIVELIHOODS IN EMERGING MARKETS WITH OVI LIFE TOOLS

In 2008 Nokia introduced Ovi Life Tools, a service that enables people to make better informed decisions, find timely, relevant and reliable information, gain greater negotiation power and access learning opportunities via their mobile. For example daily market prices delivered directly to the mobile through Ovi Life Tools gave farmer Datarey Bhonge in Barshi, India, a chance to increase his profits by 6,000 rupees for six tonnes of onions.

The expansion of Ovi Life Tools into China, India, Indonesia and Nigeria, helps build skills and support livelihoods by offering agricultural news and crop advice. The population of these four emerging economies combined represents 40% of the total global population.



— 1.3.2 —

EMPLOYMENT AND LIVELIHOODS

**THE GLOBAL CHALLENGE**  
Fulfilling employment is critical to human wellbeing. It harnesses our initiative and creativity in ways that can literally change the world we live in, alleviating poverty and promoting equality. Lack of employment leads to poverty, deprivation and social unrest that affect local and global economies. Better jobs for more people support the development of livelihoods, which contributes to enhancing individual and societal health and security. Achieving full, productive employment and decent work for all is part of the United Nations Millennium Development Goals.

**NOKIA'S ROLE**  
Growth in our industry creates jobs, directly and indirectly. In India, the mobile telephone industry has provided jobs for 3.6 million people. This is expected to grow by 30% year on year.

Nokia employs close to 64,000 people and helps to support thousands more by impacting their families and communities. Nokia's indirect impact increases significantly through our supply chain. Keeping our business profitable is essential to long-term growth. To ensure we are financially sustainable, at times there is a need our workforce.

**NOKIA** supports employment and livelihoods through the salaries we provided to our almost 64,000 employees in 2010. During 2010 the number of our employees increased. However, with our renewed strategy in 2011 there will be a need for personnel reductions.

**EMPLOYEE SATISFACTION.** 63% of employees surveyed in our annual internal survey, Listening to You, say that Nokia's corporate responsibility activities have increased their overall employment satisfaction.

**LABOR CONDITION ASSESSMENTS** are conducted every second year at every Nokia production site to ensure safe labor conditions.

**OUR FIRST SUPPLIER SUSTAINABILITY AWARD** was established in 2010 as part our commitment to working with suppliers to build their capacity.

**ENTERPRISE WITHOUT BORDERS** agreement with Junior Achievement. Formalized at the end of 2010, the partnership will conduct entrepreneurship training in eight countries across Europe and Africa, linking students to create opportunities for the future.

**YOUTH DEVELOPMENT PROJECTS AND YOUTH LIFE SKILLS INITIATIVES** sponsored by Nokia continue to deliver benefits across regions. For example in Latin America our employability program has opened doors for thousands of disadvantaged young children.

**NOKIA'S PUBLIC PRIVATE PARTNERSHIP PROGRAM WITH THE FINNISH GOVERNMENT AND INFODEV OF WORLD BANK** creates mobile laboratories to support innovators and the incubation of small and medium enterprises (SME) in Africa, Asia and the transition economies of Eastern Europe, Caucasus and Central Asia. In addition, our consumer services such as Ovi Life Tools and Nokia Listings (covered elsewhere in the report) have positive impacts on employment opportunities.

CASE STUDY

MAKING NOKIA DATA GATHERING OPEN SOURCE TO CREATE NEW OPPORTUNITIES FOR ENTREPRENEURS

In July 2010, we announced the availability of Nokia Data Gathering under an open source license. This solution replaces traditional data-gathering methods (such as paper questionnaires) with mobile phones, improving result accuracy and saving time and money. Open-sourcing means the solution can be replicated, customized and localized quickly and easily anywhere in the world. This creates opportunities for local developers and entrepreneurs.

Since July we've seen increased adoption among government, non-government and corporate clients. New examples include the United Nations Food and Agriculture Organization (UN FAO) in Kenya, which is using Nokia Data Gathering to map water points, and Plan Kenya, which is applying the service to birth registrations. All in all, over a hundred organizations have conducted trials of Nokia Data Gathering using the Nokia hosted server, while other organizations have simply taken it into use.

— 1.3.3 —

HUMAN RIGHTS AND ETHICS

THE GLOBAL CHALLENGE

Everyone is entitled to human rights and basic freedoms. This is the foundation of civilized society, and the reason why promoting human rights is a United Nations Millennium Development Goal. It is every citizen's responsibility to increase access to, and protect these freedoms. As institutions with influence, this is particularly true for companies like Nokia. Everyone should enjoy the rights of free expression, access to information, exchange of ideas and economic development, and be treated with dignity and respect.

NOKIA'S ROLE

Recent events across the Middle East and North Africa give solid evidence of the role of mobile technology in realizing human rights. It allows people to bring attention, in real time, to human rights abuses around the world. But even more broadly and in the everyday lives of people, mobile technology enables transparency and scrutiny of political processes, and can be used to counter dwindling citizen participation in politics. It brings education and increased awareness to those who traditionally have been unable to access it, making learning within reach for all.

Transparency International sees ICT playing a key part in the fight against corruption. The democratizing effect of mobile communications, noted by the European Commission, will strengthen global interdependency and progress.

Nokia believes our business is a key agent of positive change on human rights. Improved communications provide better opportunities for freedom of expression, and therefore promote civil and political rights as well as economic and social rights. Our business practices reflect our commitment to protecting human rights. We promote human rights and ethics through our own workforce, our supply chain, our products and services and our engagement with consumers.

NOKIA CODE OF CONDUCT is available in 34 languages and is based on the highest ethical standards. 98% of our employees not working directly in production have been trained in the Code of Conduct as of 2010.

Nokia is committed to the principles of the UNITED NATIONS GLOBAL COMPACT and has been a signatory and active member since the Global Compact's inception. The Global Compact provides a framework of responsible business practices relating to labor, human rights, anti-corruption and environmental issues.

SUPPORT FOR mWOMEN:

Nokia continues to support the GSM Association's mWomen program, which seeks to narrow the gender gap in mobile device ownership in emerging markets. Promoting gender equality and empowering women also form one of the United Nations Millennium development goals.

NOKIA HUMAN RIGHTS SUMMIT IN 2010 FOCUSED ON THE SOCIAL IMPACT OF MULTINATIONAL COMPANIES. The event brought together 40 representatives of various stakeholder groups from non-governmental organizations (NGOs) to investors, and other businesses operating in similar environments to Nokia.

PROTECTING CUSTOMER PRIVACY is part of our commitment to observing high standards of integrity and ethical conduct in all of our operations.

ASSESSMENT PROCESSES. Nokia is constantly conducting due diligence to fulfill our responsibility to respect human rights and assess any human rights risks that may be associated with our activities, operations and relationships. One part of the due diligence process in 2010 was a benchmarking study of the human rights environment in 18 countries.

NOKIA SUPPLIER REQUIREMENTS provide clear guidance on what is expected from our suppliers. These requirements include environmental and social expectations, which are based on international standards. In 2010 we introduced four new metrics related to health, safety and labor issues.

CASE STUDY

RAW MATERIAL SOURCING CHALLENGES IN THE DEMOCRATIC REPUBLIC OF CONGO

The eastern Democratic Republic of Congo is a conflict zone where raw material availability is helping to extend the violence. Even though Nokia does not source or buy metals directly, we are very concerned about the potential link between mining and financing of the conflict in the region.

Nokia became aware of this potential link in 2001 and took action immediately to ban tantalum derived from illegally mined coltan. Since then, together with the electronics industry we have been actively participating in the work to ensure full traceability of metals back to their original sources. Nokia has a ban on sourcing raw materials from all conflict areas including the eastern Democratic Republic of Congo and throughout 2010 we have remained committed to that ban. We have been working closely with our suppliers and the electronics industry to ensure commitment to that ban across our supply chain.

— 1.3.4 —

HEALTH AND SAFETY

**THE GLOBAL CHALLENGE**

Health, safety and wellbeing are critical to building a sustainable world. Three of the eight United Nations Millennium Development Goals are related to health. Achieving these goals means the challenges of maternal and child health, disease pandemics as well as the consequences of severe natural disasters must be tackled, in a world with a rapidly growing population. With a global shortage of 4.3 million care workers, meeting these challenges is becoming increasingly difficult.

**NOKIA'S ROLE**

Information and communication is a fundamental part of health, safety and wellbeing. Mobile technologies enable quick communications, remote monitoring and access to real-time information. For governments and other institutions, mobile technology enables for example tracking the spread of a disease across a geographic region. For individual consumers, it can be mobile phone alerts which remind them to take their pills or newfound inspiration for a healthier life through mobile social networks.

In the areas of disaster prevention and relief, we invest in ways to build resilience to crises and make donations to crisis-affected areas. To help people live more fulfilling lives, we design products and services with their needs in mind, such as applications to aid disabled individuals.

**OVI LIFE TOOLS** help increase access to healthcare information. From pregnancy and maternal health to childcare and disease prevention, the service delivers daily updates that are tailored according to the user's location, season, weather conditions, or individual circumstances to ensure that the information is useful.

**NOKIA DATA GATHERING** supports disaster preparedness and response, enabling governments and other institutions to collect data quickly and easily and deliver it for near real-time analysis. In the Amazonas region, our service has contributed to the reduction of dengue fever cases by 93%.

**WELLNESS DIARY** application helps individuals monitor their health and wellbeing through customizable features such as the Nokia Step counter for exercising, and the De-stress monitor for recovering from a busy day.

**ACCESSIBLE WIRELESS COMMUNICATIONS** for the estimated 600 million people worldwide who have a recognized disability and others with needs for improved accessibility is a priority for Nokia. Our goal is to offer products that take unique needs into consideration, whether these are in regards to vision, hearing, speech, mobility or cognition.

**PRODUCT SAFETY.** All Nokia devices comply with strict global safety and quality standards. This includes operating below relevant international exposure guidelines and limits that are set by public health authorities. We give information about mobile phone safety to our customers and are committed to making information available transparently for consumers.

**PARTNERSHIP WITH OXFAM.** In 2010, we entered into a partnership with Oxfam to collaborate in the area of disaster prevention and response.

CASE STUDY

BETTER HEALTH THROUGH MOBILE PHONE REMINDERS AND PEER SUPPORT

In 2010, we began trials of a concept that uses mobiles and social networks to increase adherence to courses of prescribed medicines. The costs of failing to adhere to a course of medicine can be significant, for both the individual and society at large. The success of our trials could have a big impact on health and safety.

Run in partnership with the Brazilian government, the project is currently being carried out in Belo Horizonte and we expect information on the outcomes by mid-2011. Initially designed for HIV-positive patients on highly active antiretroviral therapy (HAART), it can be adapted for other support needs.





— 1.3.5 —  
EDUCATION

CASE STUDY

COMMITTING TO EDUCATION FOR ALL

In October 2010, Nokia initiated a 5-year partnership with UNESCO. The partnership will harness mobile communication to serve individuals and support governments as they strive to achieve the goals of the World Declaration of Education for All. The target date for these objectives to be reached is 2015 and our partnership with UNESCO has been structured accordingly. Nokia will contribute expertise relating to technology and policy setting in this area.

The six Education for All goals cover access to education, early childhood care and development, quality of education, equality, literacy and life skills and lifelong learning. During 2010, we deployed projects related to access, quality and equality, and will look to introduce new concepts to address the other goals in 2011.

**THE GLOBAL CHALLENGE**

Around the world, 759 million adults are illiterate. Of these, two-thirds are women mostly living in remote rural areas. Adding to this critical issue, we face a global shortage of 10.3 million teachers. Without education, the potential for these people to live a fulfilling life is severely limited. Access to education could help millions of people realize their initiative, ingenuity and passion. The United Nations recognizes universal primary education as one of the Millennium Development Goals.

**NOKIA'S ROLE**

Nokia believes in the fundamental right for every individual to learn and grow. Mobile technology frees knowledge, information and education from the constraints of classrooms, libraries, and expensive urban areas. Anyone, anywhere, regardless of race, age, gender or geography should be able to access quality education in affordable manner. In addition, mobile technology can add new dimensions to learning by increasing the quality and interactivity of the experience. Users are able to receive and also create their own content.

**NOKIA EDUCATION DELIVERY** software enables the structured delivery of quality education materials over mobile networks. Combined with teacher training and community engagement, this has been shown to improve study results and increase retention among students, especially girls. Already operating in hundreds of schools in the Philippines, Tanzania and Chile, Nokia Education Delivery expanded to Colombia during 2010.

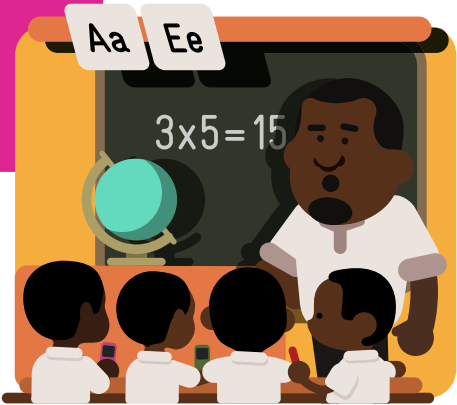
**MOBILE LEARNING FOR MATHEMATICS** is an active learning environment that inspires pupils to practice math. It combines a mobile exercise bank with social networking. Results have demonstrated a marked improvement in the learners' math results and skill levels.

**OVI LIFE TOOLS** help students and adults learn English, acquire general knowledge, prepare for exams and access exam results.

**NOKIA'S COMMITMENT TO mWOMEN:** Supporting this program, which empowers women through access to mobile technology, is another way in which Nokia lives out its commitment to equal opportunities for all.

**UNIVERSITY COLLABORATION:** In 2010, the Nokia Research Center had 13 strategic partner universities, and the Nokia Donations Program granted a total of 121 donations to further university cooperation.

**NOKIA EDUCATION POLICY TEAM:** Our Education Policy team talks with governments and educational institutions, helping to shape and modernize education systems and syllabuses to better reflect the needs of global competition and the ICT revolution.



## — 1.3.6 — CLIMATE CHANGE AND ENERGY

### CASE STUDY

#### HELPING CONSUMER REDUCE THEIR CO<sub>2</sub> EMISSIONS

One of the key ways Nokia can make a positive impact through our core technologies is by helping consumers to reduce their own carbon footprints. Assume, for example, that just 10% of the people using Nokia devices would do the following with Nokia devices and services for one year:

- Use their mobile device for attending a meeting once instead of travelling to the meeting by plane
- Use their mobile device to work remotely once a week instead of driving to work
- Use their mobile device instead of buying a separate music player, camera, video camera, PC, fixed line telephone and a car navigator

The combined impact of these actions could reduce global CO<sub>2</sub> emissions by over 220 million tonnes. That represents nearly the same amount as the annual fossil fuel-based CO<sub>2</sub> emissions of the countries of Sweden, Chile, and Vietnam combined.

### THE GLOBAL CHALLENGE

Climate change is one of the greatest challenges the world is facing. From natural disasters to food security to rising sea levels, it impacts across our economy, society and environment. This is why ensuring environmental sustainability, in which climate change action is the key, is one of the United Nation's Millennium Development Goals. Experts estimate the cost of inaction will be a minimum of 5% of global GDP, and potentially up to 20% <sup>2</sup>. Acting on climate change will drive progress, from creating jobs to enabling further clean development.

### NOKIA'S ROLE

Although the ICT sector is not particularly energy-intensive, it's a rapidly growing industry and we have a responsibility to reduce our share of the CO<sub>2</sub> emissions. Our real impact comes from providing innovative solutions that enable others to cut theirs. Technologies like videoconferencing and remote working slash emissions by reducing the need for carbon-intensive business travel. We're moving from product- to service-driven business models, reducing the material impact of our products. We're merging several products into one, known as convergence, by combining cameras, phones, PDAs, Mp3 players and GPS into a single device.

Nokia is at the forefront of this change, and we're leading by example, cutting our own emissions and working with suppliers to design more efficient systems. We also help consumers find ways to reduce their own carbon footprints and enjoy the wider benefits of sustainable lifestyles. In 2010 we ranked first in the whole global technology sector on the Dow Jones Sustainability Index. We were also one of the three leading IT sector companies for both the disclosure and performance rankings of the Carbon Disclosure Project.

**REDUCING FACILITY EMISSIONS.** We reached and exceeded our targets to reduce facility related CO<sub>2</sub> emissions by 10% in 2009 and 18% in 2010 compared to 2006 level.

**INCREASING ENERGY EFFICIENCY.** We created 8% of new energy savings in technical building maintenance systems between 2007 and 2010, in addition to the savings of 3.5% already achieved from 2003 to 2006.

**GREEN ELECTRICITY PURCHASING** is an ongoing challenge we are committed to tackling. We have been increasing the purchase of green electricity since 2006 and are currently encountering slower than expected renewable energy market development.

**REDUCING OUR EMISSIONS ACROSS THE DEVICE'S LIFE CYCLE.** Our aspirational target is to reduce the greenhouse gas emissions caused during the whole device life cycle by over 60% by the year 2020 compared to the level in 2000. To reach this, we have set ourselves targets for specific areas of the device life cycle.

**REDUCING EMISSIONS FROM AIR TRAVEL.** Our CO<sub>2</sub> emissions from air travel have been reduced by 40% from 2008 base level.

**REDUCING NO-LOAD POWER** used by our chargers is a target we have not only achieved, but exceeded. Between 2006 and 2010, we reduced the no-load power used by our chargers by 50%. Over the last decade, we have reduced the average no-load power consumption of our chargers by over 80%, and our best-in-class chargers by over 95%.

**NOKIA REDUCED THE PACKAGING SIZE** of our most affordable devices by over 70% from 2005 to 2010. This amounts to 240,000 tonnes of saved paper. Smaller and lighter packaging has also reduced transportation needs. In theory, we now only need one-third of the number of trucks to transport these products.

**A RANGE OF ECO APPLICATIONS** was launched in our Ovi Store in early 2010 to engage our customers in what they can do to reduce their own carbon footprints. One example is Climate Mission, an educational game about climate change.

<sup>2</sup> — NICHOLAS STERN, STERN REVIEW ON THE ECONOMICS OF CLIMATE CHANGE, (CAMBRIDGE)

— 1.3.7 —

RESOURCE USE AND NATURE CONSERVATION

THE GLOBAL CHALLENGE

The world has finite resources and raw materials to supply us with. People are using these resources and degrading our environments faster than the planet can recover them. This threatens the promise of progress for future generations. In some cases it's already creating or contributing to violent conflicts in the developing world. This is why ensuring environmental sustainability is one of the United Nation's Millennium Development Goals.

Increasing consumption is an issue. In a year, more than one billion new handsets are produced in the world. This consumes resources and increases e-waste especially if we do not take proper actions.

NOKIA'S ROLE

Mobile technologies are continuously helping to dematerialize the economy. We're replacing physical products with services. Converging several devices into one single, small device also cuts the amount of resources we need.

For every one million phones recycled, we can recover nearly 15kg of palladium, 35kg of gold, 350kg of silver, and 16 tonnes of copper. By recovering and reusing these materials, it is possible to avoid the energy and environmental costs associated with the extracting, processing and production of new materials.

At Nokia life cycle thinking defines the way we design all of our products with the least environmental impact. Our targets are not driven by regulatory compliance, but we go beyond legal requirements to create more value with less impact in everything we do. Nokia continues to be ranked best in our industry by the Greenpeace Guide to Greener Electronics, for managing the impact of our products on the natural environment and using resources effectively.

INDUSTRY FIRSTS IN SUSTAINABLE

**MATERIALS:** We're using recycled metals, bio-plastics and bio-paints in our devices. We're proud to say the Nokia C7-00 is the first in the industry to use bio-paints and the Nokia C6-01 is the first to use recycled metals.

100% RECYCLABLE MATERIALS IN ALL

**OUR PHONES:** 100% of the materials in Nokia devices can be used again to make new products or generate energy. That means nothing needs to go to landfill.

RECYCLING PROGRAMS IN CLOSE TO 100

**COUNTRIES:** We offer the industry's largest voluntary recycling scheme for used mobile devices and accessories in almost 100 countries around the world, with over 5,000 physical take back points. We run marketing campaigns to raise awareness and help our customers to find their nearest recycling point.

Nokia is the first mobile phone manufacturer which, in close cooperation with its suppliers, has full **MATERIAL DECLARATION** for our mobile devices. This means we can respond swiftly if new concerns arise about the impact of substances we use.

FIRST COMPANY TO JOIN THE

**INTERNATIONAL UNION FOR THE**

**CONSERVATION OF NATURE SAVE OUR**

**SPECIES PROJECT**, which calls on

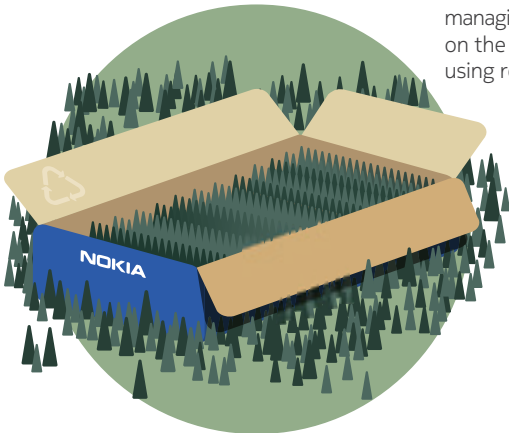
businesses to help build the biggest global species conservation fund by 2015. Nokia believes business has a role in safeguarding the rich variety of life on earth, and is proud to be the first company to join the project.

CASE STUDY

DEVELOPING EFFICIENT PACKAGING SOLUTIONS

Packaging is an ongoing focus for us. We choose materials for our packaging which offer the best, most beautiful and most protective solution with least environmental impact. All our packaging is 100% recyclable and more than 95% of our packaging is made from renewable, paper-based materials, of which up to 60% is recycled content. When plastic is used, we are able to include up to 90% recycled content.

In May 2010, we started selling the Nokia 6700 slide also without a charger at Nokia Branded Retail shops in the UK and Portugal. The device comes in an ultrathin flat package that also includes a small user guide, short data cable and a headset. The environmental impact of selling the Nokia 6700 slide without a charger in a tiny package is around 25% smaller compared with the standard Nokia 6700 slide package with a charger.



— 1.4 —  
OUR SUSTAINABILITY APPROACH

In order to maximize our positive impact in our key impact areas, we are taking action across our business, and working with our 1.3 billion consumers to do the same.

Sustainability is an integral part of our business strategy. We take a systematic approach to identifying the opportunities and risks sustainability presents, and we aim to minimize the negative impact of our operations and maximize the positive impact.

With over a billion customers around the world, we have a unique opportunity to make an impact that goes beyond managing our own activities. In fact, we make a net positive impact by offering people products and solutions that empower them to make more sustainable choices.

This report is organized around the three areas which help deliver our goal of connecting everyone to sustainable development: our products and services, our people and our operations. Our targets are supported by global principles and standards and go way beyond compliance.

PRODUCTS AND SERVICES	
Products	Today, we are proud to say we have the environmentally leading product range in the industry.
Substance and materials management	We're an industry leader in substance and materials management. The way we make all of our products is guided by life cycle thinking. We focus on continuously reducing substances of concern, and exploring and introducing new, innovative and environmentally friendly materials.
Sustainable lifestyles	We aim to offer people products and services that help them make sustainable choices. We design applications that connect our customers to the things they care about, and we create built-in product innovations that help them reduce their own environmental impact.
Mobile technology for development	We provide services for consumers and organizations in both emerging and developed markets. Our goal is to increase access to our technologies and help everyone benefit from them.
Take-back and recycling	We focus on providing easy take-back and recycling solutions around the world, with over 5,000 touch points in close to 100 countries. By raising awareness, we aim to create a recycling culture globally.
PEOPLE	
Employees	The Nokia Way defines how all of us work at Nokia, from our employees through to cooperation with our suppliers. We believe that diversity and inclusion in the workplace brings competitive advantage, and we're committed to ensuring sound labor conditions, health and wellbeing, and training and development.
Customers	Delivering customer satisfaction is not only about meeting needs, but about creating value for our customers and consumers by increasing the sustainability of our devices throughout the product lifecycle. We continuously research the views of both groups to understand where we are succeeding and how we can do better. We are committed to protecting customer privacy.

— 1.4 —  
OUR SUSTAINABILITY APPROACH (CONT.)

PEOPLE	
Other Stakeholders	We take a transparent and stakeholder-focused business approach. Our most important stakeholder groups are our employees, customers, suppliers and shareholders. We also maintain strong relationships with sector partners, governments, NGOs and the wider community.
OPERATIONS	
Supply chain	We promote environmental, ethical and social principles across the supply chain. To drive sustainable improvements, we go beyond assessments to work closely with our suppliers through face-to-face meetings, development programs, trainings, and performance metrics and targets.
Environmental management	Environmental matters are everyone’s responsibility at Nokia. We’ve used the ISO 14001 across our business as a foundation for environmental management for over 15 years.
Energy efficiency	We focus on introducing energy savings and emissions reduction measures across our operations. Because many of the challenges we face are common to our sector, we look for opportunities to share new solutions with our industry peers.
Environmental impact	We show leadership by reducing our emissions and waste in our factories, facilities and offices. We also require our suppliers to take measures to reduce their impact.

SUSTAINABILITY AT NOKIA  
SIEMENS NETWORKS  
Nokia Siemens Networks’ 2010  
Sustainability Report has more  
examples of how mobile technology  
can make a difference.

## — 1.5 —

## KEY ACHIEVEMENTS AND CHALLENGES IN 2010

01 ACHIEVING OUR CLIMATE  
STRATEGY TARGETS

— We reduced the average charger's no-load power consumption 50% percent by the end of 2010 (2006 baseline)

— We reached and exceeded our targets to reduce facility related CO<sub>2</sub> emissions by 10% in 2009 and 18% in 2010 (2006 baseline)

We created a climate strategy in 2006 which includes a range of targets aimed at increasing energy efficiency in our products and operations. We're proud to have achieved two of our targets in 2010, creating greener buildings and improving our chargers to become best in class.

02 CREATING A HUMAN RIGHTS  
APPROACH AND METRICS

Our first Human Rights approach and metrics are being developed based on our Corporate Human Rights Impact Assessment and the outcomes of the inter-industry Nokia Human Rights Summit.

03 RANKING NO.1 IN OUR SECTOR  
ON THE DOW JONES SUSTAINABILITY  
INDEX

We have been named the Technology Supersector Leader by the Dow Jones Sustainability Indexes, placing us first in the entire global technology sector for the second year in a row.

04 MAKING NOKIA DATA GATHERING  
OPEN SOURCE

We open-sourced Nokia Data Gathering, a service which helps governments, non-profit organizations and corporate clients collect and manage information. Open-sourcing means the solution can be replicated, customized and localized quickly and easily anywhere in the world.

This creates opportunities for local developers and entrepreneurs.

05 INTRODUCING INDUSTRY FIRSTS IN  
SUSTAINABLE MATERIALS

We're the first to use recycled metals, bio-plastics and bio-paints in our top devices, some of them as industry firsts.

06 PARTNERING WITH THE  
INTERNATIONAL UNION FOR  
CONSERVATION OF NATURE ON THE  
SAVE OUR SPECIES (SOS) PROJECT

We're proud to be the first company to join the 'Save our Species' project, supporting threatened animal and plant species and their habitats.

07 GRANTING OUR FIRST SUPPLIER  
SUSTAINABILITY AWARD

As part our commitment to working with suppliers to build capacity, we've awarded our first annual Supplier Sustainability Award.

08 ADJUSTING TO GREEN ENERGY  
AVAILABILITY

We have been increasing the purchase of green electricity since 2006 and are currently encountering slower than expected renewable energy market development.

09 GAINING BETTER TRACEABILITY TO  
ORIGINS OF RAW MATERIALS

Nokia has a ban on sourcing raw materials from all conflict areas including the eastern part of the Democratic Republic of Congo. The traceability of minerals has been a challenge. The situation was improved with the start of the third-party smelter audit program by EICC-GeSi Extractives Working Group where Nokia is an active participant.

10 CREATING A RECYCLING CULTURE  
ACROSS THE GLOBE AND IN THE EU

Part of our take-back and recycling programs is raising awareness with consumers to create a recycling culture. We continue to face huge variations in the success rates achieved between EU countries and increasing the take-back amount is an ongoing challenge. The EU has set a target of collecting four kilos of e-waste per inhabitant.

— 1.5 —  
KEY ACHIEVEMENTS AND CHALLENGES IN 2010 (CONT.)

2010 RANKINGS	
ORGANIZATION	RANKING
Dow Jones Sustainability Indexes Review	<b>Technology Supersector Leader</b> Nokia was chosen as Global Technology Supersector Leader, making Nokia number one across the entire global technology sector in the Dow Jones Sustainability Indexes Review for the second year in a row.
Carbon Disclosure Project	<b>One of the three leaders</b> Nokia was one of the three IT sector leaders in both performance and disclosure rankings of the Carbon Disclosure Project.
Forbes World's Most Sustainable Companies	<b>Number 5 overall</b> Nokia ranked fifth in the annual Forbes ranking of the World's Most Sustainable Companies. Forbes bases its system on ten environmental, social and governance performance metrics, such as energy and waste productivity.
Greenpeace Guide to Greener Electronics	<b>Leader</b> Nokia ranked first in the 16th edition of the quarterly Greenpeace Guide to Greener Electronics. The guide ranks the 18 top manufacturers of personal computers, mobile phones, TVs and games consoles according to their policies on toxic chemicals, recycling and climate change. <a href="http://www.nokia.com/environment">http://www.nokia.com/environment</a>

— 2.0 —

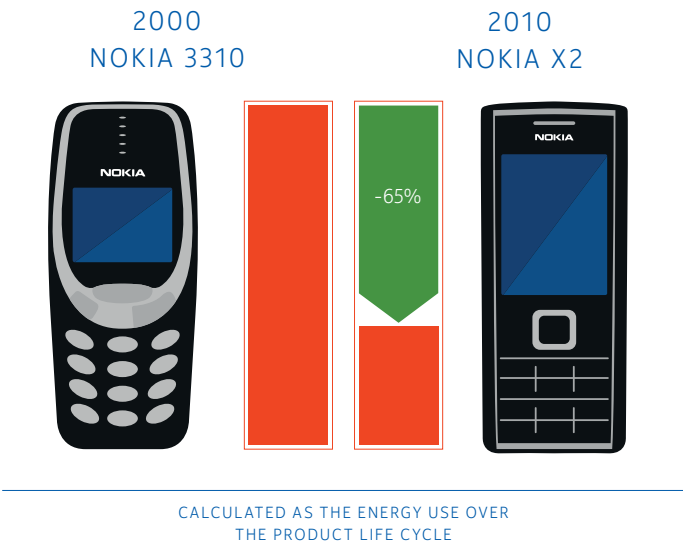
## PROGRESS IN DETAIL: PRODUCTS AND SERVICES





— 2.1 —

ENVIRONMENTALLY LEADING PRODUCT RANGE



At Nokia we think every device should be made with the environment in mind, so we continuously improve the environmental credentials of all our products. Our eco lead devices have the widest range of environmental features as well as new innovations, which are gradually implemented across our product portfolio. Today, we are proud to say we have the environmentally leading product range in the industry.

During product creation we focus on energy efficiency, sustainable use of materials, smart packaging and creating environmental services which engage people to adopt more sustainable lifestyles. Effective end-of-life practices close the life cycle loop, putting energy and valuable materials back into circulation.

**DESIGN FOR THE ENVIRONMENT**

We take a proactive approach when considering how our activities might impact the environment. Our product creation is guided by life cycle thinking to minimize the environmental impacts across the lifecycle of a product. Life cycle assessments help us identify and focus our activities where we can best contribute to environmental improvements. During the last decade we have reduced our environmental impact by up to 65% (calculated as the energy use over the product life cycle), while also introducing new features and capabilities that allow the mobile phone to become a multifunctional device, and thereby reducing the need to buy multiple devices for different purposes.

**SUBSTANCE AND MATERIALS MANAGEMENT**

We're an industry leader in substance and materials management and the first mobile phone manufacturer to have a full material declaration of our mobile devices. Our main objective is to know all the substances in our products, not just those that raise concerns, and to know they are safe for people and the environment when used in the proper way. This means we can respond swiftly if new concerns arise about the substances we use.

All our mobile devices and accessories worldwide are fully compliant with the EU Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (EU RoHS). Additionally, our products do not contain substances included in the current EU Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Candidate List of Substances of Very High Concern, which the EU REACH regulation requires to be reported.

Since 2006, we have also voluntarily phased out PVC from all mobile devices and enhancements.

2010 SNAPSHOT

Nokia C7-00 is the first in the industry to use bio-paints

Nokia C6-01 is the first in the industry to use recycled metals

46 new Nokia models introduced in 2010 are free of brominated and chlorinated compounds and antimony trioxide, all voluntary phase-outs



— 2.1.1 —

DESIGN FOR THE ENVIRONMENT

**UNDERSTANDING OUR IMPACT FROM START TO FINISH**

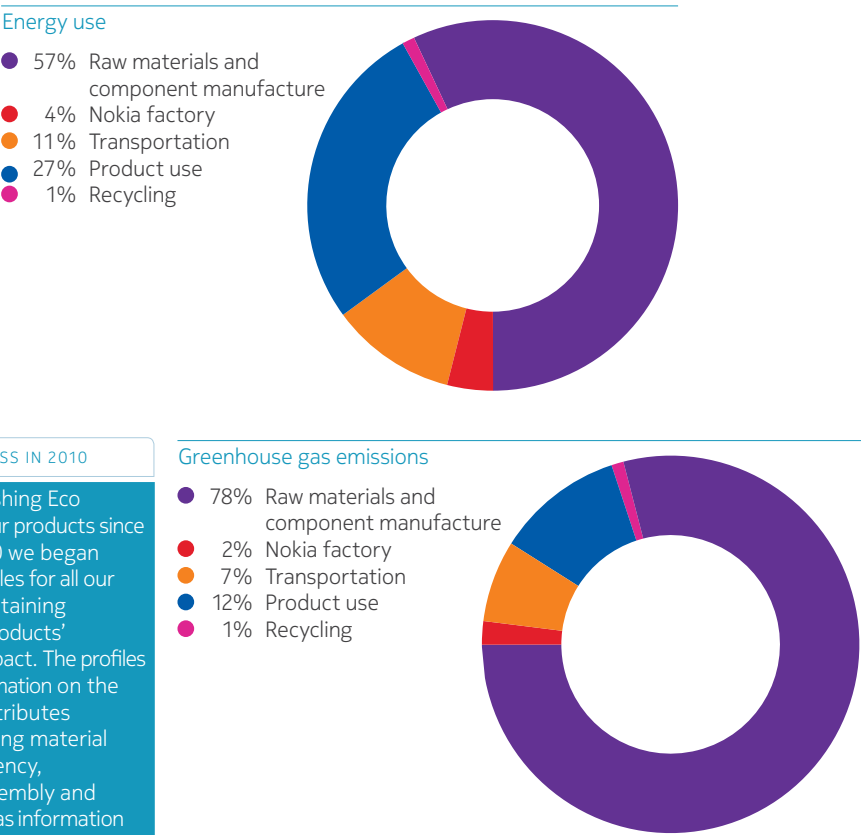
At Nokia we use an externally audited Life Cycle Assessment (LCA) methodology to calculate the environmental impact of our products and processes. LCAs help us identify and focus on the areas where we can make the biggest reductions. Our calculations include the entire mobile device life cycle, from raw material acquisition to the end of the product life. We also assess energy efficiency, sustainable use of materials and smart, sustainable packaging. The LCA methodology of Nokia's Eco Profile for products was audited during the spring of 2010.

In 2009, we published the life cycle assessment of a typical Nokia mobile device. This assessment measured the energy use across the entire life cycle of the device (pictured right). The amount of energy consumed during the entire life cycle is around 220 megajoules (MJ) and the total emissions are 26kg of CO<sub>2</sub>e. This is equal to driving 167km in a typical family car.

The biggest impact throughout the life cycle comes from raw materials and component manufacturing, which makes up 57% of total energy use and 78% of total emissions. Our mobile device production facilities account for 4% of total energy consumption, transportation is 11%, device usage 27%, and recycling 1%.

**OUR PROGRESS IN 2010**

We've been publishing Eco Declarations for our products since 2003. In May 2010 we began providing Eco Profiles for all our new products containing information on products' environmental impact. The profiles contain basic information on the environmental attributes of a device including material use, energy efficiency, packaging, disassembly and recycling, as well as information on the environmental impact of our products.



## — 2.1.2 — SUBSTANCE AND MATERIALS MANAGEMENT

We operate in a world of limited resources and escalating pressure on the natural environment. Many of the substances and materials which go into mobile technologies raise questions about human rights, because they can be hazardous or sourced from conflict areas. Meeting these challenges requires careful management across our supply chain and throughout the product life cycle.

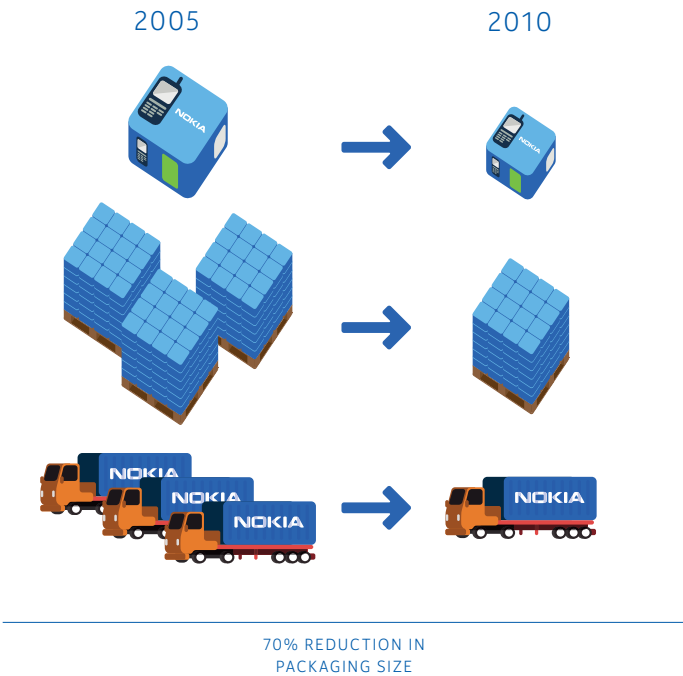
### We're an industry leader in substance and materials management

We're an industry leader in substance and materials management and the first mobile phone manufacturer to have a full material declaration of our mobile devices. Our main objective is to know all the substances in our products, not just those that raise concerns, and to know they are safe for people and the environment when used in the proper way. This means we can respond swiftly if new concerns arise about the substances we use.

Meeting health and environmental regulatory requirements is a basic requirement. We use legal compliance not as a mere baseline but as a starting point from which to grow. Our focus is on continuously reducing substances of concern, and exploring and introducing new, environmentally friendly materials. Take-back and recycling is also a major part of our solution to the issue of limited resources



— 2.1.3 —  
PACKAGING – A SMALL PACKAGE  
MAKES A BIG DIFFERENCE



The materials we choose for our packaging are selected to offer the best, most beautiful and most protective solution with the least environmental impact. An effective way to reduce the environmental impact of packaging is through making the sales packages smaller, selecting sustainable materials and making sure packaging can be recycled when it's no longer needed. Already in 2006 Nokia introduced small, compact packaging which has become the industry standard for mobile phones. Our compact packages are made of a single material, which makes them much easier to recycle.

The weight and size of packaging affects not only material use but also the emissions and energy required to transport and store the products. Between 2005 and 2010 we reduced the packaging size of our most affordable devices by over 70%. This amounts to 240,000 tonnes of saved paper. Smaller and lighter packaging has also reduced transportation needs. In theory, we now only need one-third of the number of trucks to transport these products.

[Learn more about how packaging helps us with green logistics.](#)

Looking at our entire portfolio, our packages are now 50% smaller (the weighted average volume reduction 2005 -2010) in size than in 2005 and we continue to make them even smaller. More than 95% of our packaging (roughly 44,000 tonnes) is made from renewable, paper-based materials, of which up to 60% is recycled content. And when plastic is used, we are able to include up to 90% recycled content. We are constantly working with our suppliers to increase the amount of recycled content in our packaging. All our packaging is 100% recyclable.

**EXCLUDING CHARGERS FROM THE SALES BOX**  
In May 2010, Nokia started selling the Nokia 6700 slide also without a charger at Nokia-branded retail shops in the UK and Portugal. The device comes in an ultrathin flat package that also includes small user guide, short data cable and a headset. The environmental impact of selling the Nokia 6700 slide without a charger in a tiny package is around 25% smaller when compared to the standard Nokia 6700 slide package with a charger. This is basically due to reduced use of materials and reduced logistical impact. Excluding the charger from the sales box also enables reductions in both energy consumption in the production phase and in the end-of-life treatment needs.

— 2.1.4 —

# SUSTAINABLE SOURCING

**VOLUNTARY COMMITMENTS, BIG IMPACTS**

Nokia is the first mobile phone manufacturer to have full material declaration for all its mobile devices. Our devices and accessories do not contain substances included in the current EU candidate list of Substances of Very High Concern, which the EU REACH regulation requires to be reported. Furthermore, we voluntarily give full information on our substance management in the Nokia Substance List. We've worked closely with our suppliers to achieve this.

Our sourcing organization and suppliers play a key role in ensuring our components and parts are safe and compliant with the Nokia Substance List (NSL) requirements. Every year we monitor the candidate list of "substances of very high concern", comparing it against our material content data that we collect from our suppliers. This helps us to identify potential risks and determine necessary actions to take.

In June 2007, the EU REACH regulations came into force. This requires companies to report the chemical substances they use their products that are considered as "substances of very high concern".

Since the introduction of the Nokia 3110 Evolve in 2007, we have continued to research and implement bio-based materials in selected parts of our products. We are also working to phase out the use of beryllium in certain component technology areas where there are alternative materials and technologies available.

**OUR PROGRESS IN 2010**

**VOLUNTARY PHASE-OUTS**  
Since 2006, we have voluntarily phased out PVC from all Nokia-branded mobile devices and enhancements. We are currently phasing out the use of brominated and chlorinated compounds and antimony trioxide in our new models. We are proud to say that at the end of 2010, a total of 46 new Nokia models are free of these substances, as defined in the Nokia Substance List.

**USING MORE ENVIRONMENTALLY FRIENDLY MATERIALS**  
This year we started to use recycled metals. Some components used in this industry may already contain a portion of recycled metal, but what makes our approach different is the introduction of a process and clear requirements for the use of recycled metals. This has increased the ratio of recycled content significantly. For example, for stainless steel we require 75% recycled content and as much as 97% for nickel silver alloy.

Our Nokia C6-01 is the first device in the industry to use recycled metals in significant proportions. It contains both recycled stainless steel and recycled nickel silver alloy in some of its inter

**FACING UP TO CHALLENGES ACROSS OUR SUPPLY CHAIN**

There are typically four to eight supplier layers between Nokia and any mining activities. Despite this complexity, we are actively working on increasing transparency to improve the overall traceability of metals and minerals. We aim to understand the commitments of each tier of the supply chain through dialogue both at an industry level and with stakeholders.

We have banned the use of so-called conflict metals and minerals and take continuous action to ensure that metals from the conflict areas do not end up in our products. We strictly condemn any activities that benefit militant groups or fuel conflict. Since 2001, we have demanded written assurance from our suppliers to ensure our products do not contain tantalum derived from coltan originating in conflict areas (such as the eastern parts of the Democratic Republic of Congo). We have expanded this practice to certain other suppliers who provide components containing tungsten (from wolframite) and suppliers of tin solder (from cassiterite). Furthermore, all of our key suppliers are required to map their supply chains for the metals in their components back down to smelter and then to source.

We are actively working on industry initiatives, such as within the Global e-Sustainability Initiative (GeSI) and the Electronic Industry Citizenship Coalition (EICC) to improve the traceability of minerals. We are pleased to see recent developments, such as the smelter audit validation processes by EICC and GeSI, and the conflict metal legislation in the US. An effective and sustainable solution requires that all companies and industries using metals follow the same rules and apply the same practices.

[Read more about our supply chain.](#)

## — 2.1.4 — SUSTAINABLE SOURCING (CONT.)

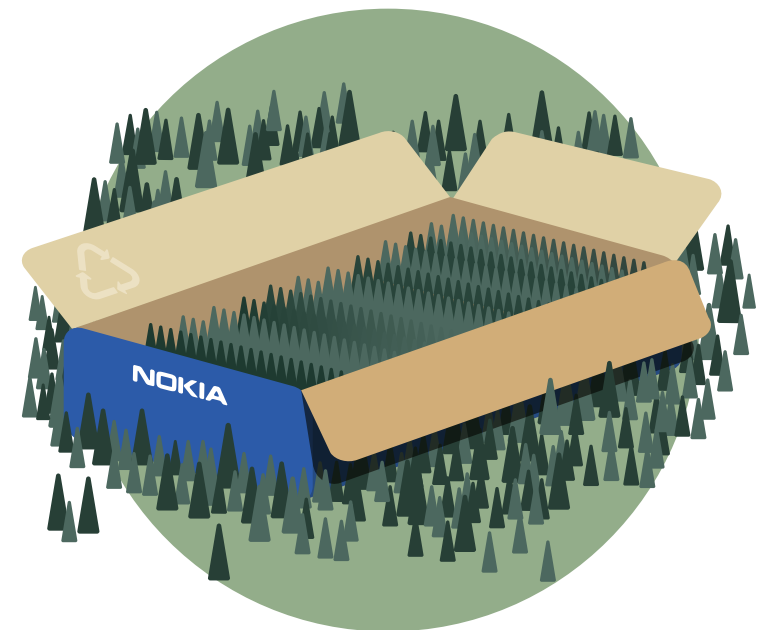
### DRIVING PROGRESS IN OUR INDUSTRY

We are working to promote good conduct and to develop and deploy a consistent set of tools and processes to measure, monitor and improve sustainability performance across the ICT sector. As part of our membership of the GeSI Supply Chain Working Group (SCWG), we actively participate in the Learning and Capability Building, Validated Audit Program and Extractives working groups' collaboration with EICC.

Many of the supply chain challenges we face, such as the traceability of metals, are similar across the electronics industry. Collaborating with other companies and industry groups to help develop solutions is essential. We have been a full member of GeSI since 2007 and a member of the GeSI SCWG since 2004 and are pleased to be part of the industry that has picked up the ball and worked out a validation process that will provide a third-party assurance that smelters do not source minerals from conflict areas.

### WORKING ON SUSTAINABLE TIMBER

We are progressing with a global deal to ensure all timber used in the construction and fit-out work of owned Nokia retail stores comes from verifiable and sustainable sources. This has proved particularly challenging in our emerging markets. The requirement for sustainable timber has also been extended to franchisees and letters of conformance were requested in 2010.



— 2.2 —

## SUSTAINABLE LIFESTYLES

Mobile technology has an important role to play in sustainable lifestyles. With over a billion consumers and counting, Nokia can go beyond merely minimizing our impact, to create a net positive impact.

As a mobile provider, we have the unique opportunity to reach consumers with our devices and services and use this engagement to encourage sustainable behaviors. We create applications that connect people to the things they care about, and build energy-saving features into our phone chargers.

**APPLICATIONS FOR SUSTAINABLE LIFESTYLES**

We offer smart applications and digital services that show consumers how to reduce their environmental footprints. From our Climate Mission game and other applications in Ovi Store's Go Green collection to our Ovi Do Good website, we help raise awareness about sustainable lifestyles, health and well-being and social responsibility.

**HELPING CONSUMERS SAVE ENERGY**

We develop energy-saving features for our devices, which help people use less energy. As well as the convergence of our devices, Nokia now features power-save mode and energy-efficient OLED displays and "unplug charger" reminders across our product line. Since our focus on reducing the no-load energy consumption of our phone chargers, we've achieved a 95 percent cut in the no-load mode energy consumption of our new five-star mobile chargers

2010 SNAPSHOT

Environmental applications for sustainable lifestyles offered through the online Ovi Store

300,000 monthly downloads from the Ovi Store

Our latest smartphones feature power-save mode and energy-efficient OLED displays

Mobile donation application launched in the Ovi Store with Oxfam in the UK to connect consumers to the causes they care about

Nokia Bicycle Charger kit uses pedal power to recharge phones in an environmentally friendly way



— 2.2.1 —

APPLICATIONS FOR SUSTAINABLE LIFESTYLES

This year we launched the Go Green Collection of eco applications in the Ovi Store. This channel contains numerous applications from around the world, created with developers and partners and powered by Nokia. Highlights are featured below.

Through Nokia Care, we provide support services to consumers online, via email and in our call centers. These are backed up by a network of authorized service centers which provide product information, guides and demonstrations, discussion boards, software updates, and warranty repairs. They can also help consumers find where to recycle their old products.

Our devices are equipped with multiple functionalities. This helps consumers reduce their own environmental footprint and avoid buying, using and charging several separate devices when one device can be used for many different purposes. Key features include an excellent digital camera, music player, navigation, web browser and other features—all in one product.

Nokia's Ovi Do Good website has information about applications and services related to the environment, health and wellbeing, education, social responsibility and accessibility, which you can get from the Ovi Store. Our Do Good motto is: "Do Good for yourself, your community, and your planet".



OUR PROGRESS IN 2010

HELPING EVERY CONSUMER BECOME A GREEN EXPLORER

Green Explorer is a free internet service we launched for all phones with mobile browser to help our consumers find daily inspiration for sustainable living. The tool lets users discover new green points of interest, share their favorite green places, and keep a mobile notebook of tips. Users can join the community and become a Green Explorer in over 120,000 places around the world.

DISCOVERING THE WILD WONDERS OF EUROPE

The Wild Wonders of Europe mobile application helps users discover amazing places in Europe, and features a slide show of exceptional images taken by professional nature photographers.

WORKING WITH OXFAM

Together with Oxfam, in 2010 Nokia launched 'Oxfam Donate' mobile donation application in the UK. This mobile application connects people with the causes that matter to them the most, empowering people to support those in need at the press of a button. It also enables users to track donations in real time.



— 2.2.2 —

HELPING CONSUMERS SAVE ENERGY



We are introducing energy-saving features throughout our product portfolio, including energy efficient chargers. With over a billion people using Nokia phones around the world, small steps like these make a big difference. Nokia was the first mobile manufacturer to put alerts into mobile devices to remind people to unplug their chargers once they are fully charged. These alerts are now incorporated across our range of products.

At the end of 2008, Nokia, together with other manufacturers, created and began using a Mobile Device Charger Energy Rating. The rating is based on the charger's no-load energy consumption (i.e. the amount of energy a charger will continue to consume if you forget to unplug it from the outlet after the phone is fully charged). The rating is displayed on a unique label which is featured on the packaging of our products.

Over the last decade, we have reduced the no-load consumption of our chargers by over 80%, and in our best-in-class chargers by over 95%.

OUR PROGRESS IN 2010

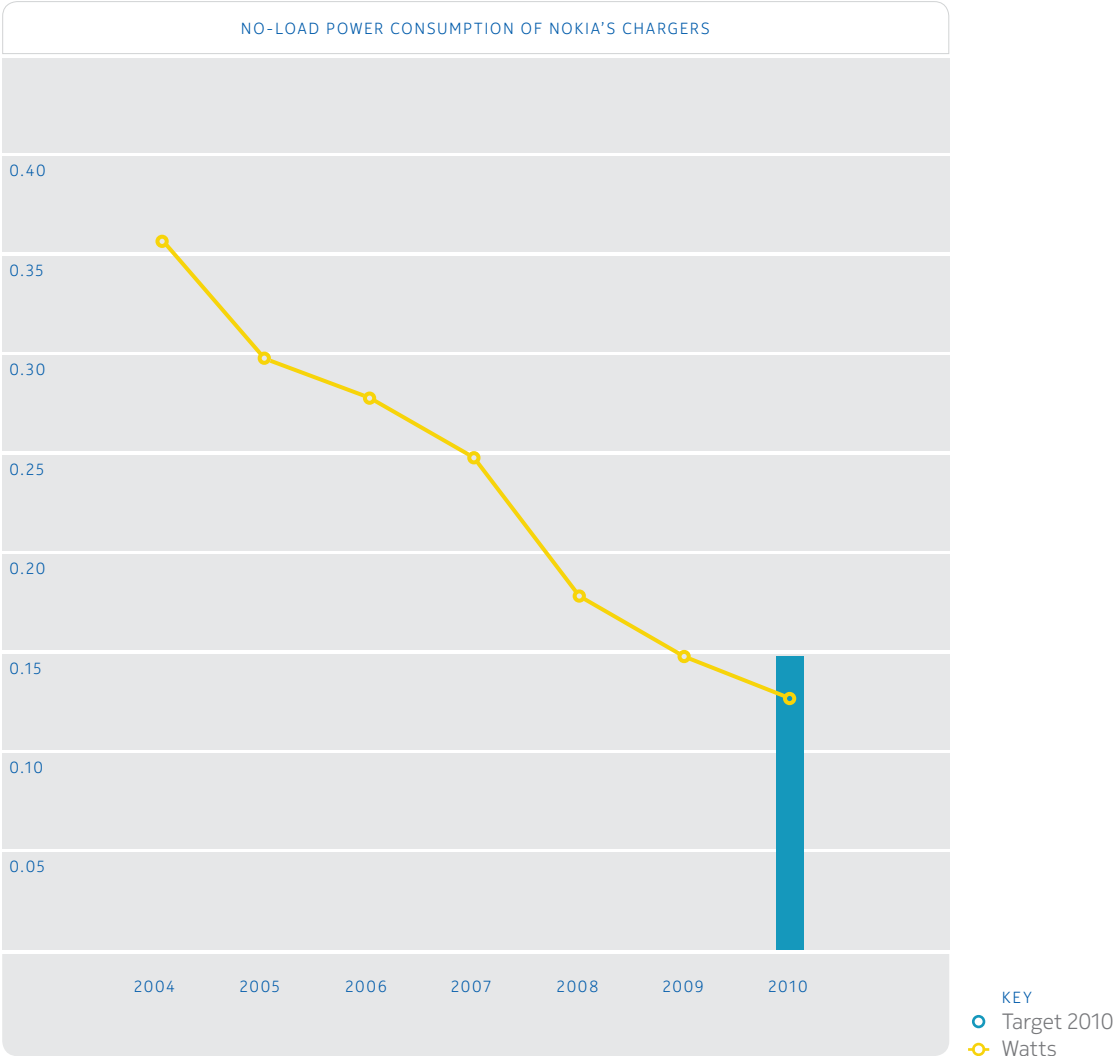
ENERGY-SAVING CHARGERS

This year most of our new device models were shipped with our five-star chargers. In 2009, we introduced two new energy-efficient chargers: the Nokia High-Efficiency Charger AC-10 and the Compact Travel Charger AC-15. They consume just 0.03W in no-load mode, and over last decade, we have reduced the no-load consumption of our best-in-class chargers by over 95%. We made further advances in eco and cost-efficient charging with the introduction of the Nokia Bicycle Charger kit. Using pedal power it starts charging when you cycle at walking speed (6 km/h) or faster. It charges as efficiently as our normal Nokia outlet chargers.

We have reached and exceeded our target of reducing no-load power used by our chargers by 50% from 2006 to 2010. The target was already reached during second half of 2009 and during 2010 the no-load power consumption was further decreasing and finally exceeding the target with 18%.



— 2.2.2 —  
HELPING CONSUMERS SAVE ENERGY (CONT.)



We have reached and exceeded our target of reducing no-load power used by our chargers by 50 percent from 2006 to 2010. The target was already reached during second half of 2009 and during 2010 the no-load power consumption was further decreasing and finally exceeding the target with 18%

— 2.3 —

MOBILE TECHNOLOGY FOR DEVELOPMENT:  
EMPOWERING PEOPLE AND ORGANIZATIONS

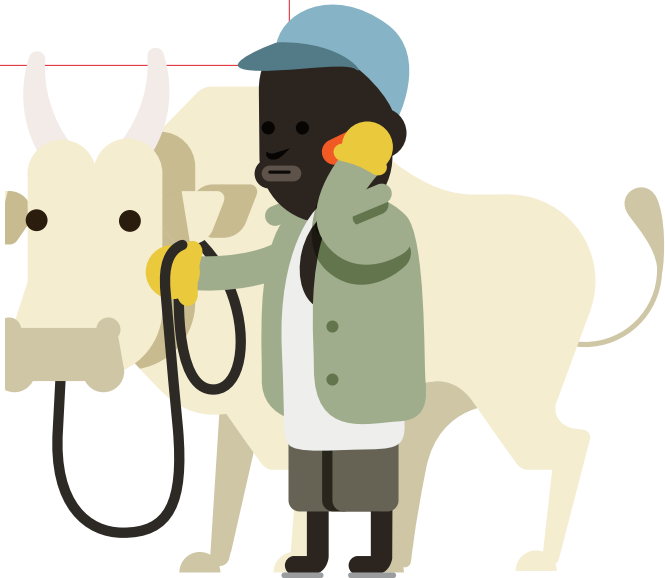
Nokia is uniquely placed to support people through our core business. We provide affordable services to both emerging and developed markets. We address the fundamental needs of connectivity, affordability and relevance.

Nokia reshaped its corporate social investment focus in late 2009 to focus on the use of mobile technology for development. We address education, health, livelihoods and environmental awareness through our social investments. This strategic shift in social investment means we are now investing more in programs that utilize mobile technology. This represents a departure from more traditional corporate philanthropy, which focuses on the number of dollars spent rather than the impact it creates.

We believe that investing in mobile technology can bring social benefits that enable ongoing, meaningful impact on a large scale at a low cost. Our aim is not only to help people on a large scale but also to maximize the social impact of mobile technology. Our investments prioritize concepts that deliver enduring value to society.

This will not result in the complete cessation of our investment in youth projects, however, since those will still reach large audiences. We recognize there are important projects which can benefit from Nokia’s participation, irrespective of technology.

- 2010 SNAPSHOT
- Over 14 million Ovi Mail accounts activated since its launch in 2010; for many people in emerging markets, this is their first email account
- Making Nokia Data Gathering open-source, which allowed numerous organizations in different fields to take it into use
- Our latest smartphones feature power-save mode and energy-efficient OLED displays
- 5-year partnership initiated with UNESCO, committing to the goal of Education for All
- Nokia Money launched in India
- Nokia Education Delivery expanded to Chile and Colombia.
- Ovi Life Tools expanded to Nigeria, the first African country where people can benefit from the service



## — 2.3.1 — EDUCATION

Education is important for providing younger generations and adults with the required skills and competences to manage their lives. Access to, and quality of, education for girls and women is an area that can be improved through mobile communications.

Mobile phones can offer individualized learning for every person, irrespective of an individual's sex or the manufacturer of the phone. To this goal, we invest in specific educational concepts and efforts to improve the affordability of our products and services. Concepts such as Ovi Life Tools show that education can be delivered affordably on a massive scale.

Nokia Education Delivery software enables the structured delivery of quality education materials over mobile networks. Combined with teacher training and community engagement, this has improved academic results and increased retention among students, especially girls.

### OUR PROGRESS IN 2010

In October 2010, Nokia initiated a 5-year partnership with UNESCO. The partnership will harness mobile communication to serve individuals and support governments as they strive to achieve the six goals of the World Declaration of Education for All. The partnership has been structured to meet the target date for these objectives in 2015. Nokia will contribute expertise relating to technology and policies in this area.

The six 'Education for All' goals cover access to education, early childhood care and development, quality of education, equality, literacy and life skills and lifelong learning. During 2010, we deployed projects related to access, quality and equality, and will introduce new concepts to address the other goals in 2011.

"Today, there are around 796 million adults – approximately 16 percent of the world's population aged 15 and over – who lack the basic reading, writing and numeracy skills needed in everyday life. Two-thirds of the non-literate adults are women. This will remain largely unchanged until 2015 if present trends continue. In order to provide quality education for all and to address the gender disparities adequately, more vigorous and innovative measures have to be taken to address the situation, given the enormity of the challenge.

The powerful contribution of Information and Communication Technologies (ICTs) has been increasingly acknowledged in the recent years. Its importance is now well established as a viable means of motivating learners and of enhancing learning effectiveness in youth and adult literacy programs. This is especially the case with mobile phones. Initiatives from all over the globe are testimonies of the success and potential of the use of mobile phone technology. In particular, mobile phones hold great potential for reaching marginalized girls and women and providing them with access to learning and development, with an impact on fighting poverty, disease, accelerate economic growth, as well as improving governance and democracy.

The partnership between Nokia and UNESCO clearly draws on the principle that a cell phone is not only a device, but a door to greater education and information. The foreseen activities, expected to begin in May 2011, cover three types of projects. In the first phase, research will be conducted to identify possible applications of mobile technology to support Education For All. The results will be transmitted in the form of guidelines to education ministries and policy-makers in developing countries. The second part of the agreement concerns teachers. It will promote the use of mobile technologies to support training and capacity-building, as well as the management of educational institutions, particularly in gathering data on staff, pupils and school facilities. The third part of the agreement covers the development of new mobile applications that have educational potential. Mobile technologies offer access to information and enrich learning environments and UNESCO wants to make sure they are used to promote the delivery of quality education based on the sharing of knowledge. The partnership with Nokia is an excellent opportunity to make it happen."

Francesc Pedró  
Chief, Sector Policy Advice, UNESCO

— 2.3.1 —  
EDUCATION (CONT.)

OUR PROGRESS IN 2010

**COMMITTING TO EDUCATION FOR ALL**  
In October 2010, Nokia initiated a 5-year partnership with UNESCO. The partnership will harness mobile communication to serve individuals and support governments as they strive to achieve the six goals of the World Declaration of Education for All. The partnership has been structured to meet the target date for these objectives in 2015. Nokia will contribute expertise relating to technology and policies in this area.

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**EXPANDING NOKIA EDUCATION DELIVERY**  
During 2010, Nokia Education Delivery expanded to Chile and Colombia. This built on previously established projects in the Philippines and Tanzania. In each case, the concept has been deployed in partnership with the national ministries of education, the Pearson Foundation and respected telecom operators such as Telefonica, Vodacom, Globe and Airtel.

Nokia Education Delivery is further expanding within Africa, to schools in Kenya and Nigeria in 2011. The concept can also be adopted by organizations looking for innovative ways to train, educate and inform their personnel. Committing to education for all

**USING MOBILES TO LEARN IN SOUTH AFRICA**  
In 2010, the South African proof-of-concept for individualized mobile learning reached maturity and demonstrated its success. The concept uses Mxit, a popular social media channel, as a means to deliver mobile education in mathematics. By harnessing the power of social networking students become engaged by the educational content. In 2010, the project reached over 4,000 students in 30 schools across the country. This resulted in a 14% improvement in academic achievement and consequently, we are taking the concept to 150 schools and about 20,000 learners in 2011. The project continues in close cooperation with content partner Maskew Miller Longman and operators MTN and CellC, who zero-rate the service, so that it is free for children. The MoMaths pilot project was also started in Finland in September 2010.

“As the program director of the Khanya project, I value the partnership with Nokia. I believe that in a few years’ time, all learners will have sufficient mobile computing power in their pockets, so as to render obsolete many of the technologies currently present in schools. Children are already showing a strong inclination towards the use of mobile devices, and if the education system is clever, they will cash in on this phenomenon to use mobile phones to incline learners towards learning. Nokia is rendering a huge service to education in making their expertise and other resources available to education departments, in order to make mobile learning a reality. I can only hope that education authorities will embrace this initiative and give it their whole-hearted support.

The Mobile Maths pilot project has laid a solid foundation on which to build; it proved that mobile technology in the hands of learners indeed leads to their increased involvement with learning material. This initiative may pose a challenge to educators who battle to stay abreast with new technologies. Who knows - mobile technology may be just what we need to by-pass reluctant teachers: put mobile learning power in the hands of the kids!”

Kobus van Wyk,  
Western Cape Education Department, South Africa



— 2.3.2 —  
YOUTH DEVELOPMENT

OUR PROGRESS IN 2010

In 2010, we continued to support a diverse range of youth development projects across the world, all aimed at addressing needs identified by local partners. An example is the Heart to Heart project in China, which recognizes the stress that economic migration can have on families. It supports children affected by their parents' need to secure financial security.

Nokia's youth life skills initiative with the International Youth Foundation celebrated its 10th anniversary in 2010. The initiative benefits youth and communities in more than 10 countries, and in 2010 more than 78,000 young people directly benefited from these programs. This includes our commitment to the Inter-American Development Bank's Entra 21 employability program in Latin America. It has now entered its fifth year, and opened doors for thousands of disadvantaged young people.

"Nokia has been an extraordinary friend and partner of the International Youth Foundation for more than a decade. Working with us on a wide range of youth development initiatives worldwide, Nokia has helped impact the lives of over a half million young people through its support of our education, employability, and citizenship programs in 68 countries. Yet these numbers – as remarkable as they are – don't begin to reflect the lasting imprint that this company has had – and continues to have – on our work at IYF.

From the beginning, Nokia and IYF shared a vision of positive youth development that placed a priority on helping young people to be successful – in school, in the workplace, and in the community. We agreed on the importance of supporting locally-owned – and locally-driven initiatives. Together with our partner organizations on the ground, Nokia and IYF "co-created" programs in the Philippines and Tanzania that brought interactive multi-media education programs to underserved schools; helped boost livelihood opportunities among young people in India, Indonesia, Sri Lanka and Thailand whose communities were devastated by the 2004 Tsunami; encouraged youth volunteerism in every corner of the globe; and prepared unemployed youth in Central and South America to enter the job market for the first time. Nokia was also the pioneering support behind YouthActionNet® – IYF's signature youth leadership initiative that continues to expand its activities and impact worldwide. The success of these programs demonstrates two of Nokia's great strengths as a partner – its commitment to innovation and sustainability.

Nokia has helped make IYF a better and stronger organization by challenging us to think in ever more innovative and strategic ways about how to positively impact the lives of today's youth. Nokia has been with us, as well, as we developed our long-term priorities and plans for the future -- with senior Nokia executives serving on the IYF Board for more than a decade, and providing extraordinary leadership."

William S. Reese  
President and CEO, International Youth Foundation

— 2.3.3 —  
LIVELIHOODS

Nokia supports livelihoods in many ways from mobile banking and the development of job skills to the creation of software to support local entrepreneurs. Nokia also creates software that can be adapted and sold to local customers by software developers. In doing so, we are subsidizing the investment required to help those small businesses to grow, and creating a platform for local technology innovation.

OUR PROGRESS IN 2010

ENTREPRENEURSHIP WITHOUT BORDERS

Towards the end of 2010, Nokia formalized an agreement with Junior Achievement, to conduct entrepreneurship training in eight countries across Europe and Africa. This initiative links students across continents to create opportunities for the future. The ‘Enterprise Without Borders’ program gives confidence and contacts to students, providing “hard skills” for business, so they can build their own future in countries with endemic youth unemployment. This initial investment will be used to determine how mobile technology can enhance the development of these skills and the stimulation of international trade.

OUR PROGRESS IN 2010

MAKING NOKIA DATA GATHERING OPEN SOURCE

In July 2010, we launched Nokia Data Gathering under an open-source license. This software suite replaces traditional data-gathering methods, such as paper questionnaires, with mobile phones. This has improved results while saving time and money. The open-source software has been adopted by governmental, non-governmental and corporate clients, giving us some assurance of its continued success.

To date, over 100 organizations have conducted trials of Nokia Data Gathering using our test server, while others have taken it straight into use. Recent public reference cases have included the Department of Agriculture in the Philippines (to improve food security), UN FAO in Kenya (mapping water points to ensure access to clean drinking water and irrigation), World Vision in Indonesia (child welfare sponsorship), Plan Kenya (birth registration) and Syngenta Foundation in Kenya (agricultural productivity).

— 2.3.4 —  
HEALTH AND WELL-BEING

We believe mobile technology has a critical role to play in preventing outbreaks of diseases and improving human health and well-being. We make our contribution by offering applications and services, and working with partners to conduct research.

The speed and accuracy of gathering field data can play a critical role in managing and preventing the spread of diseases.

Nokia Data Gathering improves the ability of organizations to monitor outbreaks by providing real-time data from health workers in the field. The combination of GPS location information, images and real-time data transfer enables decisions to be made in a timely manner.

OUR PROGRESS IN 2010

USING MOBILE SOCIAL NETWORKING AND PEER SUPPORT TO REMIND PEOPLE TO TAKE THEIR MEDICINES

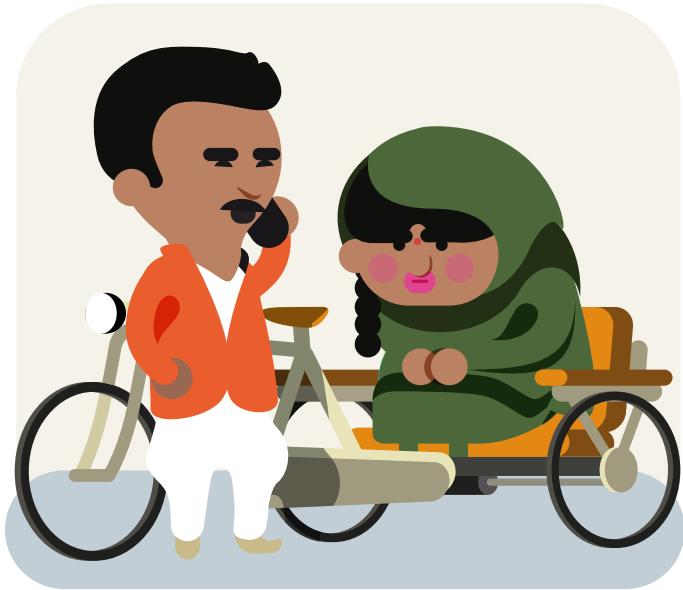
The costs of failing to finish a course of prescribed medicine can be significant, in personal terms and for the society. In 2010, believing mobile technology could make a difference here, Nokia commenced user testing of a concept that uses mobile phones and social networks to increase adherence to courses of prescribed medicines. Funded by the Brazilian government, the project is being carried out in Belo Horizonte and we expect to review the outcomes during 2011. We anticipate that our future social investments in health will be more educational in nature, targeted at early childhood care and development.

— 2.3.5 —

ACCESS TO EMAIL — OVI MAIL

Ovi Mail offers a digital identity to people without access to a computer or the internet. For many people, Ovi Mail is their first email account. It's specifically designed for on-device account creation, so people can create and manage their accounts without a computer.

Ovi Mail supports over 25 languages, and can be accessed on almost 200 Nokia devices, in virtually every country in the world. Since the launch of Ovi Mail in 2010, there are over 14 million active accounts.



— 2.3.6 —

EMPOWERING PEOPLE TO MAKE INFORMED DECISIONS — OVI LIFE TOOLS

Ovi Life Tools help to bridge the digital divide in emerging markets, delivering reliable and comprehensive information to mobile devices in one package. The tools provide people in rural and suburban communities with livelihood and life improvement services, including healthcare, agriculture, education, and entertainment services.

Users of Ovi Life Tools primarily depend on the agriculture trade and live around the poverty threshold. This makes parting with one or two dollars each month for a mobile service a substantial investment. Since its commercial launch in mid-2009, nearly nine million people have experienced the service. Nokia Life Tools is available in India, Indonesia, China and Nigeria, and will roll out to more markets in the future. The Tools include:

- Healthcare services: Pregnancy advice, mother and childcare, family health and fitness, and disease information.
- Agriculture services: Market prices (e.g. for cocoa and fish), information on weather, availability of seeds, fertilizers, and pesticides, and news and advice. The information is tailored to the farmer's location and selection of crops.

- Education services: Learn English, acquire general knowledge and access exam preparation and results, as well as information on higher education and career guidance.
- Entertainment services: Football results, music, news alerts, horoscopes and jokes.

OUR PROGRESS IN 2010

This year we extended Ovi Life Tools to Africa, launching the service in Nigeria. It will be offered through two of the country's largest operators, Zain/Airtel and Glo Mobile. Nigeria has a population of 140 million, around half of which are mobile phone subscribers. It is one of Africa's fastest-growing economies.



— 2.3.7 —

PROVIDING BASIC FINANCIAL SERVICES  
THROUGH MOBILE PHONES — NOKIA MONEY

We see mobile money as the way to make financial inclusion a reality. In developing countries, most people rely on cash as their only means for financial transactions. Nokia Money, our global mobile financial services initiative, is targeted at unbanked people or those underserved by financial services in emerging markets. It enables transactions that might not have been possible before due to cost, location or time constraints.

OUR PROGRESS IN 2010

**LAUNCHING NOKIA MONEY IN INDIA**  
During 2010, we launched a pilot version of Nokia Money in India. More than 60% of India's population lack a bank account, and more than 85% of all transactions there are based on cash. Our partners in India include Yes Bank and Union Bank of India, in addition to hundreds of merchants and retailers. This helps to rapidly scale up the reach of the service. The pilot has subsequently been converted into a commercial service in the city regions of Pune, Chandigarh and Nashik.

In the initial phase, consumers can transfer money to another person just by using the person's mobile phone number. They can also pay merchants for goods and services, pay their utility bills, insurance, and phone bills, as wells as recharge their prepaid SIM cards and pay donations to charities.

Nokia Money is designed to work in partnerships with multiple network operators and banks, involving distributors and merchants in a dynamic open ecosystem that seamlessly provides new services. The Nokia Money platform is compliant with key international standards for banking, risk, fraud, privacy, distribution and infrastructure operating processes.

— 2.3.8 —

DISASTER RESPONSE  
AND PREPAREDNESS

As a global business, Nokia has a disaster response strategy in place and it evaluates every crisis situation separately. We work together with our non-profit partners to respond appropriately to disasters around the world. Our response depends on the severity of the situation, our presence and our ability to make a meaningful contribution.

We are increasingly focusing on disaster preparedness, including the development of mobile-based tools and applications. Mobile technology can greatly improve the ability of organizations and the public to respond more quickly and effectively. We also intend to explore ways of deploying our knowledge and skills for the benefit of disaster relief efforts.

FINANCIAL SUPPORT  
TO CRISIS SITUATIONS

In 2010, we gave financial or in-kind support in several crisis-afflicted areas, including Haiti, Pakistan, Thailand, Vietnam, Indonesia and Uganda.

— 2.3.9 —

BRIDGING THE DIGITAL  
DIVIDE

The digitalization and the proliferation of the Internet and ICT technologies have brought tremendous benefits for an ever increasing number of people all over the world. At the same time, however, new differences and divides between people are emerging in term of access to technologies and information and the ability to utilize it to the fullest extent. Understanding and resolving the issues preventing equal access to the ICT is by far the most important in building global information society.

Three kinds of hurdles contribute to the digital divide: cost, physical disability and lack of skills and education. These issues are interlinked and often contribute to one another. Overcoming and finding innovative solutions requires broad collaboration between corporations, governments and civil society. Nokia participates in solving these challenges and creating shared value and opportunities in societies around the world.

— 2.4 —

## TAKE-BACK AND RECYCLING

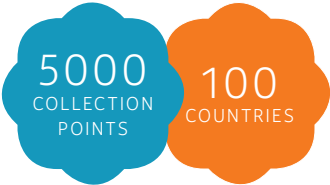
Three billion people don't yet have mobile phones. This is a critical opportunity for Nokia, but an increase of the amount of products sold is also a key concern as "e-waste" from used devices continues to increase. Mobile phones contain potentially hazardous materials, which can leak out into the environment in improper recycling practices such as landfill or open air burning. Combined with a finite supply of raw materials available for producing new phones, the end-life of mobile devices is a major issue that impacts across our industry.

Today all Nokia mobile phones are made using materials that can be recovered and reused as materials or to generate energy in the recycling process.

Our challenge is now to make recycling of phones easy and desirable, not just for our customers, but for all consumers. By doing this, we are also helping to develop recycling culture.

RECYCLING PROGRAMS

Nokia first offered take-back for mobile devices in the 1990s. Today, we offer over 5,000 collection points for recycling used mobile devices and accessories in close to 100 countries.



We take part in collective recycling schemes with other equipment manufacturers in Europe, Canada and Australia. We also engage in local recycling awareness with retailers, operators, other manufacturers and authorities around the world. Our take-back and recycling programs continue to expand into new markets, assuring that mobile devices end up in environmentally safe recycling processes.

CREATING A RECYCLING CULTURE

Our work on improving collection infrastructure to make recycling easier must be combined with consumer engagement.. Our global study in 2008 showed that less than 3% of consumers were recycling their mobile devices, 48% did not know a phone could be recycled and 66% did not know how to recycle them. In some markets, the idea of recycling in general is completely new to consumers.

Our aim is to help create a recycling culture in every country we operate in. We want to achieve this not just by raising awareness with our own customers, but by equipping all consumers with the awareness and ability to recycle their phones. We know from experience that developing a solid foundation which supports a wider set of recycling behaviors will result in more mobile phone recycling. It can also contribute to more sustainable lifestyles.

We measure our success on take-back and recycling in three ways:

- Number of countries covered
- Number of people reached with our recycling message in dedicated campaigns
- Weight of mobile devices (and accessories) recycled

2010 SNAPSHOT

Take-back points available in close to 100 countries

415 tonnes of e-waste collected around the world through Nokia managed collection, including products returned by consumers and from our service network. This represents an increase of 10% compared to the previous year. Mobile phones are also collected through different cooperative channels in EU, Canada and Australia

Voluntary local recycling drives to raise awareness in 30 countries

Tens of millions of consumers reached through media impressions from our campaigns around the world



## — 2.4.1 — RECYCLING PROGRAMS

### KEEPING PRODUCTS OUT OF LANDFILL

Our recycling programs target the removal of unusable products from domestic waste, to avoid them ending up in landfill. We build our programs by identifying safe and reliable recyclers, developing the infrastructure for reverse logistics, offering a variety of take-back options, and partnering with others to increase our capacity.

Of course, Nokia branded collection isn't the only channel for people to recycle their devices. We have seen people returning products through EU collective scenes, through refurbishment and second-hand sales, through teleoperators and through other common collection schemes. We work to make sure consumers are aware of the channels open to them for take-back and recycling.

Our work is having a positive effect. We're seeing slow but steady development of a recycling culture, from Uganda to India. A combination of increased awareness, better infrastructure, and convenience for the consumer is leading to gradual increases in collection volumes.

### RAISING AWARENESS WITH CONSUMERS

We're continuously studying the most effective ways for consumers to recycle their phones. Our focus is on learning from how we motivate people to act, so that we can put our best practices to global use. In many parts of the world, recycling in general is either a new and unfamiliar concept or the infrastructure is not readily available for consumers. We use different types of incentives to introduce recycling and make it desirable, including partnering with NGOs, making donations and giveaways, and offering access to events.

In the big picture, we're aware that financial incentives might defeat our larger objectives of increasing environmental awareness and creating a recycling culture. In many countries, we find that people are willing to recycle as long as it's convenient and they're equipped with the right information at the right time.

Our successful campaigns in India, the Middle East and across Africa are proving great examples. By rolling out phone recycling programs in these countries, we've opened doors to other forms of recycling for communities that never had any recycling programs before. In these cases, Nokia has played a key role by going beyond managing the impact of our own products. Our activities have helped to create local recycling culture.

### WORKING WITH REGULATORS

Since 2005, under the Waste Electrical and Electronic Equipment (WEEE) directive, EU member states are required to set up separate collection systems for all household electrical and electronic equipment waste. This is an important step towards helping consumers across the EU to recycle and return used waste equipment in an easy and responsible way. The various schemes are operated and financed by the equipment producers, while municipal collections, specified waste management sites and shops selling equipment are the main collection channels.

An ongoing challenge is 'leakage', meaning waste equipment that isn't monitored by existing national collection channels. Leakage occurs because much of household electronics waste still has a residual value at disposal and is sold for second-hand use (often abroad) or for recycling of its components.

Consumer awareness and the scale of public campaigns about recycling vary widely across the EU. In many countries, the idea of a recycling culture is emergent or entirely new to consumers. This means that the current EU target of collecting four kilos of electronic waste per inhabitant per year is resulting in very different success rates being achieved between countries.

This year, Nokia continued financing collection and treatment of electronic waste across the EU. Our work builds on the robust requirements set by the National Implementation of the European Union WEEE directive. As a result, steady progress is being made to establish national collection networks in every country. These networks collect and treat all electronic waste from households, and are a big step forward to making recycling culture the rule, not the exception. Similarly, in EU member states it is mandatory for producers to participate in waste management of packaging materials and batteries.



— 2.4.1 —

RECYCLING PROGRAMS (CONT.)

OUR PROGRESS IN 2010		
<p>During 2010, we ran operator or retail cooperation campaigns in seven countries, university events in 11 countries, direct consumer campaigns and events in 19 countries, and campaigns in our care network in eight countries. We offered mail recycling programs in four countries, and participated in national recycling programs in 29 countries. Most importantly we were able to offer permanent take-back service for obsolete devices in close to 100 countries in more than 5,000 collection points.</p> <p>We continued to work with our partner WWF to raise awareness across India, Brazil, UK and Finland. Together we promoted the benefits of electronics recycling, and WWF offered information on Nokia recycling programs on their website.</p> <p>We continued our focus on engaging consumers around the world, carrying out voluntary local recycling drives to raise awareness in 30 countries. Our messages encourage consumers first to pass unwanted phones on to their family and friends for further use before exploring recycling options.</p>	EXPANDING CURRENT PROGRAMS	
	<p><b>INDIA</b></p> <p>Our recycling programs in India continued to grow this year. Since 2008, we've been building our program by setting up the infrastructure for collection and reverse logistics, training retail personnel, collaborating with a responsible recycling vendor, and engaging consumers.</p> <ul style="list-style-type: none"><li>498,000 pieces (16 tonnes) of phones and accessories collected.</li><li>Over 36,000 trees planted in cooperation with three NGOs.</li><li>Take-back campaigning reached 145 million consumers and engaged 250,000 mobile phone users.</li></ul> <p>We continued our corporate engagement program and digital community hub, "Planet ke Rakhwaale" (Saviors of the Planet). We also expanded the program to smaller cities and towns and started a school engagement program to distribute educational comic books on e-waste management.</p>	<p><b>CHINA</b></p> <p>We continued to run our Green Box program which started in 2005, expanding it to our retail stores in big cities.</p> <p><b>BRAZIL</b></p> <p>We expanded our recycling program in partnership with Pão de Açúcar Group, the largest retailer in the country. By installing take-back bins in Pão de Açúcar grocery stores, we've significantly increased the number of recycling points in Brazil and brought recycling a step closer to the daily lives of our customers. Previously, our take-back programs focused on Nokia service centers.</p> <p><b>SOUTHEAST ASIA</b></p> <p>We started five new partnerships with different stakeholders during the year. We organized 26 separate take-back events or road shows in the region, and participated in conservation projects tied into take-back campaigns in Vietnam, Indonesia and the Philippines.</p> <p>In Malaysia, we launched a new partnership with local newspaper 'The Star' and municipal councils in Penang, with support from the state government. This partnership also included monthly road shows.</p>
	<p><b>NORWAY</b></p> <p>We started a partnership with local producer association El-retur to increase the collection amounts for obsolete products. We launched a mail-back system and increased the number of collection points in electronics retail chains. This pilot was well-received and we have decided to keep it running.</p> <p><b>AUSTRALIA</b></p> <p>We participated in nationwide mobile phone collection systems. We also worked together with teleoperators and included a recycling bag in our sales packages.</p> <p><b>MIDDLE EAST</b></p> <p>In the United Arab Emirates and Lebanon we partner with local NGOs. Our work with these partners focuses on raising awareness and helping people take action in schools and in offices. To support us, these partners run road shows and other live events to get consumers excited about recycling and also offer collection points for obsolete devices.</p>	

— 2.4.1 —  
RECYCLING PROGRAMS (CONT.)

OUR PROGRESS IN 2010

**NORTH AMERICA**

In Canada, we continued to participate in nationwide mobile phone collection systems. This year we were a proud sponsor of the IMAX Giant Screen film Wild Ocean, which tells the incredible story of diverse life in the ocean. As a result of the successful pilot in North America, 30 million people saw the introduction we created for the film, which contains powerful calls to action for a recycling culture. Our support for Wild Ocean is one of the many ways we reach beyond the over one billion people using Nokia products to empower all mobile phone users who want to take action and recycle.

**INTRODUCING NEW PROGRAMS**

During 2010, we launched many new take-back programs around the world. In Africa and the Middle East, we introduced programs in the Kingdom of Saudi Arabia, Lebanon and Uganda.

In Europe we expanded our service to Belarus, Bosnia, Malta and Ukraine. Other new countries include Sri Lanka, Uruguay, Pakistan and Panama.

2010 HIGHLIGHT

**INTRODUCING TAKE-BACK AND RECYCLING IN UGANDA**

**THE CHALLENGE**

In Uganda, our stakeholders were skeptical before we launched our first take-back and recycling program there. Awareness of sustainability and the role consumers can play is low across the country, and the prevailing belief was that Uganda wasn't ready for our initiative.

**THE OUTCOME**

The results speak for themselves. In just two days, with only one collection point, we received 459 old phones, 254 chargers and 239 batteries. We discovered that many people have heard about illegal e-waste dumping practices in Africa, and are more than willing to take action on the issue if they know what to do and where to go.



— 3.0 —  
PROGRESS IN DETAIL:  
PEOPLE



## — 3.1 — EMPLOYEES

Our success depends on our employees. We consider them a vital stakeholder group and value their feedback on how we run our business. It is equally important that we keep them informed and consult them about changes that affect them. At the same time, the IT and mobile technology sector is dynamic and fast-paced, competition is tough and we are experiencing critical challenges to our business and the way we work.

2010 was a year of change at Nokia with organizational changes, new strategy development, new management and restructuring. This has challenged our employees and our company to reinvent itself to compete in a new business ecosystem. Fundamental in enabling this change to happen has been our values, our open dialogue with our employees, and the socially responsible manner in which we carry out needed restructuring.

As Nokia is going through a fundamental transformation, we have to make some difficult decisions, which will include reductions in our workforce. We do not underestimate the impact on or our responsibility to Nokia employees and communities. As a result, we are working on long-term re-employment programs and alternative career opportunities for as many Nokia employees as possible during this company-wide transition.

### NOKIA WAY AND VALUES

The Nokia Way defines our core values. These four values – Engaging You, Achieving Together, Passion for Innovation and Very Human – are developed by our employees around the world. They are a foundation for our evolving business culture and form the basis of how we operate.

### DIVERSITY AND INCLUSION

Increasing diversity has been an important focus area in Nokia for many years. We believe that diversity and inclusion in the workplace brings competitive advantage and added value to our business. Through our Code of Conduct, we are committed to creating an inclusive workplace that welcomes men and women of different cultural or ethnic backgrounds, skills and abilities, lifestyles, generations and perspectives.

### TRAINING AND DEVELOPMENT

We reward employees competitively through a global reward framework designed to recognize individuals' and teams' contribution and achievement. We promote open dialogue about performance, and opportunities for development help to motivate our employees.

To collect employee feedback on a variety of issues, we conduct Listening to You, our annual employment survey. We encourage managers to coach and initiate personal development conversations regularly.

### PERFORMANCE AND REWARDING

We reward our employees competitively, and encourage open dialogue about performance and opportunities for development to help motivate our employees.

### HEALTH, SAFETY AND WELLBEING

Healthy and happy employees are critical to the success of our business. Our Occupational Health and Safety (OHS) Policy sets out our promise to provide safe and healthy working conditions for all our employees, and to promote wellbeing at work. We work with our contractors, suppliers and customers to continuously monitor health and safety issues and to meet our commitments.

### HUMAN RIGHTS

Nokia believes that our core business – connecting people with mobile technology – contributes to the promotion of human rights by enabling and enhancing communication and facilitating economic development. At the same time, we have specific human rights responsibilities toward our employees, customers, the communities where we work, and within our supply chain.

### LABOR CONDITIONS

It is extremely important for us that labor conditions at all our production sites meet recognized international standards. Each of our sites must comply with our global employment guidelines. We assess their performance regularly as well as those of our suppliers. Going beyond compliance we also have developed the Nokia Labor Conditions Standard which helps improve performance.

— 3.1 —  
EMPLOYEES

2010 SNAPSHOT
Average number of employees close to 64,000.
At December 31, 2010, Nokia had 29,234 employees working directly in production, including manufacturing, packaging and shipping.
During 2010, the rate of voluntary attrition – that is the percentage of the workforce leaving the company voluntarily – was 12.0% at Nokia.
At the end of 2010, 14.5% of senior management positions within Nokia were held by women, while 53.2% of senior management positions were held by people of non-Finnish nationality.
During 2010, Nokia spent nearly 28 million Euros on training for employees working in areas other than production. This equates to approximately 850 Euros per employee.
Highest ever response to our annual employee survey, Listening to You: 89% of our employees in more than 50 countries participated.
First-ever Nokia Human Rights Summit brought together 40 representatives of various stakeholder groups from NGOs to investors.
One fatal accident in Chennai, India.



## — 3.1.1 — NOKIA WAY AND VALUES

### OUR PROGRESS IN 2010

In 2010, 89% of our employees in more than 50 countries participated in our LTY survey. This was our highest ever survey response (88% in 2009). The results showed that employees are generally enthusiastic and engaged in the company. Of the respondents, 68% said they are proud to work for Nokia. Some 79% of employees see a clear link between their work and Nokia's objectives, and 66% enjoy their day-to-day tasks.

About 63% of employees surveyed said that Nokia's corporate responsibility activities have increased their overall employment satisfaction.

The Nokia Way defines our core values. Developed by our employees around the world, they reflect and support our business and changing environment. The values act as a foundation for our evolving business culture and form the basis of how we operate.

In 2007, we reviewed and refined these values to engage employees and reflect changes to our business and the way we work. More than 500 employees from around the world took part in 16 regional events to explain what they think is important and to help us come up with themes for the new values. Involving employees at every stage of the process helped us embed a strong values culture throughout the business.

### — ENGAGING YOU

We engage our customers, our suppliers and our own employees in what the company stands for.

### — ACHIEVING TOGETHER

We reach out to others, encouraging them to work together with us and share risks, responsibilities and successes.

### — PASSION FOR INNOVATION

This reflects our curiosity about the world around us and our desire to improve people's lives through innovation in technology.

### — VERY HUMAN

This is the way we do business and work with each other.

The Nokia Way of Working encourages open discussion and debate within the business. Employees can ask questions and comment on our business at any time through the company intranet, as well as SocialCast—the company internal social network—and receive a prompt and openly published response.

### LISTENING TO YOU

Employees are a vital stakeholder group. We value our employees' feedback on how we run our business. It is equally important that everyone is informed and consulted about changes that affect them.

One of the ways we encourage discussion is through Listening to You (LTY), our annual employee survey, which asks for feedback from our employees on a range of important issues. We use this feedback when designing our people-related policies and practices. Employees can also ask questions about the business, anonymously if they wish, through the company intranet and receive a prompt and openly published response. The LTY report includes a selection of employee responses to questions about specific corporate responsibility issues, such as inclusion and development opportunities. Through a variety of social media, groups of employees can also openly debate opinions and share ideas.



## — 3.1.2 — DIVERSITY AND INCLUSION

Nokia is committed to promoting diversity and inclusion in the workplace and providing rewarding career development opportunities for all employees.

We strive to create an inclusive workplace that welcomes men and women of different cultural or ethnic backgrounds, skills and abilities, lifestyles, generations and perspectives. We provide opportunities for career development, and are strongly committed to the highest standards of ethical conduct. This has helped us to build the diverse and robust community that is Nokia today.

At the end of 2010, Nokia's headcount was 60,815. Out of this, 92% have a regular contract and 8% are temporary workers. Analyzing the headcount by gender shows us 59.2% of the workforce are men, and 40.8% are women. (NAVTEQ is not included in the figures shown in this text).



Employees from diverse cultures and backgrounds bring insights into our customer base around the world. Nokia is committed to equal opportunities and does not condone discrimination of any kind. This commitment is embedded in our Code of Conduct. Having a plan for actively managing equality and diversity has shown us that employees stay longer in the company, have better company loyalty and maintain higher levels of satisfaction toward their work in general. To further educate our workforce on the benefits of being a more diverse company, we have developed and begun deployment of the Nokia Cultural Connections Game.

We are integrating diversity targets into our global people management processes. For example, we ask our leaders how they create an inclusive environment as part of their general performance self-assessment questionnaire. Their responses are used to identify areas for improvement and share best practices across the business.

At the end of 2010, 14.5% of senior management positions within Nokia were held by women, while 53.2% of senior management positions were held by people of non-Finnish nationality. Both figures are slightly up compared to 2009.

### CROSS-SOLUTIONS TEAMS

We believe the future is about everybody working more collaboratively. To best meet the needs of our consumers, we need to move away from working in technology silos to working in teams spanning all our areas of work, from services to markets and product offerings.

Team work helps us solve problems more efficiently and think creatively. Leading a diverse team can also be a challenge. As wellbeing-at-work studies have shown, taking care of every team member by making them feel part of the team is extremely important and can increase both the wellbeing of an individual as well as company performance. We promote flexible working such as remote working options, to help employees balance the demands of work and home life.

Because change often happens informally and from the ground up, at Nokia we need to have teams that start to change things for themselves. Diversity, inclusion and gender balance will play a very important part in this transformation.

### ENSURING ASIAN EXPERIENCE IN FUTURE MANAGEMENT

Our Asian Talent Pipeline (ATP) is a long-term global umbrella for multiple initiatives that the organization has been steadily investing in and working on over the past two years. Its aim is to build a significant proportion of leaders in global management teams that have Asian experience and that can lead and deliver on the strategic business vision that we have for these markets in the future.

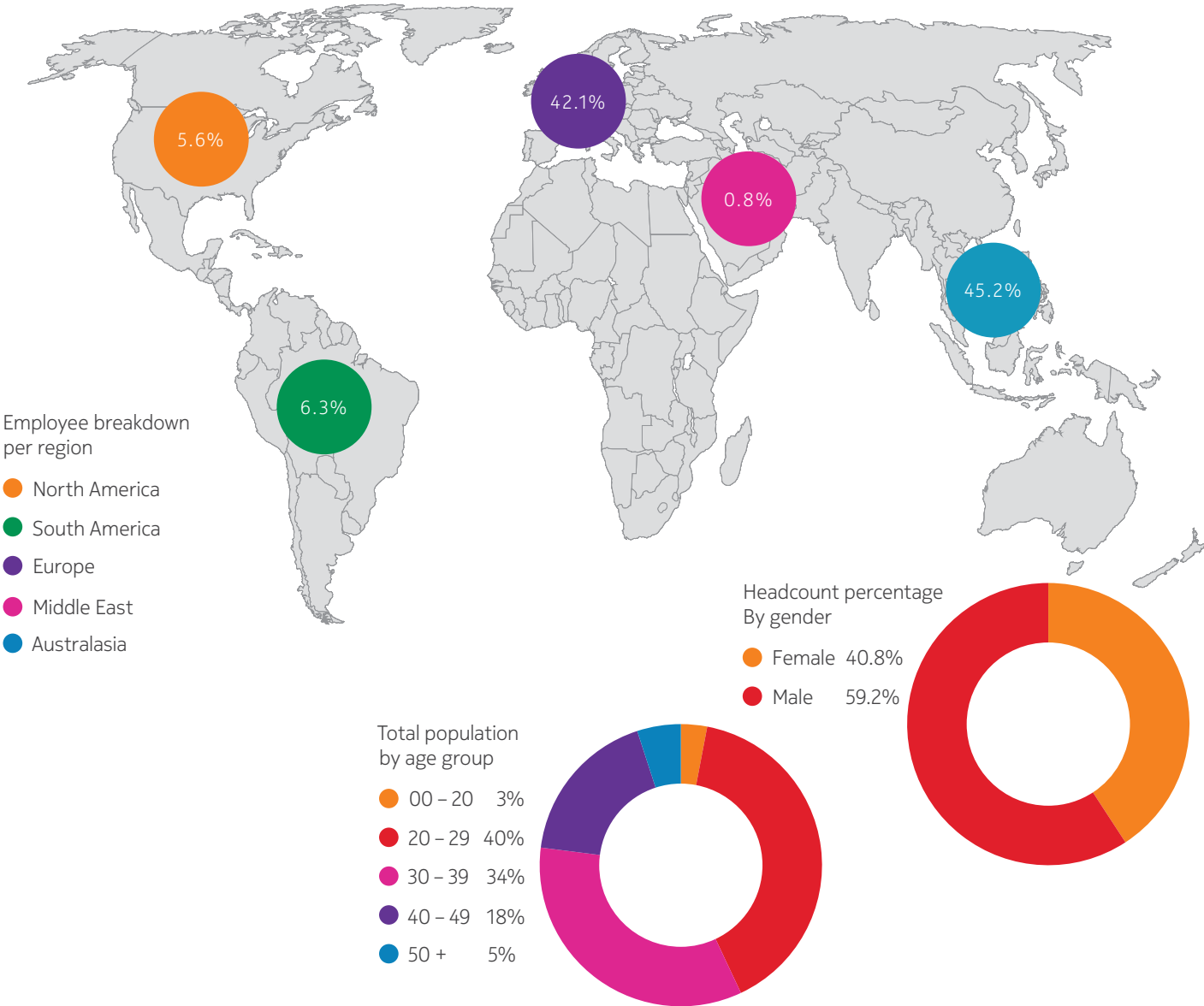
Through the ATP initiatives, we have successfully identified and provided training opportunities for more than 100 senior leaders across our Asian operations. We have also maintained a skills databank used for job rotation, decision-making, mentoring, short-term assignments, and cross-cultural competence development.

### OUR PROGRESS IN 2010

We are tracking our progress on diversity and inclusion by using qualitative and quantitative targets. In 2010, 72% of employees, participating in our annual employee survey felt that all our employees are treated as individuals regardless of age, race, gender or physical capabilities. This is a 2.9% increase from the previous year. Our policy is to employ local people wherever we work. People representing around 115 different nationalities work at Nokia.



— 3.1.2 —  
DIVERSITY AND INCLUSION (CONT.)



### — 3.1.3 —

## TRAINING AND DEVELOPMENT

Training and development both personally and professionally are important at Nokia. We offer an integrated package of classroom training, on-the-job learning, individual coaching and mentoring.

We provide a variety of mandatory and voluntary training opportunities for our employees to help them develop a broad range of skills for the workplace, as well as the competencies specific to their roles. We offer thousands of internal training options, as well as many external training opportunities. To match local needs, training may be tailored and may also be available in local languages.

We encourage e-learning opportunities where possible, as these are environmentally preferable and cost-efficient.

#### ENHANCING LEADERSHIP

Strong leadership is vital for the continued success of our company. Earlier in 2007 we launched a new leadership model – True Nokia Leader – alongside our new strategy and values. The True Nokia Leader must bring our values to life, consistently ensuring that they form relationships based on trust, and deliver extraordinary achievement, growth and development for individuals, teams and our business. The model will guide our leadership development activities and the performance evaluations of managers and leaders.

Our 2009 ‘Listening to You’ survey showed that there was a growing gap between our most and least engaging leaders. To address this, we have launched a program called Leaders Coaching Leaders, in which recognized top managers take a coaching role to inspire other managers to improve. Good leadership and the engagement of employees are especially crucial in this time of transformation. The results have been promising. In 2010, our annual Listening to You survey showed a 2.2% increase in satisfaction for the category of questions called “my manager and I”.

#### SUSTAINABILITY TRAINING

Our employees can take part in a wide range of internal events and training that help raise awareness and develop understanding of sustainability issues, both inside and outside the company.

We hold global sustainability forums aimed at the whole personnel twice a year. These bring together employees and senior management to engage in open dialogue around our sustainability strategy and activities. The global forums are supported by area forums, which focus on sustainability issues from a regional perspective.

We regularly run series of virtual information sessions covering a wide range of topics related to our sustainability work. Presented by internal and external experts, these sessions are held as online teleconferences, which makes it possible to join from anywhere in the world.

Road shows are also held during the year at our offices and production sites throughout all regions. These road shows engage employees by focusing on a variety of sustainability issues at a Nokia-level and a site-specific level, and by providing tips about how to make sustainable choices in everyday life.

#### ENCOURAGING VOLUNTEERING

Volunteering is an important part of achieving our sustainability goals. Our mission is to make meaningful contributions to communities in the countries where we operate. However, we do not have a global one-size-fits-all volunteering policy. Instead, our program – Nokia Helping Hands – is an umbrella for locally relevant volunteering activities.

Thousands of our employees contribute their time and effort to worthy causes in their communities. Through volunteering we are able to learn new skills and gain new perspectives. Volunteering also helps to create a balance between our personal convictions and professional lives.

It is important to encourage and support employees who want to contribute. In recognition of this, employees can take two working days per year.

— 3.1.3 —

TRAINING AND DEVELOPMENT (CONT.)

OUR PROGRESS IN 2010

We held two Sustainability Forums, one in June and one in December, and the combined participation amounted to 1,430 employees, either in person or through online meeting.

This year, close to 2,400 employees participated in 75 virtual training sessions held on a variety of sustainability topics. A session introducing long-term sustainability and other macro trends brought together over 550 participants via teleconference.

In 2010, First Touch events at Nokia sites, aimed at educating employees about new products and services, began to include sustainability content, such as demos on social and environmental applications and software.

**RAISING ENVIRONMENTAL AWARENESS**

In 2010, we renewed our global cooperation with WWF. Cooperation includes raising environmental awareness among our employees. WWF has provided environmental training material for our employee training modules, and our employees took part in WWF's One Planet Leaders training. WWF representatives attended and presented at various Nokia events, such as virtual info sessions and sustainability forums. WWF has also worked with us on environmental impact assessments in some of our sites and on content for the mobile sustainability applications we offer through Ovi Store.

OUR PROGRESS IN 2010

In 2010, we continued to offer a platform for We:champions, an internal volunteer program for people who are interested in environmental matters and want to play an active role in driving internal environmental improvements even further. The platform was renewed in 2010 and the group is now part of a Nokia-wide internal discussion forum.



— 3.1.4 —

## PERFORMANCE AND REWARDING

We encourage managers to coach employees continually and to have at least one formal personal development discussion every year. We understand that praise is an important motivator and want to create a culture where team members recognize achievement and help each other perform well.

OUR PROGRESS IN 2010

In our annual Listening to You survey in 2009, only 28% of employees felt that their pay was competitive. In response, we launched several new recognition programs, which brought the figure up to 35% in 2010. One of them is called Kudos, which can be given by a manager to thank and recognize an employee for demonstrating the Nokia values in the way they do their job, or for delivering something special and being an exceptional team member. As our actions are having an impact, we are planning additional actions to further improve the score in this area.

72% of those surveyed felt that their manager helped them to know what is expected of them, 64% said that they received regular feedback from their manager to improve their performance, and 64% indicated they understand how their performance is evaluated.

We reward employees competitively through a global reward framework designed to recognize individual contribution and achievement. Levels of compensation are determined by local labor markets and take into account both individual and company performance.

A wide number of employees are nominated for our equity programs, which are based on rewarding performance and retaining top employees. Our broad-based equity compensation programs include stock options and performance shares. Both are linked to the company's performance over a number of years.

Our various incentive programs include cash incentive/bonus plans (100% of our non-production employees participate in short-term incentive schemes), R&D incentives, sales incentives and short-term bonus plans.

We communicate with employees about the effect of business results on their incentives after each quarterly announcement through articles and video messages on our intranet news channel, the News Hub. We also communicate through quarterly letters, blogs, webcasts and face-to-face meetings. Information is also available on the Know Your Business section of our intranet.

Gender demographics vary greatly both between the many countries in which we operate and between employee categories. For our indirect (non-production) staff we use a global framework to set salary bands, which are applied to people regardless of gender, age, and so forth. We also regularly benchmark with other companies in the industry to ensure we are paying competitively. For our production staff, we have agreements which specify the salary for each role and experience level. These are applied consistently irrespective of gender.

## — 3.1.5 — HEALTH, SAFETY AND WELL-BEING

The health, safety and wellbeing of our employees are vital to our business. Our Occupational Health and Safety (OHS) Policy sets out our commitment to provide safe and healthy working conditions for all our employees and promote wellbeing at work. We work with our contractors, suppliers and customers to continuously monitor health and safety issues and meet our commitments.

As a global company, we have selected the Occupational Safety & Health Administration (OSHA) guidelines for accident and illness reporting. OSHA has issued specific guidelines and reporting instructions (documented in part 1904: Recording and Reporting Occupational Injuries and Illness) that we use for all global reporting. If we need to report locally, we refer to the appropriate local standards. Local reporting is not within the scope for Form 20-F, corporate responsibility reporting or assurance procedures.

Health and safety is managed by the global OHS unit, part of our human resources department. The unit is responsible for developing our health and safety strategy and the annual action plans. The global OHS team coordinates and facilitates health and safety arrangements in individual countries, each of which have their own health and safety services. The team also develops standard operating procedures for hazard identification, risk assessment and incident reporting across our global operations.

### RESPONDING TO A FATAL ACCIDENT

On the October 31, 2010, a female operator working at the Nokia Chennai factory had a fatal accident during a work shift. She was rescued and alive on the scene but passed away at the hospital later that night due to severe injuries. As a mark of respect, we closed our facility in Chennai on November 1 for a day and members of our senior management met with her family. Internal investigations managed and conducted by a third party started immediately, accompanied by official police and factory inspectorate investigations.

The internal investigation led to both immediate and long-term actions. We have already implemented more rigorous monitoring of operations procedures and clearer warning signs on the machines. In the longer term, the entire OHS management system will be enhanced to target better communication and behaviors.

### RAISING AWARENESS ON HEALTH AND SAFETY

We run a range of campaigns and training programs to raise awareness about health and safety issues. During 2009, a comprehensive program was developed and deployed at all our sites in response to the H1N1, the so-called swine flu virus. This included education about the virus, advice on methods to control the spread and additional hygiene supplies in cafeterias and bathrooms. Where possible, the vaccine was offered to employees and contingency plans were developed in case large numbers of employees became sick. We continued to follow the situation in 2010.

### LEARNING MORE ABOUT OUR EMPLOYEES' WELLBEING

In 2009, we developed, and piloted on a more limited scale, an internal Wellbeing Survey in cooperation with researchers from Helsinki University of Technology (now known as Aalto University of Science and Technology) and Stanford Universities.

#### OUR PROGRESS IN 2010

In 2010, our internal Wellbeing Survey was launched on a global scale. It includes elements such as health and habits, job satisfaction, organizational resources, personal resources, life balance and recovery and stress management. The survey can be used to get an understanding of the wellbeing level of teams and individuals and it provides information on the areas where actions to promote wellbeing are needed the most.

During 2010, the injury and illness rate among all our employees at our nine major production facilities was 0.32%. This represents continuation of a four-year downward trend (from 0.82% in 2006). There is no global industry average to compare against, but as an example of the range, our injury and illness rate in 2009 was lower than the U.S. Bureau of Labor Statistic's injury and illness rate, which was 1.8% for computer and electronic product manufacturing in 2008.

## — 3.1.6 — HUMAN RIGHTS

### OUR PROGRESS IN 2010

#### NOKIA HUMAN RIGHTS SUMMIT

In the spirit of openness and transparency, Nokia has traditionally hosted events that provide a forum for various issues of interest to stakeholders. In September 2010 Nokia organized a Human Rights Summit concerning the social impact of multinational companies. The focus was on labor conditions in special economic zones (SEZ) and the payment of a fair and adequate living wage to workers.

The event brought together 40 representatives of various stakeholder groups from NGOs to investors and other businesses operating in similar environments to Nokia. The outcome was an agreement to launch a multi-stakeholder initiative, which will be piloted in one SEZ in Beijing, China. Based on this pilot running in 2011, the participating stakeholders will jointly develop principles and practices that can be applied to different production sites and implemented also in other geographical regions.

A key conclusion reached at the Nokia Human Rights Summit by all participants was the need to act collectively, as it is difficult for any individual actor to have a lasting impact on their own. Our summit was a promising first step in the process of anchoring human rights into the broader sustainability agenda and multi-stakeholder.



We believe that our core business – connecting people with mobile technology – contributes to the promotion of human rights by enabling and enhancing communication and facilitating economic development. Improved communications provide better opportunities for freedom of expression, and therefore promote civil and political rights as well as economic and social rights. At the same time, we have specific human rights responsibilities toward our employees, customers, the communities where we work, and within our supply chain.

Nokia is constantly conducting due diligence to fulfill its responsibility to respect human rights and assess any human rights risks that may be associated with its activities, operations and relationships. One part of the due diligence process in 2010 was a benchmarking study of the human rights environment in 18 different countries. The resulting Nokia Human Rights Approach document draws on the analysis of the challenges identified in the benchmarking study and our assessment of international best practices. Human rights challenges and opportunities are different at different stages of the Nokia value chain. In R&D, these may include aspects of accessibility and privacy. In device manufacturing, including our supply chain, the main human rights issues are labor rights, and health and safety. In sales and marketing, issues such as anti-corruption are most likely to be the human rights issues to be addressed.

The policies and processes that we have developed are based on following core beliefs:

- That The Universal Declaration of Human Rights form the basic principles and values, which are embedded in our Code of Conduct and in our thinking as a company.
- That mobile technology promotes human rights through enabling free expression, access to information, exchange of ideas, and economic development.
- That all employees and customers everywhere in the world have the right to be treated with dignity and respect. We ensure this in our own operations and expect the same from our suppliers.



### — 3.1.6 — HUMAN RIGHTS (CONT.)

“It is encouraging that Nokia discussed in 2010 the labor conditions in Special Economic Zones and living wages, as well as, at their Human Rights Summit, committed to launching a multi-stakeholder pilot that is now on its way. We would like to encourage Nokia not to stop discussing living wages, but actually work on implementing living wages in this pilot. Nokia could take big leaps forward in the coming years on implementing code compliance down their supply chain, on transparency – of its supply chain, as well as on monitoring and remediation efforts – and on freedom of association and collective bargaining. SOMO, as a research organization, will follow developments critically and report where Nokia makes improvements as well as where we find Nokia lagging behind.”

Esther de Haan  
Senior Researcher  
SOMO (Center for Research on Multinational Corporations)

“As an investor in Nokia, F&C has been working with the sustainability team throughout 2010 to develop an approach to managing human rights that appropriately reflects Nokia's business. We are pleased to see the company taking a thoughtful approach to scoping its sphere of influence and determining how it can best protect the human rights of its stakeholders including employees, customers, suppliers and the public. However, we urge the company to go further. Nokia's products lie at the heart of enabling its customers to live freely, to express themselves, and to mobilize for change where this is necessary. When telecommunication networks are disrupted, this freedom is severely constrained. Therefore, Nokia must consider what steps it will take when operating in markets where basic human rights like free speech and freedom of assembly are not always protected. We encourage the company to review its human rights strategy and develop a process for evaluating human rights risks before selling telecom equipment into markets with a history of human rights abuse. Nokia should also consider establishing business continuity plans or emergency measures for protecting human rights during times of severe political turmoil.”

Alexis B. Krajewski  
Director, Governance and Sustainable Investment  
F&C Management Limited

This comment from F&C Management refers also to Nokia Siemens Networks business. Nokia Siemens Networks covers this topic in their Sustainability Report.

## — 3.1.7 — LABOR CONDITIONS

### MEETING GLOBAL STANDARDS AND OUR OWN GUIDELINES

It is extremely important to Nokia that labor conditions at all our production sites meet recognized international standards. Each of our sites must comply with our global employment guidelines. We assess our performance as well as our suppliers' performance regularly. Our global employment guidelines determine how we handle employment issues at each site. They cover:

- Compensation
- Working time and location
- Employee wellbeing
- Equal opportunities
- Confidentiality and privacy issues
- Guidance on external assignments
- Conflicts of interest
- Efficient communications
- Freedom of association, including collective bargaining rights

Nokia carries out in-depth assessments of labor conditions at all of our major production facilities every second year. During the intervening period, we also carry out reassessments to ensure any necessary corrective actions have been made, and we conduct some internal surprise audits based on risk analysis. Assessments are carried out against a framework based on International Labor Organization conventions and the human rights declarations of the United Nations. To support the implementation of the framework, all manufacturing facility employees undertake training on the principles of the framework as part of their induction.

We began tracking people incidents in our factories in the second half of 2010. Incidents such as legal strikes, other labor unrest, work-related fatalities or occupational injuries, serious security incidents, cases of corruption, discrimination or other breaches against Nokia's Code of Conduct are reported on a global level and analyzed for further improvements. The total number of reported people incidents in the second half of 2010 was eight.

### OUR PROGRESS IN 2010

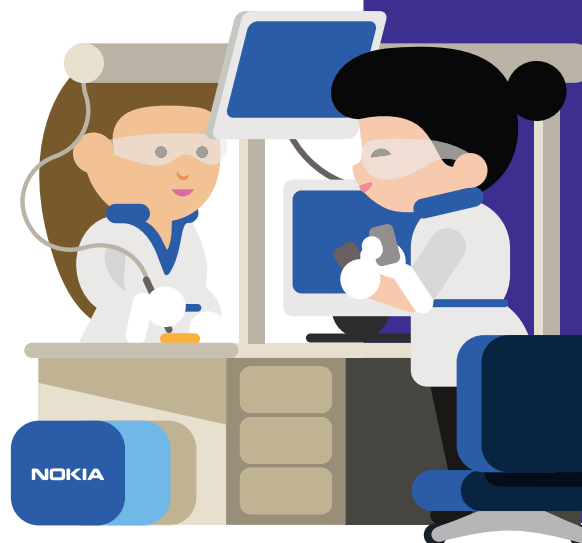
#### LABOR CONDITION ASSESSMENT RESULTS 2010 IN NINE MAJOR NOKIA-OWNED FACTORIES

In 2010, working conditions in Nokia factories were assessed by Intertek. Local laws and Nokia Labor Condition Standard were used as assessment criteria.

Factories were reported as clean, properly managed with the respect of employees, and relaxed atmospheres free from any discrimination. Although the overall results were very good, audits identified some areas of improvement.

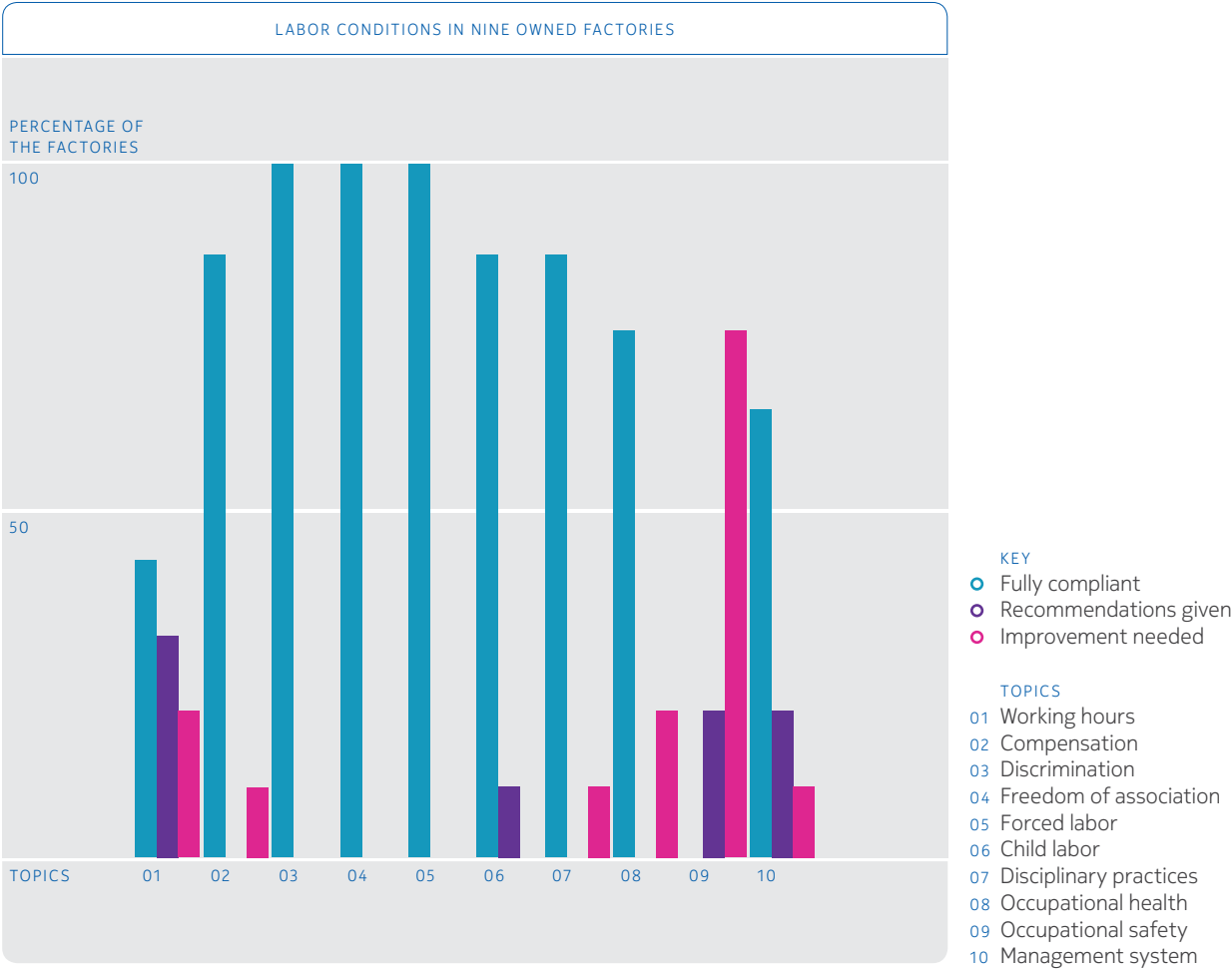
On the following page is a graph of 2010 audit findings:

- Fully compliant — Complies with local laws, and Nokia Labor Condition Standard requirements.
- Recommendations given — Complies with local laws and mostly with Nokia Labor Condition Standard requirements.
- Improvement needed — Not fully in compliance with local laws, and/or clear breaches of Nokia Labor Condition Standard, and/or clear management system inconsistencies, and/or factory has not made efforts to improve.



— 3.1.7 —

LABOR CONDITIONS (CONT.)



One area which clearly requires special attention is occupational safety. The manufacturing process itself does not pose safety risks, those arise more from the behaviors and habits of employees such as stacking material in front of an exit door, storing chemicals without proper labeling and inadequate evacuation signs. While individual audit findings in the area of safety are minor, if there haven't been improvements to correct these small issues the findings are flagged as "Improvement Needed" (indicated by the pink bar).

## — 3.1.7 — LABOR CONDITIONS (CONT.)

### NOKIA CODE OF CONDUCT

Nokia's Code of Conduct is based on the highest ethical standards. It defines the context of our ethical and sustainable business practices.

[Read more about our Code of Conduct](#)

### NOKIA LABOR CONDITIONS STANDARD

The Nokia Labor Conditions Standard is based on the International Labor Organization and UN Human Rights conventions and has been benchmarked against other international labor laws and standards. This standard provides a framework to monitor and assess labor conditions in a consistent manner, and addresses the following issues:

- Discrimination
- Forced labor
- Child labor
- Freedom of association
- Occupational safety
- Occupational health
- Disciplinary practices
- Working hours
- Compensation
- Management systems

The content of this standard is provided to all factory workers during induction, and information is also provided through factory-specific campaigns. E-learning is provided for employees in other areas.

As part of the human rights approach, we follow up and take action on operations identified as having risks related to freedom of association, child labor, forced and compulsory labor, and business units at risk from corruption. We monitor

actions and the number of incidents of discrimination and corruption through our internal grievance mechanisms and assessment processes. When making operational changes, we always follow local legislation. In cases of multi-country changes, we always take the longest required notice period to inform our employees.

[Read more about our approach to human rights.](#)

### COLLECTIVE BARGAINING

Nokia recognizes the right of employees to join unions and enter collective bargaining agreements. Almost all of our manufacturing facilities have collective agreements in place with one or more labor unions. However, practicalities vary according to country laws and practices. In Finland, legislation stipulates issues on which employees or employee representatives must be informed or consulted. To fulfill the specifics of the legislation, we operate several different employee representative bodies, one of which is called Nokia EuroForum. This is a corporate-level forum that supports Nokia's business activities by providing formal and informal opportunities for exchanging information and for networking with colleagues from EU countries. It takes into account the needs of employees, and promotes open communications and interaction between the management and personnel in Nokia. Most topics covered tend to be around financial performance, strategy, and operations, both now and in the future.

The origins of the forum lie with Nokia's adoption of the 1994 European Directive on Information and Consultation of Employees which requires employees be informed and consulted on common areas of interest. The principles and spirit of the Works Council directive are implemented via the Nokia EuroForum. The first Nokia EuroForum agreement was agreed by Nokia and its employees in May 1996. The second, revised Nokia EuroForum agreement has been effective as of June 13, 2002.

Nokia EuroForum meets twice a year, usually in June and November, and consists of 30 employees from different EU countries and different business sectors. The employee representatives are elected or nominated according to national circumstances or practices and serve for a period of two years. The EuroForum meetings are planned and executed by the preparatory team, which consists of both employee and management representatives. The preparatory team also monitors the evolution of the European Union, European Works Council directive, and provides a body with whom management representatives can communicate on matters of exceptional circumstances.

### DIRECT EXTERNAL LABOR

The percentage of external temporary labor in our total production workforce fluctuates throughout the year. These workers help us meet demand in peak production periods and provide cover when our permanent employees are absent. Our global policy on direct external labor in factories determines how our sites manage external staff. External temporary labor is hired through agencies for a maximum time period, normally 12 months. When selecting agencies, we ensure they have complied with all applicable labor practices. These labor agencies are also in the scope of our social audits.

### AGE VERIFICATION

Our Nokia Chennai factory changed their recruitment process in early 2010 to include a new identity and age verification method. This new method was developed in response to an internal audit finding which showed that some employees had used false or falsified school certificates when applying to work for Nokia. In rural areas in India, official proof of identity or age is uncommon. The candidates often falsify the Certificates to appear older and therefore eligible for work.

Under this method, only original certificates will be accepted for verification and will be cross-referenced with data obtained from respective government authorities. Candidates will also be directed to the medical center for basic evaluation of health and wellbeing.

— 3.1.8 —  
NOKIA CODE OF CONDUCT

**OUR CODE OF CONDUCT**  
Nokia's Code of Conduct is based on the highest ethical standards. It defines the context of our ethical and sustainable business practices. The Code was introduced in 1997, and its last revision was on January 1, 2009 following Group Executive Board approval. While the fundamental principles have remained the same, the revision has expanded sections on areas such as environmental and privacy issues with continued emphasis on ethical, responsible and sustainable business conduct. The Code of Conduct has been translated into the 34 most widely spoken languages in the company and is available on our intranet and external website. It covers the following areas:

Human rights	We will respect the rights laid down by the United Nations' Universal Declaration of Human Rights including freedom from discrimination on any grounds, freedom from arbitrary detention, execution or torture, freedom of peaceful assembly and association, freedom of thought, conscience and religion and freedom of opinion and expression.
Ethical conduct	We are committed to the highest standards of ethical conduct and full compliance with all applicable national and international laws, including issues such as labor conditions, antitrust and promoting fair competition, prevention of bribery and corruption, good corporate governance, protection and recognition of copyright, company assets and other forms of intellectual property.
Privacy	Respect for privacy is part of our commitment to observing high standards of integrity and ethical conduct in all our operations. We aim to adhere to strict privacy standards when we store or process personal data and customers' product and service information. Our goal is to develop products and services in ways that ensure users their privacy, minimize the amount of sensitive information that is handled and that sensitive information is treated appropriately.
Environment	We are determined to be environmentally aware in all we do, going beyond compliance by improving the environmental performance of our operations and throughout the life cycle of our products.
People	We are committed to providing a safe and healthy workplace where all employees are treated with respect and provided with equal opportunities for development.
Anti-corruption	We have strict zero tolerance on corruption. Employees must avoid any activity that can lead to a conflict of interest including gifts and hospitality, bribes and facilitation payments and political donations.
Partners	We require our business partners and suppliers to comply with all applicable laws and regulations, and encourage them to go beyond compliance to improve their management of ethical, environmental and social issues.
Reporting concerns	Employees should raise concerns with their line manager, local human resources department, the Ethics Office, legal department or security department in the first instance, as they can address the concern or advise whom to contact if escalation is required. Employees can also report concerns through the electronic channel established by Nokia's Board of Directors which is available on the company's website.

### — 3.1.8 — NOKIA CODE OF CONDUCT (CONT.)

#### ETHICS TRAINING AND AWARENESS

The Nokia Ethics Office is responsible for supporting all employees, including NAVTEQ employees in matters related to the Code of Conduct. The Ethics Office ensures that the Code is integrated in all business activities, providing guidance to employees faced with difficult decision-making situations and helping them understand how to apply the Code of Conduct in their everyday working life. Employees may also report violations directly to the Board of Directors anonymously.

During 2009, we began a company-wide online training program offered in 13 languages, with the aim of raising employee awareness of the new Code and of the way we conduct business. The training program has been designed to help employees identify and solve ethical dilemmas they may face in real-life situations, know who they should ask for support and where to report concerns. We also offer classroom training for employees who do not have access to computers.

The training covers topics such as bribery and corruption, health and safety, labor conditions, and how to report concerns about unethical conduct, corruption or any suspected violations of Nokia's Code of Conduct.

#### OUR PROGRESS IN 2010

**By the end of 2010, 98% of all Nokia indirect employees (mostly office employees) had taken the Code of Conduct training**, mostly using the e-learning platform. In the factories, with mostly direct employees, the classroom training reached 88% completion by year-end. The average time spent per individual on the e-learning program has been 20 minutes and for the class room setting specifically designed for direct employees, the session lasted on average one hour. The training program was also launched at NAVTEQ and Nokia Siemens Networks.

During 2010, the Ethics Office was contacted by more than 750 employees worldwide. Well over 600 queries were triggered by the Code of Conduct training which generated huge interest and many follow-up inquiries. Other questions covered a wide range of topics including business ethics, employment, business conduct, supply chain, privacy and content.



— 3.2 —  
CUSTOMERS



— 3.2.1 —

# CUSTOMER SATISFACTION

Delivering customer satisfaction is not only about meeting needs, but about creating value for our customers and consumers by increasing the sustainability of our devices throughout the product lifecycle. We continuously research the views of both groups to understand where we are succeeding and how we can do better. We are committed to protecting customer privacy.

**TRADE CUSTOMERS**  
Each year an independent market research company helps us to research trade customers' views on Nokia through our Listening to Trade Customer (LTC) survey. A sample of executive and operational contacts from the companies that make up about 80% of Nokia revenues are invited to take part.

Feedback from the survey is used to drive action planning at the local and global levels. At a local level, Nokia account managers discuss the survey findings with their customers and take relevant actions. The consolidated feedback is used to understand where systematic improvements are needed. Customer participants receive a response letter from Nokia's CEO highlighting the survey's overall findings and the key improvement actions taken.

**OPERATORS**  
To support our operator customers' sustainability agenda we focus on working together to develop solutions, such as take-back and recycling campaigns. Sustainability provides a wide array of collaboration opportunities that differentiate Nokia and its operator customers from competitors. Nokia continues to receive inquiries and assessment requests about social and environmental performance from our operator customers. We respond to those requests through our normal customer account management interface.

"Nokia is one of Deutsche Telekom's relevant strategic suppliers for mobile devices. Our strengthened long-term business relation is based on a collaborative partnership that can be verified in different joint activities and projects. Focusing in particular on sustainability issues, Deutsche Telekom recognizes Nokia's industry-leading efforts to make its supply chain more sustainable and also how it embraces innovative technologies."

Luis Neves  
Corporate Communications  
Deutsche Telekom AG

OUR PROGRESS IN 2010

In 2010, more than 650 key customer representatives from 200 customer accounts in 77 countries around the world participated in our Listening to Trade Customer survey. Overall, trade customer satisfaction with Nokia decreased in 2010, while satisfaction with some of our key competitors increased.

According to the survey, the main drivers of the shift were reduced satisfaction with high-end product offerings and with customer marketing. Overall relationship satisfaction remained high.

Trade customers' perceptions of environmental performance in 2010 showed that Nokia continued to be the most highly regarded. There is great disparity between vendors in trade customers' perceptions. On average, almost one-third of people responding were unaware of their vendors' environmental performance.



## — 3.2.2 — CUSTOMER PRIVACY

Protecting customer privacy has always been important to Nokia. It is becoming even more important as we develop new services to take advantage of the convergence of internet and mobile technologies. These services enable consumers to use and share their personal information in new contexts. To remain a trusted brand, Nokia will and must ensure that this custodial information is protected from any threats.

Respect for privacy is part of our commitment to observing high standards of integrity and ethical conduct in all our operations. Our target is that consumers trust Nokia to fulfill their privacy expectations. This should happen through Nokia being open and transparent, and allowing consumers to be in control of their personal information.

[www.nokia.com/privacy](http://www.nokia.com/privacy)

### UNDERSTANDING MORE ABOUT HEALTH EFFECTS

We have a corporate-wide privacy governance model, which ensures that privacy considerations are an integrated part of Nokia's business processes. This includes product and services design, creation, delivery, marketing, sales, branding and incident handling. Consumer data is always protected using necessary security controls.

Privacy and Security reviews are part of defined product development processes with Nokia. Once a product has been available to consumers for an adequate period of time, continuous security tests are conducted throughout the product's life cycle.

These assessments help Nokia and our partners to manage and take care of security-related risks, and to issue recommendations against such risks. The security assessment is an essential part of a functioning relationship between Nokia and our collaborating parties. Security assessments are conducted by Nokia Corporate Security, Nokia IT (IT security-related) or external service providers contracted by Nokia Corporation.

All people, without discrimination, should be able to communicate. Nokia is bringing wireless communications to an estimated 600 million people worldwide who have a recognized disability or need for improved accessibility. Our goal is to offer devices that take these needs into consideration, whether in regards to vision, hearing, speech, mobility or cognition. Many of the features developed to better serve these

## — 3.2.3 — ACCESSIBILITY

specific groups are now finding uses in the general population, especially among older generations.

Technological advances, especially in the smart phones, are making handsets more accessible. We can offer dozens of device features or applications for people with disabilities. Screen magnification, voice dialing, text-to-speech processing and enhanced personalization options are now featured in an increasing number of handset models. Nokia has been working on these features that enhance the accessibility of our devices for over a decade.

In 2009, we introduced new functionalities for accessibility. Nokia Braille Reader, an experimental application, helps visually impaired people read text messages using Braille and tactile feedback. We introduced an improved version of Nokia Magnifier: available for download at the Ovi Store, this is an application that uses the device's camera as a magnifier, helping users read small print. We also offer enhanced voice functions on some device models, allowing users to make and receive calls, read messages and send audio messages in eyes-free, hands-free mode.

### OUR PROGRESS IN 2010

In 2010, we offered new features or applications that provide greater accessibility for people with limitations in hearing, speech, vision, mobility and cognition. This builds on more than 10 years of our work around accessibility concerns. The Nokia Wireless Loopset LPS-5 is a t-coil-equipped hearing aid which enables those with hearing impairments to conveniently use a mobile device.

#### ENGAGING STAKEHOLDERS

We continued our discussions with representatives from disability organizations, regulators, developers and academia on new solutions for accessibility.

#### TESTING NEW FEATURES

We're also continuing to test new features such as High Accuracy Indoor Positioning (HAIP), which uses technology to bring accurate localization and navigation indoors. This helps people find their destination in a complex environment such as a shopping mall. Moreover, real-time texting, a mode of textual conversation, is being tested by hearing-impaired pilot users in a Reach112 project funded by EU.

### — 3.2.4 — PRODUCT SAFETY

Product safety is a top priority for Nokia. All Nokia products operate below the relevant international exposure guidelines and limits set by public health authorities and international expert bodies, such as the International Commission on Non-Ionizing Protection (ICNIRP) and the US Federal Communications Commission (FCC).

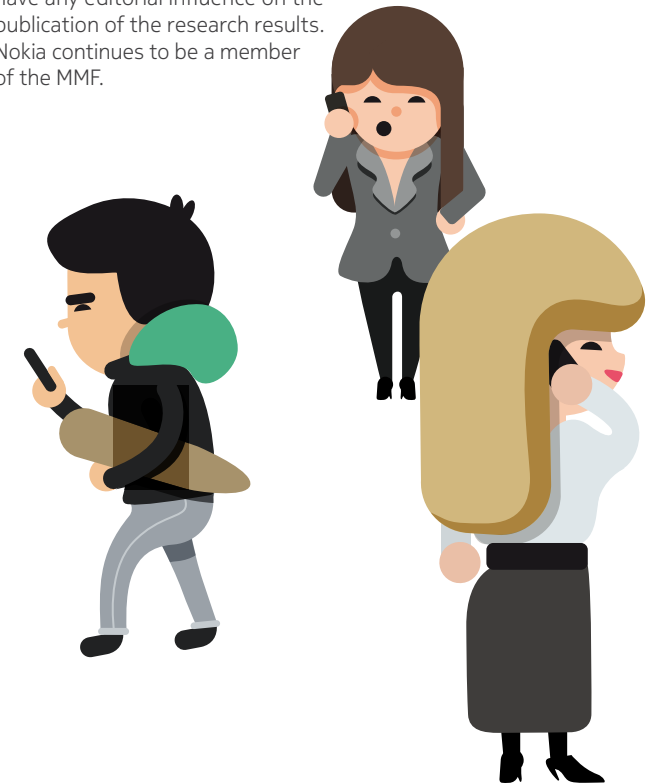
We are committed to transparency and responding to our customers' questions about mobile phone safety. Our website at [www.nokia.com/emf](http://www.nokia.com/emf) contains information and links to other sources. For example, since October 2001, Nokia has voluntarily made Specific Absorption Rate (SAR) information available, helping our consumers to make informed choices. SAR information is included in our product user guides and can also be found at [www.nokia.com/sar](http://www.nokia.com/sar).

We support the World Health Organization (WHO) in its efforts to coordinate global regulations on electromagnetic fields. These are based on the widely recognized guidelines issued by the International Commission on Non-Ionizing Radiation Protection.

From time to time, there are reports in the media of individual research studies which suggest that there may be adverse effects related to mobile phone use. Since 1995, expert panels and government agencies around the world have performed more than 110 reviews of the scientific evidence regarding health effects from Radio Frequency (RF) exposure.

For example, the WHO notes that "A large number of studies have been performed over the last two decades to assess whether mobile phones pose a potential health risk. To date, no adverse health effects have been established for mobile phone use." WHO has identified areas for further research and is to conduct a health risk assessment of Electric and Magnetic Fields (EMF) in 2012. The International Agency for Research on Cancer (IARC), a WHO-specialized agency, is expected to review the carcinogenic potential of mobile phones in 2011.

Nokia has funded research on mobile telephony and health, principally through the Mobile Manufacturers Forum (MMF), an international association of telecommunications equipment manufacturers with an interest in mobile and wireless communications. These programs and projects, listed on the MMF website at [www.mmfai.org](http://www.mmfai.org), are jointly funded with governmental organizations and other industry forums. Importantly, neither the MMF nor its individual member companies have any editorial influence on the publication of the research results. Nokia continues to be a member of the MMF.



### — 3.3 — STAKEHOLDERS



We consider our most important stakeholder groups to be employees, customers, and our shareholders. We also cherish and rely on good relationships with our supply chain and sector partners, governments and other policy makers, NGOs and the wider community.

Our main channels for engaging stakeholders are: public and internal campaigns, small and large group engagement, specific and attitudinal surveys and feedback. Much of our stakeholder engagement takes place as part of normal business practice. We cover specific stakeholder activities that occurred in 2010 in relevant parts of this report.

Listening to employees and external parties and translating their expectations into business value is an important Nokia process. Our 'Engaging You' value defines what we stand for in the world and predisposes our business approach to be transparent and stakeholder-focused. Coupled with our 'Achieving Together' value, which point us towards trusting and collaborative business approaches, our stakeholder relationships help drive progress for us as a business.

In the future, our stakeholders are looking to us to provide more data and metrics to support our sustainability activities, such as in reporting emissions, and increasing the number of recycled devices. We are also expected to anticipate trends and continue to play a leading role in addressing emerging sustainability issues such as biodiversity and the environmental impact of the whole supply chain.

#### ENGAGING ACROSS CHANNELS

We are an active and engaged participant in many industry and sector organizations, not only those specifically concerned with sustainability. This helps us to be better informed on issues and trends and to share our learning with others for the greater good of all. In playing a positive role we regularly contribute to the working groups and committees of the organizations listed below. We also participate in a number of public policy development initiatives across the world in areas that are close to our business, including telecommunications, trade, technology, industry, education and environment.

We constantly strive to activate new channels concerning the ways in which we meet our existing expectations, while at the same time we continue to identify new trends down the road. This window into the future is an important part of our ongoing success as it allows us to understand where systematic improvements can be made.

## — 3.3 — STAKEHOLDERS (CONT.)

We engage with the following key international organizations:

ORGANIZATION	SPECIFIC INTEREST AREA	NOKIA'S ENGAGEMENT
BUSINESS ORGANIZATIONS		
Digital Energy Solutions Campaign (DESC)	Promoting the use of ICT to address climate change and energy security	Member
European Digital Media Association (EDiMA)	Policy advocacy in Europe	Nokia representative is Chairman of the Board
European Roundtable of Industrialists	General advocacy for European industries (48 largest European companies)	Member
International Chamber of Commerce (ICC)	Business sector	Member
RosettaNet	Supply chain trading network	Member
SECTORAL ORGANIZATIONS		
CTIA – The Wireless Association	Wireless industry trade body	Member
CARE Electronics	Environmental R&D for electronic sector	Supporter
Digital Europe	Policy advocacy in Europe	Member and Chair
Global e-Sustainability Initiative (GeSI)	Sustainability in ICT sector	Member and board member
Information Technology Industry Council (ITI)	Policy advocacy in US ICT	Member
Solving the E-Waste Problem (StEP)	Waste issues	Member
Trust in Digital Life Consortium	Setting a vision for trustworthy products	Founding Member

— 3.3 —  
STAKEHOLDERS (CONT.)

ORGANIZATION	SPECIFIC INTEREST AREA	NOKIA'S ENGAGEMENT
SUSTAINABILITY ORGANIZATIONS		
United Nations Educational, Scientific and Cultural Organization (UNESCO)	Sustainable development	Signatory and member of Education for All initiative
United Nations Global Compact	Business sustainability guidelines	Signatory and members of Caring for Climate initiative
World Business Council for Sustainable Development (WBCSD)	Sustainability and business	Widespread cooperation, Nokia Chairman is chair
Worldwide Fund for Nature (WWF)	Climate-focused business environment initiative	Widespread cooperation

## — 3.3 —

### STAKEHOLDERS (CONT.)

#### EDUCATION POLICY

Our Education Policy team communicates with governments and educational institutions to help them shape and modernize education systems and syllabi, to better reflect the needs of global competition and the ICT revolution. The team also communicates with our business units to identify their long-term competence requirements and to help them find partners in the training and education of personnel.

In 2010, Nokia joined the European Coordinating Body in Maths, Science and Technology Education (ECB), a large-scale strategic consortium that aims to reinforce links between science education and science and technology careers in the private sector. The ECB focuses on reinforcing industry and education partnerships, and seeks to increase young Europeans' interest in mathematics, science and technology education and careers. The ECB is a multi-stakeholder consortium of 28 partners in 16 countries, associating Ministries of Education, businesses and universities. It is supported by DG Research under the 7<sup>th</sup> Framework and coordinated by the European Schoolnet program.

#### WORKING WITH UNIVERSITIES

Nokia's collaboration with academic institutions can be broadly split into two types of activities: Nokia Research Center University collaborations and Nokia Donations Program.

Nokia Research Center (NRC) focuses on engaging the world's leading academic institutions in driving global intellectual vision and insight and building global test beds to learn from broader audiences, thereby

multiplying Nokia's own efforts. In 2010 the NRC had 13 strategic partners including Aalto University of Helsinki, University of Tampere and Tampere University of Technology in Finland, University of Cambridge in the United Kingdom, EPFL Lausanne and ETH Zurich in Switzerland, Tsinghua University and Beijing University of Posts and Telecommunications in China, Massachusetts Institute of Technology, University of California Berkeley, University of Southern California and Stanford University in the United States.

The Nokia Donations Program granted a total of 121 donations to university cooperation in 2010: 11 in Africa; 28 in the Americas; 42 in the Asia-Pacific region, including 13 in China and 19 in India; and 40 in Europe, where activities were split between Denmark, Finland, Germany, Russia, Spain, Switzerland and the United Kingdom. Specific programs supported by Nokia included:

- The Open Innovation Africa summit in Kenya, creating a forum where the key stakeholders across the continent came together to kick-start a holistic, multi-party process in developing an African open innovation ecosystem
- Cooperation between University of Nairobi, Helsinki University of Technology and UC Berkeley
- Research into the area of youth and mobile media and the empowering effect of affordable mobile internet access

- Research to improve clean water access in Haiti
- Nokia Technology Days and Mobile Innovation Camps and Contest in China
- Smart environmental applications developed at Imperial College London in the United Kingdom

#### PUBLIC PRIVATE PARTNERSHIP PROGRAM BETWEEN FINNISH GOVERNMENT, INFODEV (WORLD BANK) AND NOKIA

In December 2009, we signed a special partnership program for creating sustainable businesses in the knowledge economy. The program is a first of its kind Public Private Partnership program which brings together the Finnish Government, infoDev and Nokia. infoDev is a research, capacity-building and advisory program under World Bank, which helps developing countries and their international partners to use innovation as well as information and communication technologies effectively as tools for poverty reduction and sustainable economic and social development.

The program aims to strengthen the productive capacity of small and medium enterprises (SMEs) in the agribusiness and ICT sectors in developing countries in Africa, Asia and the transition economies of Eastern Europe, Caucasus and Central Asia. Nokia acts as the technology and knowledge partner, establishing mLabs in the three program regions. The mLabs focus on supporting innovators who develop applications and content with positive socio-economic impact and which expand

the reach of mobile innovations to low-income consumers. The objective is to accelerate the closing of the digital divide, and to ensure that citizens around the world have ubiquitous access to high-quality content and services.

Nokia collaborates with the mLab on the ground by providing in-kind contributions in the form of technical assistance, training material, devices for the testing laboratory and mentoring of mobile entrepreneurs. Nokia is also committed to organizing developer events and competitions in collaboration with the mLabs as well as to purchase services from the incubated entrepreneurs in the form of locally relevant applications, localized content and potential research projects.

A total of five mLabs with regional reach will be established between 2010 and 2012.

Nokia's first two mLabs are currently under construction in South Africa and Kenya and will be inaugurated during the first half of 2011. These are already providing a high-tech space for mobile entrepreneurs to build their skills, test and certify their innovations, gain access to international markets and get connected with potential financiers.

#### EXTERNAL FUNDING

During 2010, Nokia received some funding from governmental organizations (e.g. research and development financing from Tekes, the Finnish Funding Agency for Technology and Innovation).

— 4.0 —

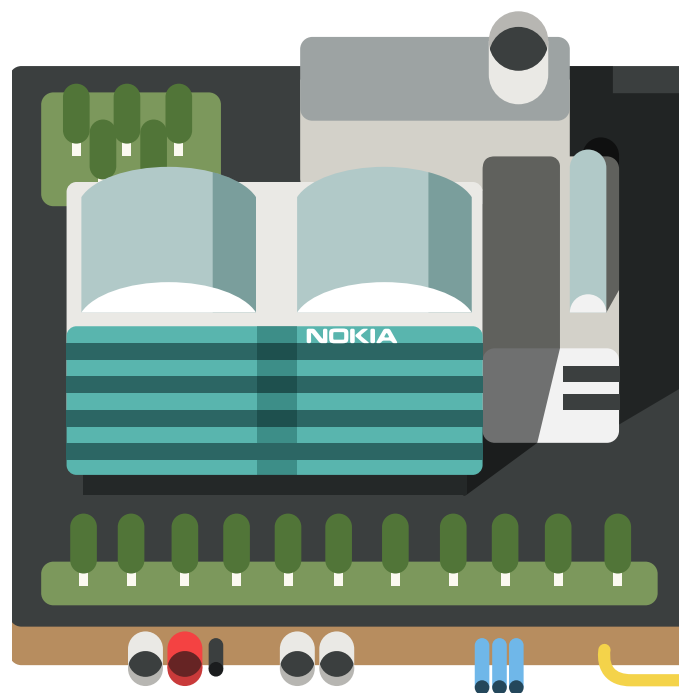
## PROGRESS IN DETAIL: OPERATIONS



## — 4.1 — ENVIRONMENTAL MANAGEMENT

In order to operate responsibly, environmental issues are fully integrated into the way we work. This means we have a standardized approach to managing our environmental impact in our operations around the world, and in the operations of all of our suppliers.

Since the introduction of Nokia's Environment Policy in 1994, we've based our approach to environmental management on global principles and standards. Our targets go way beyond legal requirements. Environmental issues are a key factor in decision making across our business, and we believe they are everyone's responsibility at Nokia.



### — 4.1.1 — ENVIRONMENTAL MANAGEMENT SYSTEMS

Our environmental management system is an integral part of our common global management structure. Nokia has used the international ISO14001 standard as the foundation for our environmental management system for over 15 years. The ISO 14001 identifies the elements needed for a continuously improving the environmental management system, building the backbone of the system together with the Nokia Environmental Policy.

The Nokia ISO 14001 certificate covers all ten of our factories globally. In 2000, the first Nokia production sites were certified against this international standard. When all our factories had achieved their individual certificates, we combined them under a single company-wide certificate. If Nokia devices are assembled at our contract manufacturer's site, they also are obliged to have a certified environmental management system according ISO 14001 at that specific site. Nokia also requires a certified EMS from all of our suppliers.

Our environmental management system consists of:

- Nokia's Environmental Policy
- Clearly identified environmental issues and evaluations of their significance
- Objectives and programs for achieving environmental targets
- Compliance mechanisms for meeting legal and other regulatory requirements
- Audits, assessments, management reviews and other mechanisms for continuous improvement
- Operational management (data and processes) for key indicators such as energy and water use

The Environmental Management System is integrated with the quality management system, and we use the overall management processes to address both issues in our production. We have set global guidance and reporting to follow up these agreed activities.



## — 4.1.1 —

## ENVIRONMENTAL MANAGEMENT SYSTEMS (CONT.)

## MEASURING OUR PERFORMANCE

The goal of the Nokia environmental management system is to improve our environmental performance, focusing on:

- Energy consumption (increase the energy efficiency of our production processes as well as sites)
- Waste management (avoid generating waste, increase waste utilization)
- Water use
- Air emissions (avoid emissions of Volatile Organic Compounds)
- Ozone-depleting substances

## AUDITING OF THE ENVIRONMENTAL MANAGEMENT SYSTEMS

To ensure we continuously improve and maintain our environmental management system we run ISO 14001 audits through external auditing organizations, such as the Det Norske Veritas. Research & Development (R&D) is audited against ISO 9001, and factories are audited against the ISO 9001:2008 and ISO 14001:2004. About 50% of our factories are audited each year.

The following factories were audited during 2010: Masan, Cluj, Vertu, Komarom and Manaus. The global demand-supply network management process is audited every year.

## SETTING TARGETS IN OUR FACTORIES

We are working to reduce our environmental impact by setting global and local targets in our factories. We verify improvements to our processes through internal assessments and external verifications. Any deviations are followed up, corrected and monitored until they are resolved.

Our main environmental focus areas in factories are:

- Increasing the energy efficiency of our production processes and factory premises
- Reducing CO<sub>2</sub> emissions
- Increasing waste utilization
- Improving the material management
- Monitoring the use of water
- Monitoring air emissions (such as Volatile Organic Compounds).

Our factory targets are to:

- Reduce energy consumption per manufactured unit by 5% annually between 2008 and 2012, compared to a 2008 base year
- Reduce waste sent to landfill from our factories by half annually between 2008 and 2012, compared to a 2008 base year

## SUPPLIER REQUIREMENTS

In regards to environmental impact, Nokia requires all our suppliers to have environmental management systems in place. In 2010 91.7% of our direct hardware suppliers' sites serving Nokia were certified to ISO 14001.

[Read more about our progress on supplier requirements.](#)

## CONTINUING TO MANAGE OUR OFFICE SITES

We have combined all Nokia's large office sites under one internally verified environmental management system, which follows the rules of ISO 14001. In offices we concentrate on workplace solutions and building infrastructure.

— 4.2 —

## ENVIRONMENTAL IMPACT

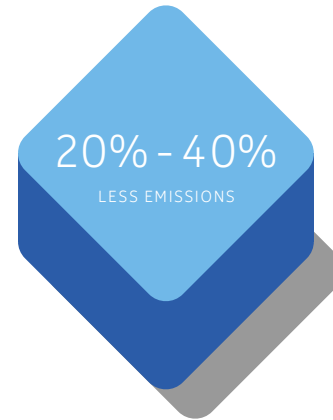
Nokia aims to be a leading company in environmental performance. We continue to find new ways of reducing our own emissions and managing waste across our factories, facilities and offices. By setting ourselves new targets to reach and developing new partnerships both inside and outside our industry, we can minimize our negative impact and drive positive change.

CLIMATE STRATEGY AND ENERGY EFFICIENCY

The way we address the global challenge of climate change through energy efficiency in our products and operations is an integral part of our overall environmental strategy. We created a separate climate strategy (which is part of our environmental strategy) in 2006 and it has been updated twice since then, including in 2010. It includes a range of targets and our performance for certain targets is externally verified. Although Nokia is not part of an energy-intensive industry, our operations do have an impact through energy consumption and resulting emissions. As we aim to connect the next billion, we need to decouple the growth of our business from the many ways we consume energy in our operations. We work to achieve this through energy-saving initiatives across our business, and by purchasing green electricity where we can.

GREEN LOGISTICS

Reducing the negative impact of our logistics is important part of our environmental strategy, although logistics are conducted by a third party. Our approach takes all processes into account, from transportation of components to care logistics for repair, reuse and recycling. The new smaller sales package can reduce transportation-related CO<sub>2</sub> emission levels by 20 - 40% compared to previous types of packaging.



SUPPLY CHAIN

With a complex supply chain that stretches around the world, involving thousands of people, understanding and managing our environmental impact is an ongoing challenge. Supply chain environmental issues are covered in the Suppliers section (4.3.)

REDUCING WASTE

Our goal is to reduce all waste to a minimum, especially waste destined to end up in landfills and to find uses for the waste material instead. Non-hazardous packaging waste from our factories is the biggest percentage of our total waste, and we monitor with detailed reporting the amounts of both hazardous and non-hazardous waste from our factories and offices.

WATER USAGE

Although our own water consumption is small, we continue to monitor our usage throughout our operations. Most of our water use occurs for sanitary and catering purposes, and to a smaller extent in gardening and facilities management, such as cooling towers. Our production processes do not consume water.

PROTECTING BIODIVERSITY

Our natural ecosystem is crucial for all life on Earth, and scarcity of natural resources poses risk for business. At the same time, safeguarding biodiversity gives an opportunity to create new value and contributes to sustainable development. Nokia believes that halting biodiversity loss requires a multi-stakeholder effort, and wants to take an active role in protecting the variety of life.

CASE STUDY

ENVIRONMENTAL MANAGEMENT IN RETAIL STORES

Nokia further updated and continued to apply its sustainability guidelines for Nokia Retail stores in 2010. We made progress on reducing our energy demands from lighting and information and communications technology (ICT) in store by moving to lower energy options. We use timber to some extent in the construction, fit-out and furniture of our retail stores. We are making progress in ensuring that all the timber we use comes from sustainable sources, even though this has proved particularly challenging in emerging markets. We are also examining the end of life issues of our furniture and progressing a deal with reuse partners. Internal audits have been carried out for owned retail stores to ensure operational performance after the design phase.

In 2010, we renewed our retail supplier base partly based on sustainability criteria. Suppliers were also requested to fill in self-assessments, and certain suppliers were visited based on the results. We continue to address sustainability in regular supplier meetings.

— 4.2 —  
ENVIRONMENTAL IMPACT (CONT.)

2010 SNAPSHOT
We reached and exceeded our targets to reduce facility-related CO <sub>2</sub> emissions by 10% in 2009 and 18% in 2010 compared to the 2006 level
We created 8% of new energy savings in technical building maintenance systems between 2007 and 2010, in addition to the savings of 3.5% achieved already from 2003 to 2006
Slower than expected development of renewable energy markets was one of our key challenges
Our CO <sub>2</sub> emissions from air travel have been reduced by 40% from the 2008 base level
Nokia was one of the three of the Carbon Disclosure Project IT sector leaders in both performance and disclosure rankings
We continued our trend of reducing waste sent to landfill
Nokia's own water consumption remained at a low level
Our factory in Chennai, India was announced as the winner of the "Golden Peacock Environment Management Award" for the year 2010. This prestigious award recognizes Environmental Management in India, that demonstrates a balance between economic and sustainable growth
Nokia was the first company to partner with IUCN on the Save our Species initiative

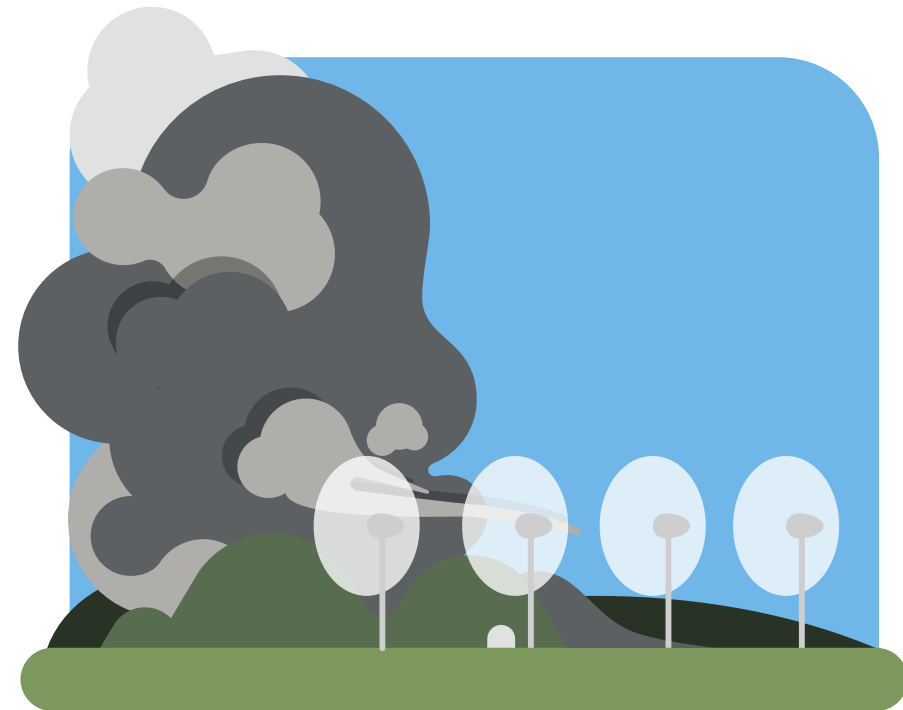
## — 4.2.1 — CLIMATE STRATEGY

We created our first climate strategy in 2006. The strategy looks at the energy consumption and greenhouse gas emissions of our products and operations and sets energy and greenhouse gas emission reduction targets for our most important activities in areas that contribute to our direct and indirect greenhouse gas emissions. The climate strategy targets were reviewed and updated during 2010.

Nokia is not an energy intensive company. Most of the greenhouse gas emissions related to our products comes from component manufacturing by our suppliers or from the actual use of the products. Regardless, we aim to show leadership by reducing our own energy consumption and carbon footprint, raising consumer awareness on measures they can take to reduce their own footprints and driving best practices in our value chain and industry.

Our current focus areas in greenhouse gas emissions reduction are:

- Products
- Manufacturing, facilities and way of working
- Logistics and supply chain
- Helping our customers to reduce their own greenhouse gas emissions



## — 4.2.1 —

## CLIMATE STRATEGY (CONT.)

## OUR CLIMATE TARGETS

## DEVICES AND ACCESSORIES

Our aspirational target is to reduce the greenhouse gas (GHG) emissions caused during the whole device life cycle by over 60% by the year 2020 compared to the level in 2000<sup>3</sup>.

To reach this, we have set ourselves targets for specific areas of the device life cycle:

## PRODUCT USE

- Reduce the average charger's no-load power consumption by 75% by 2012 (2006 baseline)
- Continue to study new technologies which will use renewable energy, such as solar panels and kinetic energy, and develop solutions that enhance the energy efficiency in our products

## MANUFACTURING AND OUR FACILITIES

- Reduce energy used in production by 20% per unit produced by 2012 (2008 baseline)
- Reduce greenhouse gas emissions per person working in Nokia offices and R&D by a minimum of 23% by 2012 (2006 baseline)
- Reduce greenhouse gas emissions in our offices, R&D sites and manufacturing facilities greenhouse gas emissions by a minimum of 30% by 2020 (2006 baseline, assuming no major business volume or headcount changes)
- Continue the development of our Green Data Center strategy that is already implemented in Finland, delivering targeted cooling, environmentally friendly backup power and power-efficient server racks

## LOGISTICS

- Reduce greenhouse gas emissions per sales package produced by 20% by 2012 (2008 baseline)

## SUPPLY CHAIN

- Ensure that all our key suppliers set energy efficiency and greenhouse gas emission reduction targets by 2012

## TRAVEL AND COMMUTING

- Maintain annual air travel-related greenhouse gas emissions, both total and per employee, clearly below 2008 levels by 2012
- Renew the Nokia remote working framework and increase the number of countries where employee public transport options are offered and car lease policies are tied to lower emissions limits

## HELPING CUSTOMERS REDUCE THEIR OWN GREENHOUSE GAS EMISSIONS

Our climate targets address how we can reduce our environmental impact through our operations, but we can also have a net positive impact by offering our customers products and services that enable them to reduce their own emissions. We aim to enable people who use Nokia phones to reduce their greenhouse gas emissions several times more than caused during the life cycle of their devices.

## OUR GOALS ARE:

- Develop solutions that enable mobile phones to replace several other products (convergence)
- Develop mobile services that replace physical products (dematerialization)
- Develop services that reduce the need for unnecessary travel and commuting (such as navigation, virtual meetings and remote work)
- Develop and apply best practices to measure the impact of our enabling effect

See CO<sub>2</sub> emission reduction case studies at the end of this section.

<sup>3</sup> – Our overall target is based on our Life Cycle Assessment (LCA) methodology and actual data (when available). We take into account all the life cycle phases through this methodology: raw materials & components, inbound and outbound logistics, Nokia operations (manufacturing & facilities, business travel & commuting), use phase (the impact of charging and "no-load" time, or when a charger is plugged into the mains without a device attached) and end of life phase which focuses on recycling the device. Because there is currently no standard for LCAs, databases and data accuracy, as well as devices and their functionalities, are likely to develop over the next decade. This will make the direct year on year device comparison challenging as we measure our progress. We will aim to use comparable techniques and compare devices with similar functionalities to address this challenge.

— 4.2.1 —

CLIMATE STRATEGY (CONT.)

LOGISTICS

OUR PROGRESS IN 2010

We reached and exceeded our target of reducing no-load power used by our chargers by 50% from 2006 to 2010.

We created 8% new energy savings in technical building maintenance systems between 2007 and 2010, in addition to the 3.5% savings achieved from 2003 to 2006. Therefore we exceeded our 6% target set for 2012 already in 2010.

We reached and exceeded our targets to reduce facility-related carbon emissions by 10% in 2009 and 18% in 2010 compared to 2006 levels

We have achieved a 40% reduction in CO<sub>2</sub> emissions from air travel in 2010 (2008 base level). Total emissions from air travel were 75,900 tonnes in 2010, which is 2.8% more than in 2009. This is because average flight distance increased in 2010, while the number of flights actually decreased.

Supply chain: During 2010, 71,9% of direct suppliers that have the greatest environmental impact or are strategically the most important had company-level reduction targets for energy, carbon dioxide (equivalent), water and waste in place and monitored.

Packaging: During the past 5 years, we have reduced the size of our packaging throughout our portfolio by 50%. This has saved 240,000 tonnes of paper. The subsequent reduction in transportation loads has also resulted in significant CO<sub>2</sub> and cost savings.

We continue to investigate opportunities to join further voluntary initiatives to promote energy efficiency across the industry. One way we achieve this is by providing solutions and influencing policy makers to realize the role and potential of ICT in reducing economies' overall energy consumption when addressing climate change policies.

Nokia continues to be a member of the UN Global Compact's Caring for Climate initiative.

CASE STUDIES

These case studies illustrate how Nokia products and services can help people to reduce their CO<sub>2</sub> emissions.

**REDUCED TRAVEL & COMMUTING**

**USE YOUR MOBILE TO AVOID UNNECESSARY BUSINESS TRAVEL**

If only 10% of the over 1 billion people using Nokia devices would use their mobile device for attending a meeting instead of travelling there by plane even once a year, we would avoid around 88 million tonnes of CO<sub>2</sub> emissions.

This roughly equals to the average fossil fuel-based emissions of 20 million people in one year.

**USE MOBILE DEVICES TO WORK REMOTELY**

Let's assume that just 10% of people using Nokia devices would use their mobile device to work remotely once a week instead of driving to work.

This could reduce global CO<sub>2</sub> emissions by some 62 million tonnes a year.

This is more than the annual fossil fuel based emissions of countries like Portugal, Colombia or Nigeria.

**CONVERGED DEVICES**

If only 10% of the over 1 billion people using Nokia devices would use their mobile device instead of buying a separate music player, camera, video camera, PC, fixed-line telephone and a car navigator, we would avoid around 73 million tonnes of CO<sub>2</sub> emissions during a year.


That's equal to the emissions of flying 15 million people around the world once.

**HAVE IT ALL IN ONE DEVICE**

A recent study shows that many people have already replaced their separate devices with a smartphone:

- 17% have replaced their car navigator
- 12% have replaced their music player
- 7% have replaced their camera
- 6% have replaced their video camera
- 3% have replaced their game console

This means that the 1,454 people who participated in the study have saved over 43,000 kg of CO<sub>2</sub>e.



— 4.2.1 —  
CLIMATE STRATEGY (CONT.)

CASE STUDIES

**INTERNET BROWSING AND VIDEO CALLS**

Browse the internet using your mobile device

With the same amount of energy used for one Facebook status update with a desktop computer, you can post over 100 updates with your mobile.

If 10% of the over 1 billion people using Nokia devices used their mobile instead of their desktop computer for internet surfing half an hour a day, we could avoid over 1.9 million tonnes of CO<sub>2</sub> emissions per year.

This equals the annual greenhouse gas emissions of around 574,000 cars.

**USE MOBILE DEVICE FOR VIDEO CALLS**

With the same amount of energy used for a ten minutes webcam talk with a desktop computer and large LCD screen, you can have a mobile video call for over 18 hours.

And with a mobile, you can have your video call wherever you want.

**CAR NAVIGATION – USE NAVIGATION ON YOUR MOBILE**

Several studies show that using car navigation services can result in 5% to 15% fuel savings. NAVTEQ Navigation Benefits Study (2009) shows that with regular use people actually drive shorter distances and spend less time on driving:

- Fuel efficiency increased by 12% and saved about 375 liters of fuel that equals close to one tonne of CO<sub>2</sub> emissions per year
- People also drove nearly 2,500 km less, which would save 1.19 million tires in Germany alone

If 10% of the over 1 billion people using Nokia devices would save 5% of their driving-related CO<sub>2</sub> emissions with the help of car navigation we could avoid over 22 million tonnes of CO<sub>2</sub> emissions per year. This equals the annual CO<sub>2</sub> emissions of around 6.5 million cars.

What's more, you don't need a separate navigation device, just a Nokia smartphone that has Ovi Maps Navigation for free.



— 4.2.2 —  
ENERGY EFFICIENCY

Although Nokia is not part of an energy-intensive industry, our operations do have an impact through energy consumption and resulting emissions. As we aim to connect the next billion, we need to decouple the growth of our business from the many ways we consume energy in our operations.

ENERGY EFFICIENCY INITIATIVES

Thanks to our energy-saving initiatives around the world, we continue to reduce the energy we consume. We measure energy consumption across our factories, offices and R&D sites.

In 2010, we had more than 550 facilities around the world, including 10 production sites and around 40 Nokia and Vertu retail stores. As around a hundred of these buildings cause 90% of the total environmental impacts, this is where we focus on improving our performance.

Our approach to greener buildings involves a combination of standards, local energy efficiency initiatives and new ways of thinking about how we can use space effectively.

In 2010, Nokia facilities (including NAVTEQ) consumed 75 GWh of direct and 597 GWh of indirect energy. This energy consumption caused 14,000 tonnes of direct and 226,000 tonnes of indirect greenhouse gas (CO<sub>2</sub>e) emissions. Direct energy means our use of gas and oil while indirect energy refers to our use of electricity, district heating and district cooling. Without our purchase of certified green energy the above-mentioned indirect emissions would have been greater by 60,000 tonnes.

Nokia's CO<sub>2</sub> calculation methodology for its own operations was verified in 2008 and since then a third party has provided assurance for these annual emission figures and results.

OUR FACILITIES

We make continuous efforts to save energy within our facilities' technical systems. Going forward, we will set our next targets as Key Performance Indicators (KPIs) for different facility functions, i.e. for factories, offices and data centers replacing our single combined target. In offices, the main indicator of efficiency is energy consumption and related emissions per person; in factories it is the emissions per unit produced; and in data centers we measure power usage effectiveness (PUE), specifically how much of the power is actually used by the computing equipment in contrast to cooling and other maintenance energy.

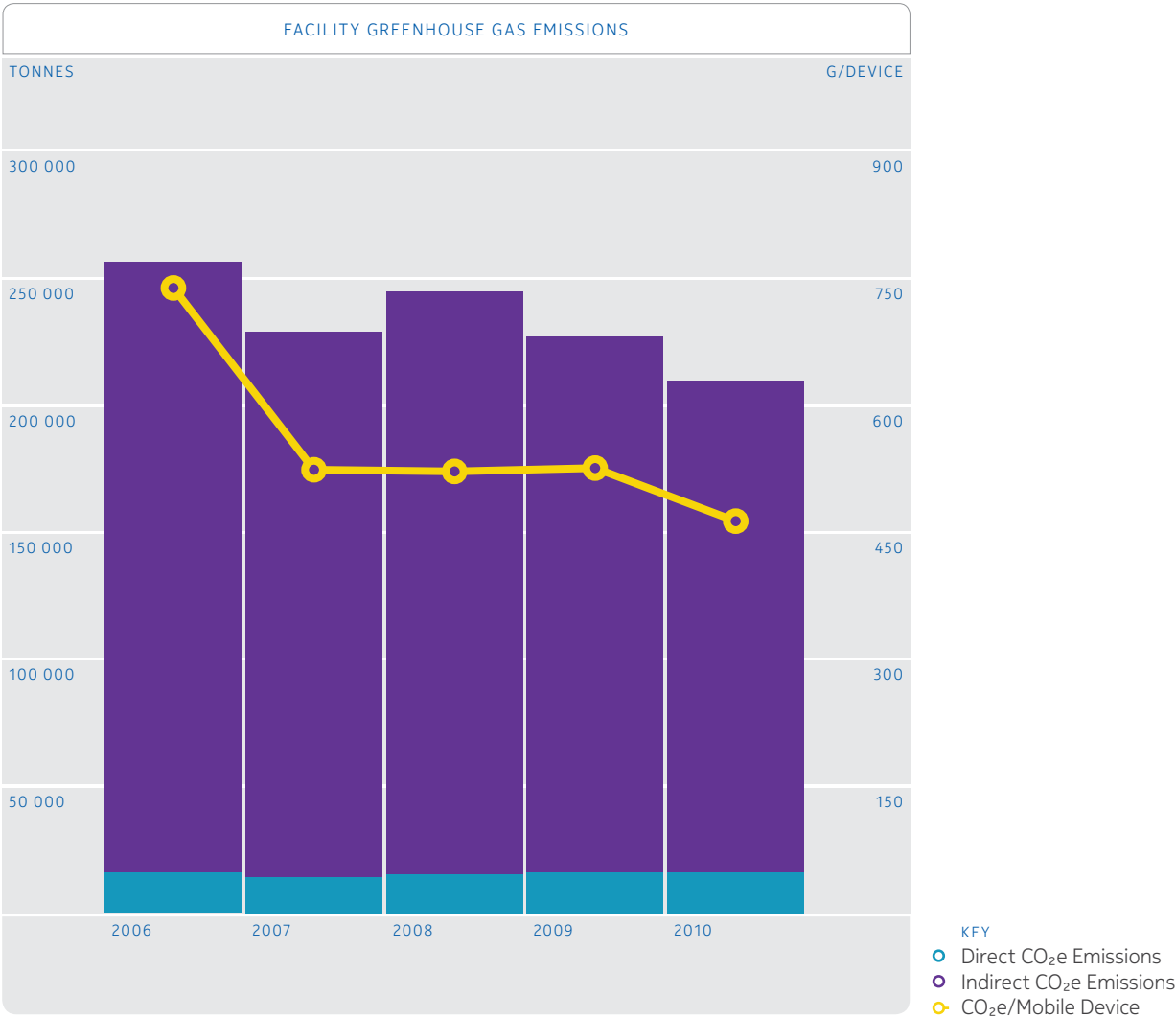
OUR PROGRESS IN 2010

Our new facility energy savings in 2010 were around 8,500 MWh, which brings our 2007-2010 cumulative savings to more than 49,000 MWh. The 6% target we set ourselves to be reached by 2012 was 35,400 MWh, so we are happy we were able to reach and exceed this target already in 2010.

In 2010, Nokia (including NAVTEQ) was able to reduce facilities' CO<sub>2</sub> emissions by 19%, compared with the 2006 level. This reduction was achieved through the above-mentioned energy efficiency measures, renewable energy purchases, and by supporting Gold Standard certified renewable energy project in China.



— 4.2.2 —  
ENERGY EFFICIENCY (CONT.)



Our facility related CO<sub>2</sub> emissions were 208,000 tonnes in 2010. Without our purchase of certified green energy emissions would have been greater by 60,000 tonnes. In addition, in 2010, we offset 32,500 tonnes of carbon by supporting Gold Standard-certified renewable energy projects in China. Facility greenhouse gas emissions (CO<sub>2</sub>e) include also minor HFC-refrigerant emissions. CO<sub>2</sub>e/device follows the same declining trend.

— 4.2.2 —

ENERGY EFFICIENCY (CONT.)

OUR OFFICES

In 2007, we created a global property strategy which integrates Leadership in Energy and Environmental Design (LEED) certification. LEED is an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance.

We aim to include LEED Gold certification in the specification of our key real estate projects for both new constructions and major renovations. This helps us to avoid emissions by having energy-efficient solutions in place from the beginning of the life cycle. For smaller leased sites our options are more limited, but we are able to apply green lease contracts and select buildings which perform better than average.

By implementing mobile office concepts smartly, we can also use space more effectively, serving more employees with the same amount of energy. For us, running a mobile office means a flexible way of working, that reflects the needs of different employees. We can provide a variety of spaces for collaboration, formal and informal meetings, calls and personal concentration, while at the same time having fewer fixed personal desks.

We develop energy savings initiatives across our office and R&D buildings. To give some examples of 2010 progress, we replaced fluorescent lamps with LED-lights in our buildings in Denmark, Singapore and Beijing. In Finland, we installed motion detection systems to replace manual lighting controls in several occasionally used spaces, like dressing rooms and garbage areas.

OUR PROGRESS IN 2010

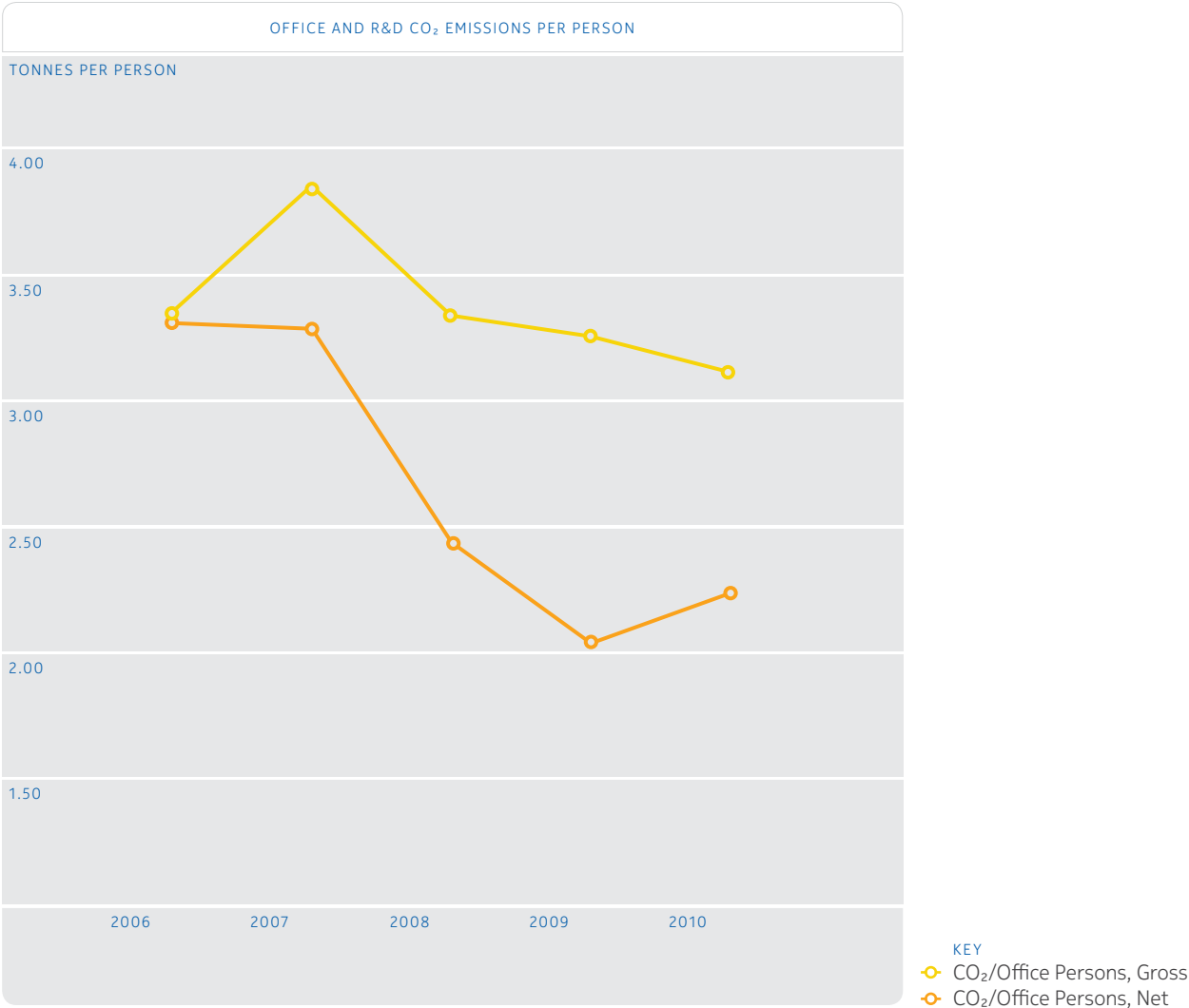
We reduced energy consumption in offices and R&D premises by 6.5% in kWh/person, while the amount of kWh/m<sup>2</sup> increased by 1.8%, compared to the previous year. For 2011 we have set ourselves a target to reduce emissions by 15% per person in office and R&D buildings, compared to 2006.

We created 3-year emissions reduction roadmaps for our office and R&D premises. Our intent was to find carbon and cost-effective combinations of actions for our different sites, concentrating on the carbon arising from energy consumption. On existing sites owned or having long lease contracts, we will continue our energy efficiency investments and search for on-site renewable energy options.

We achieved a LEED Gold certification for our office refurbishments projects in Paris, France and Southwood, United Kingdom. In addition to the completed projects, during the year we started five projects in the Americas, Europe and India. Altogether 10% of our space was LEED Gold certified at the end of 2010.

As of 2011, we will broaden our green buildings scope so that when leasing premises or performing smaller renovation works, we will also prioritize and adopt other green building certifications than LEED. These could include e.g. the Building Research Establishment Environmental Assessment Method (BREEAM) or the DGNB of the German Sustainable Building Council.

— 4.2.2 —  
ENERGY EFFICIENCY (CONT.)



In our office and R&D buildings we drive energy and emission improvements by setting targets per persons, which supports also effective space usage. Gross emissions do not take into account CO<sub>2</sub> reduction caused by green energy purchases or offsetting, while net emissions do. Our target for gross emissions is 15% reduction in 2011, compared to 2006.

— 4.2.2 —

ENERGY EFFICIENCY (CONT.)

OFFICE HARDWARE

We take the energy efficiency of IT hardware equipment into account during procurement. All laptops, desktop computers, workstations and monitors purchased by Nokia must have Energy Star or Electronic Product Environmental Assessment Tool (EPEAT) Gold or Silver rating.

OUR DATACENTERS

As we deliver more applications and services to our consumers around the world, we are increasing our Internet presence and thus need to expand our data infrastructure. We recognize that this expansion represents an increasing share of our total energy consumption across Nokia, but we are focused on being as efficient as possible. It will be an ongoing challenge to balance our business performance with the resulting carbon impact.

Nokia will continue to make strategic datacenter investments to support new business and markets as responsibly as we can. We believe that the concept of ‘Datacenter Sustainability’ should be a real business goal and we will use this principle to drive our datacenter portfolio forward while actively managing our carbon impact. We also strive to bring all of the data center stakeholders together to root out energy waste in the facilities, the technical infrastructure and the applications.

Our approach to reducing the carbon impact of our global datacenter operations focuses on active consumption measurement, challenging our third-party facility suppliers to be best in class for energy consumption and management, and optimizing the design of our own facilities to demonstrate leadership in energy efficiency.

We will continue to work on optimizing our Internet infrastructure to deliver reduced energy consumption while maintaining our service levels. We continue to challenge our facility suppliers to deliver the most energy-efficient components with minimal embedded carbon. We expect our suppliers to be as passionate about carbon reduction as we are and we consider their impact just as important as our own impact.

With this focus in mind, we intend to make tactical investments in our own facilities to improve our ability to measure energy consumption, as well as to upgrade the key facility components to deliver better energy efficiency.

OUR FACTORIES

We have set energy reduction targets for our factories since 2008. The project is part of a holistic approach to optimize not only energy consumption, but also maintenance costs and risks. Through our Manufacturing Improvement Project we drive energy efficiency progress across all of our factories.

OUR PROGRESS IN 2010

Due to better energy efficiency of PCs and monitors, we estimate that we reduced energy consumption by 564,000 kWh (7%) during 2009-2010, resulting in energy cost savings and a reduction of 110 tonnes (3%) in CO<sub>2</sub> emissions.

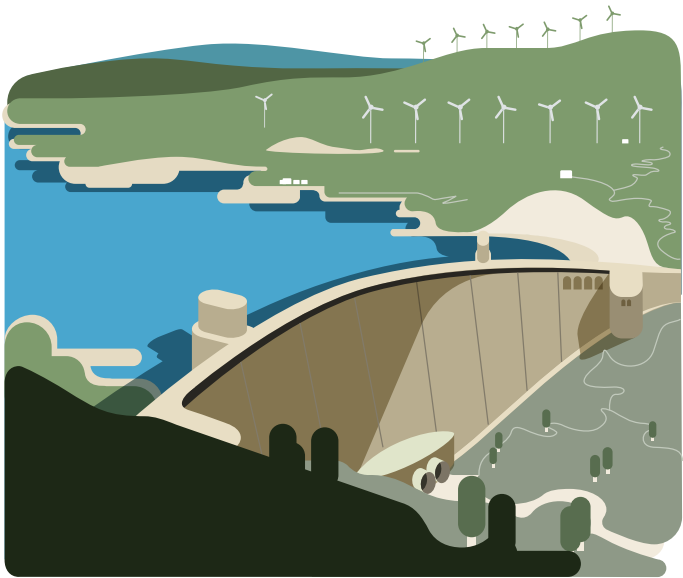
Our target is to reduce the energy consumption in our factories by 5% per manufactured unit annually by the end of 2012. In 2009 we were ahead of the target. In 2010 we continued working on this target. Due to a major process change in our factories last year which affects the target calculation method, we can't yet compare our 2010 consumption directly with previous years. We're working to clarify the situation to keep our internal target setting meaningful.

In 2010 we continued our Manufacturing Improvement Project, which started in 2007-2008 with energy audits of our factories and continued in 2009 in our Komarom, Chennai, Dongguan and Beijing factories. Last year we expanded the project to cover eight factories, covering all regions: APAC-China, Europe and the Americas. By making energy efficient investments (e.g. in lighting) and by optimizing building management systems (e.g. to take advantage of favorable weather conditions), altogether these factories saved around 4,600 MWh of energy, reducing CO<sub>2</sub> emissions by 540 tonnes.

Our energy savings in 2010 were less than in 2009, when we achieved a great result of 23,800 MWh in savings. These positive energy saving results in 2009 were used as the new baseline for measuring our energy performance in 2010, which made the target of finding additional savings with reasonable payback times quite challenging. To ensure we continue our energy saving performance in the years to come, and to identify additional, detailed energy management possibilities, during 2010 we decided to start using a new computer managed maintenance system (CMMS) tool in the first factories before summer 2011. To complement the CMMS, we are also undertaking pilots on detailed energy metering in early 2011. Once these tools are fully implemented, we expect to see higher energy savings levels again.

— 4.2.3 —  
GREEN ENERGY PURCHASING

We have been increasing our green electricity purchasing since 2006, and in 2010 the share was 196 GWh, which is equal to 36%. We focus on deploying these purchases in Nokia operating countries where using renewable energy can make the biggest impact on carbon savings. This impact depends on how carbon-intensive the local power generation industry is and, to a large extent, where green energy is available. NAVTEQ premises have so far not been included in our green energy purchasing strategy.



OUR PROGRESS IN 2010

**GREEN ELECTRICITY PURCHASING**  
Slower than expected development of renewable energy markets was one of our key challenges this year. In our first climate strategy published in 2006, our original target was to increase green electricity purchases from 25% of our total electricity consumption in 2007 to 50% in 2010. In our 2008 strategy update we integrated this target into a broader goal to reduce our carbon emissions by 18%. We achieved this emissions reduction target through energy efficiency measures and renewable electricity purchases as much as possible. We also supported the target with a Gold Standard certified renewable energy project in China (below). In 2010 the share of renewable energy was 196 GWh, equivalent to 36% of our total electricity consumption.

In 2010, we were buying renewable electricity certificates for 100% of our consumption in the United States (Green-e wind), Canada (EcoLogo certified biomass), Finland and Denmark (RES-E Guarantee of Origin hydro power), France (RECS) and in big office and R&D sites in Germany (hydro power). From April 2010 onwards, we purchased electricity produced with mixed renewables for our factory in Hungary and covered a quarter of our Australia office consumption by Green Power. NAVTEQ premises have so far not been included in our green energy purchase strategy. Altogether, the purchased 196,100 MWh of renewable energy certificates reduced our CO<sub>2</sub> emissions by 60,100 tonnes.

— 4.2.3 —  
GREEN ENERGY PURCHASING (CONT.)



## — 4.2.4 — GREEN LOGISTICS

We define logistics to include transport from component manufacturers to Nokia sites (inbound), transportation of finished products from the Nokia manufacturing sites to the customers (outbound), and care logistics for repair, reuse and recycling. Logistics is estimated at 11% of the total energy consumption of one of our mobile devices during its life cycle. As logistics operations are conducted by third-party operators, the emissions from logistics belong to GHG scope 3 (indirect impact for Nokia).

Our approach to green logistics has two parts: measuring and minimizing. Managing emissions from logistics depends on our ability to track emissions across the entire logistics network, taking into account other initiatives in our sustainability strategy which may have an influence. Nokia developed a method for calculating our emissions in 2008 that aligns with the GHG Protocol and has been externally validated in 2009 and 2010.

### MINIMIZING EMISSIONS

Over the past few years, we have made a significant effort to estimate emissions from transportation by gathering raw data from our logistics service providers. This process is challenging, due to the lack of standardization for measuring carbon footprints in the logistics industry. The interconnected, extensive reach of the logistics network also complicates efforts by individual service providers to measure their own emissions.

Based on the data collected, the estimated CO<sub>2</sub> emissions were 3.06 kg of CO<sub>2</sub> per sales unit in 2009. We are now working with our logistics service providers to refine our data collection process and internally integrate emissions into existing logistics processes. This represents a significant step towards more reliable data and full traceability of figures. Our new approach will fully align with the anticipated GHG protocol for scope 3 emissions.

The year 2010 has thus been a transition period during which we have moved onto a second development phase of CO<sub>2</sub> calculation and data gathering from logistics service providers system wise, which means that the basis for our calculations will change. Therefore, before the transformation is complete, we cannot calculate the CO<sub>2</sub> emissions for 2010 logistics. However, despite all packaging efficiency

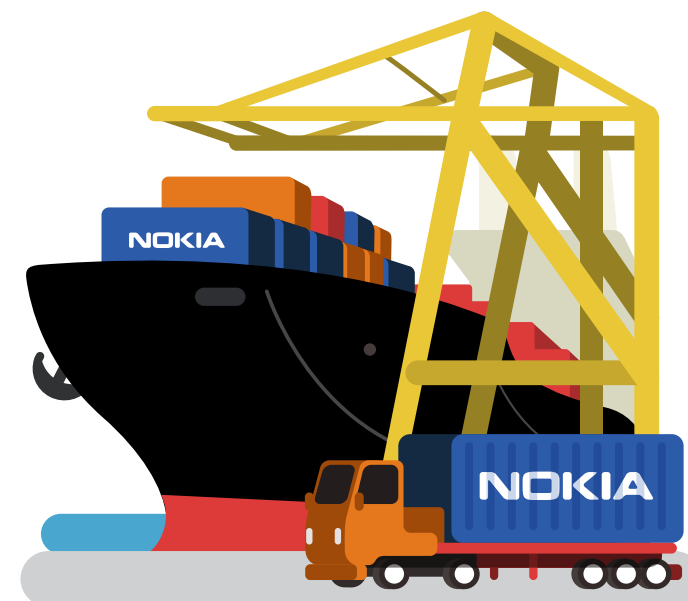
development activities undertaken in 2010, we estimate that due to increasing use of long distance air transportation in customer shipments the figure for 2010 would be slightly higher than the figure for 2009. Based on our estimation it would be about 3.5 kg of CO<sub>2</sub> per sales unit.

We are also working on ways to streamline logistics and reduce our impact through packaging efficiency, in-transport packaging efficiency, alternative transportation modes and engagement with consumers.

We aim to use ocean transport instead of air wherever possible, taking into account the need to protect quality and ensure availability. We have achieved an estimated 80% reduction in CO<sub>2</sub> emissions when shifting transportation from air to ocean. The share of ocean transportation out of total component transportation was about 11% in 2010.

### CREATING A SMALLER SALES PACKAGE

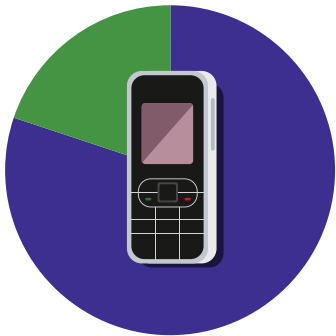
Our new compact package can reduce CO<sub>2</sub> emissions from transportation by 20- 40% compared to our previous package.



— 4.2.4 —  
GREEN LOGISTICS (CONT.)

INCREASING TRANSPORTATION  
PACKAGING EFFICIENCY

During 2010, we have been undertaking an extensive project to increase efficiency at Nokia factories. Optimizing the size of our deliveries through consolidation helps reduce our impact, translating into a smaller carbon footprint for the transportation of each sales package. Since the end of 2009, these transportation efficiencies have enabled us to achieve 12% reduction in emissions from transportation and packaging.



MEASURING OUR IMPACT

Our internal target for reducing emissions from logistics is to achieve a 20% reduction per sales unit by 2012 (2008 baseline). Our operator customers have their own emission reduction targets for carbon and other GHG emissions. Our objective is to support them in their sustainability agenda as much as possible, by taking actions at Nokia end and by working together with the customer to generate new ideas.





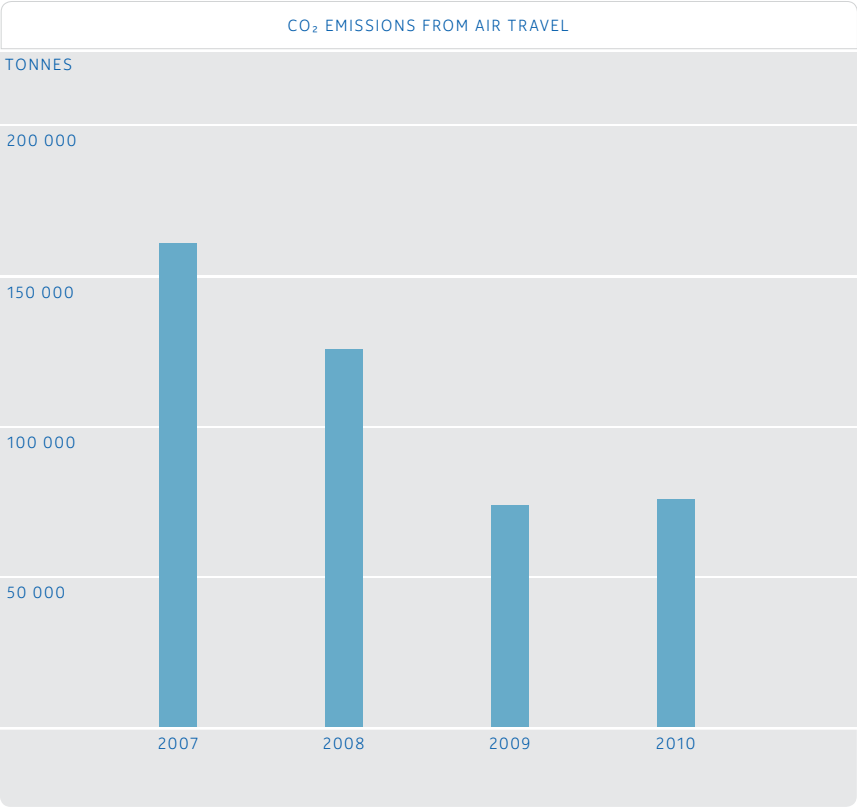
— 4.2.5 —  
TRAVEL, COMMUTING AND CAR FLEET

AIR TRAVEL

Since 2008, Nokia has taken a stricter approach to business travelling. Travel reduction efforts in 2008-2009 included a new travel policy, travel awareness campaigns and improved availability of videoconferencing facilities globally. In 2010, these activities were followed by direct travel consultancy to Nokia business units on better ways of working, with the aim of reducing both costs and emissions.

As a result, Nokia's CO<sub>2</sub> emissions from air travel have been reduced by 40% from 2008 base level. CO<sub>2</sub> emissions from air travel were 75,893 tonnes in 2010, which is 2.8% more than in 2009. In 2010, the number of flights actually decreased, but average flight distance increased which resulted in increased emissions. The emissions figure covers 95% of Nokia's (excluding NAVTEQ) air travel and has been calculated with a conservative interpretation of GHG Protocol emission factors. Based on travel data collected by NAVTEQ, it would account for approximately 9% of Nokia's travel globally.

We also continued a voluntary carbon offset scheme for Nokia business flights. After a trip, the traveler can pay to offset the associated CO<sub>2</sub> emissions and Nokia will reimburse the cost. The payments will help to fund a balanced portfolio of projects around the world that focus on renewable energy and energy efficiency. Nokia prefers organizations which are able to provide Gold Standard-certified offsets.



KEY  
● CO<sub>2</sub> Emissions

Nokia's CO<sub>2</sub> emissions from air travel have been reduced by 40% from 2008 base level. CO<sub>2</sub> emissions from air travel were 75,893 tons in 2010, which is 2.8% more than in 2009. In 2010 the number of flights actually decreased, but average flight distance increased which resulted in increased emissions. The emissions figure covers 95% of Nokia's (excluding NAVTEQ) air travel and has been calculated with a conservative interpretation of GHG Protocol emission factors.

## — 4.2.5 — TRAVEL, COMMUTING AND CAR FLEET (CONT.)

### LEASING CARS AND EMPLOYEE COMMUTING AT NOKIA FINLAND

Nokia Finland introduced a new environmentally friendly car leasing policy in January 2008. The policy promotes cars with emissions less than 180g/km. Before the new policy, 55% of Nokia Finland's cars met the emissions criteria and average emissions per vehicle were 179 g/km. By the end of 2010, 98% of Nokia Finland's leased cars had emissions less than 180 g/km and average emissions for the entire car fleet were 153 g/km. Average CO<sub>2</sub> emissions for cars leased in 2010 were 142 g/km.

Nokia Finland supports public transportation for employee commuting. Approximately 1,000 employees were using the benefit during 2010.

In 2010, Nokia conducted an employee commuting survey in order to calculate the corresponding CO<sub>2</sub> emissions. The following information was required: country, how many days one works at the office/home, commuting distance, time and means of transport. 3,455 employees participated in the survey from 58 countries. The emissions were then extrapolated to correspond with all Nokia's employees and, as a result, the emissions of Nokia's employee commuting were 74,600 tonnes of CO<sub>2</sub>.

### MANAGING NAVTEQ'S CAR FLEET IMPACT

To ensure the accuracy of its map database, NAVTEQ has more than 1,100 geographic analysts strategically located around the world. NAVTEQ's car fleet is used by these geographic analysts who actually drive the roads, collecting, verifying and updating information in the NAVTEQ map database.

NAVTEQ's CO<sub>2</sub> emissions from map building driving activities were 4,100 tonnes in 2010, an increase of 33% compared to 2009. The difference was largely due to a rise in driving activity to increase map coverage in Latin America, Eastern Europe, Africa and Asia. Calculation of the emissions from cars is based on the distance driven and vehicle-specific conversion factors. Where exact car models were not available, an average of vehicle fleet emissions has been used.

Since the onset of its tracking activities in 2002, NAVTEQ has taken the voluntary step of increasing the use of fuel-efficient electric hybrid cars (in North America) as well as directly offsetting its driving-related carbon emissions by contributing to the conservation of rainforest and biodiversity in Madagascar and reforestation in China's Yunnan province, carried out by Conservation International.



— 4.2.6 —  
REDUCING WASTE

Non-hazardous packaging waste from our factories and offices is the biggest percentage of our total waste, and we monitor with detailed reporting the amounts of both hazardous and non-hazardous waste from our factories. Our goal is to reduce all waste to a minimum and find alternative ways to reuse it, especially waste destined for landfills. This goal extends to waste produced in Nokia workplaces, including offices, factories and R&D facilities.

We have set a target to reduce waste sent to landfill from our factories by half annually, starting from 2008. This will lead us close to 100% waste utilization by the end of 2012. Most of the waste sent to landfill is from the support functions, such as canteens, in countries where there is no infrastructure for biowaste handling or energy recovery for mixed municipal waste.

Our factories segregate waste across over 20 categories. Three-quarters of factory waste comes from cardboard, plastics and wood from packaging. The majority of the remaining 25% comes from paper, biowaste and electronic waste. Less than 1% of the total mass is hazardous waste, which includes solvent waste and cleaning rags contaminated with chemicals, batteries and maintenance-related waste, like oil and fluorescent lamps.

There were no significant spills from Nokia facilities in 2010.

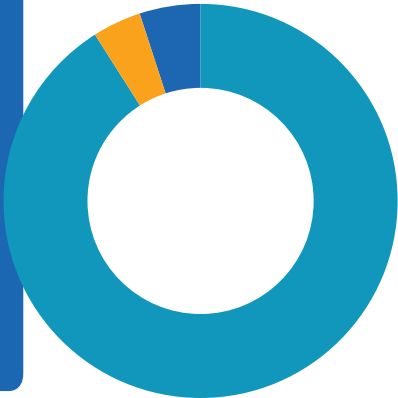
OUR PROGRESS IN 2010

In 2010, we managed to continue our decreasing trend of waste ending to landfill. Nokia (including NAVTEQ) caused 59,800 tonnes of waste in 2010. Out of this, 90% was reused or recycled, energy was recovered from 4%, and only 6% went for final disposal, i.e. either for landfill or was incinerated without energy recovery.

Six out of ten factories have already reached 100% waste utilization rate or are within 1% of reaching the target. The key challenges to reaching our targets are a lack of effective local waste management infrastructure and functioning segregation of the different kinds of waste.

Waste in 2010

- 90% Reused or recycled
- 4% Energy recovered from
- 6% Final disposal



— 4.2.6 —

REDUCING WASTE (CONT.)

OUR PROGRESS IN 2010

**FACTORY HIGHLIGHTS**

Our Masan factory in Korea became the first factory to achieve our 100% waste utilization target. This was achieved by improving waste segregation methods through better infrastructure and raising awareness during 2010.

In our factories in Beijing and the United Kingdom, we optimized the waste management process by working collaboratively. Our Beijing factory is located in an industrial park alongside several of our suppliers. This gave us the ability to streamline the use of packaging materials used in transportation between suppliers and our production. We reused more than 3,000 tonnes of plastic trays (used for component transports), instead of recycling trays after only one usage.

In our factory in Chennai, India, we ran a “Love food, Hate waste” campaign during the second half of 2010 to raise awareness. Through this campaign we achieved a 15% reduction in food waste.

At our factories in Reynosa, Mexico and Komarom, Hungary we concentrated on reducing communal, or mixed waste by eliminating disposable dishes at canteens and separating the collection of plastic drinking bottles, cans and certain biowaste fractions.

**RAISING AWARENESS IN OUR OFFICES**

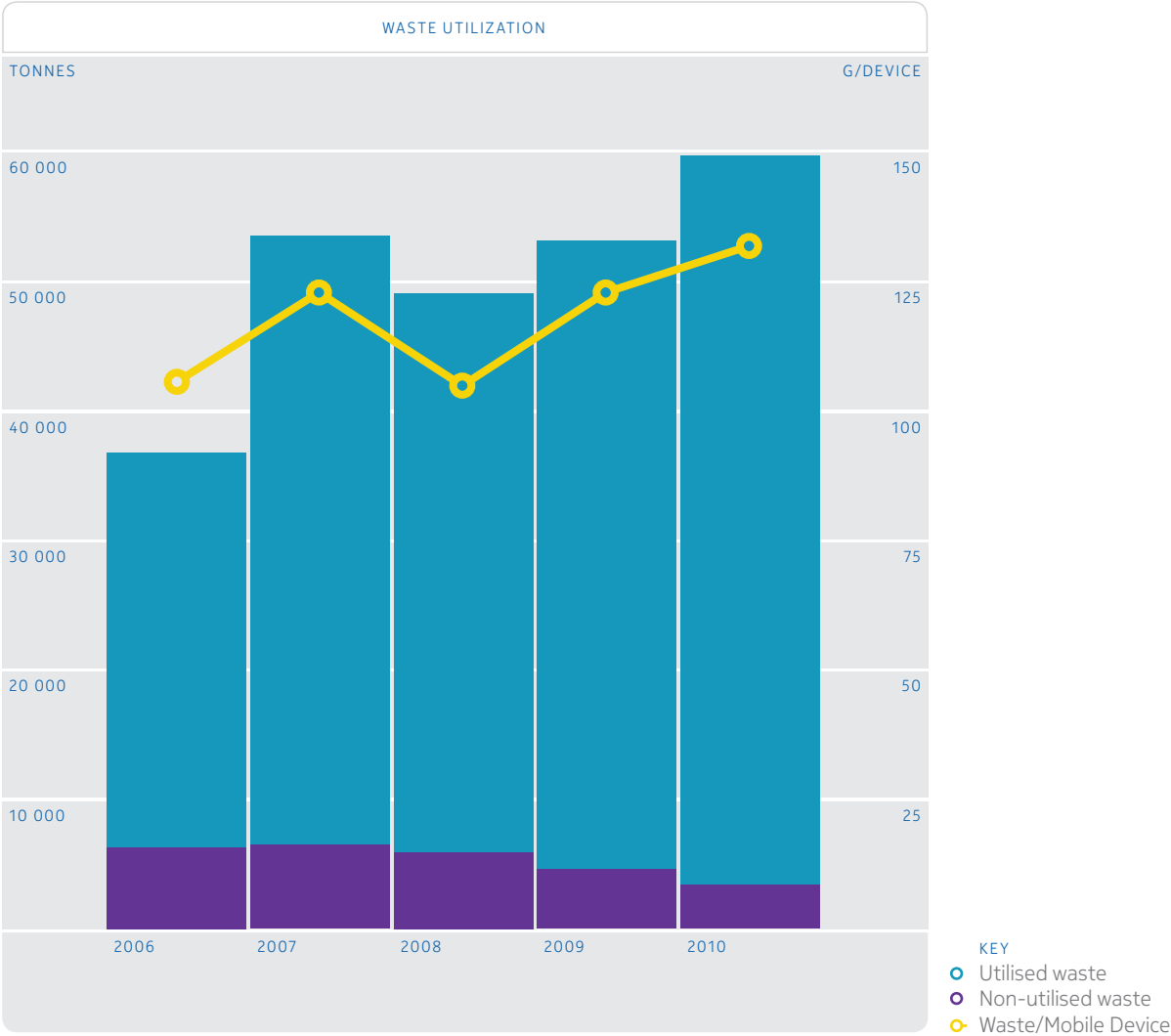
We believe each and every one of us has an important role to play in helping to close the loop on workplace waste. In 2010, we launched a campaign, “Let’s Talk Rubbish”, across Nokia to promote recycling, and encourage the correct sorting of waste at the offices.

The campaign covered dozens of our offices and R&D sites around the world. We used the campaign to promote sorting in canteens, break rooms and individual desks, and showed steps everyone could take to be more efficient. In Finland, we asked our employees to bring obsolete e-waste from their homes, garages and attics into the office for recycling during specific campaign days. Involving our employees in the campaign has also been successful in our U.S. main offices over the past few years during “America Recycles Day” in November, and that tradition continued in 2010.

**VOLATILE ORGANIC COMPOUNDS (VOCs)**  
Nokia releases some Volatile Organic Compounds (VOCs) during our assembly process. VOC emissions arise from use of solvents in the soldering and cleaning processes. The increase of the VOC emissions between 2008 and 2009 was due to more accurate reporting and changes in production process. Between 2009 and 2010 the emission level stayed flat.

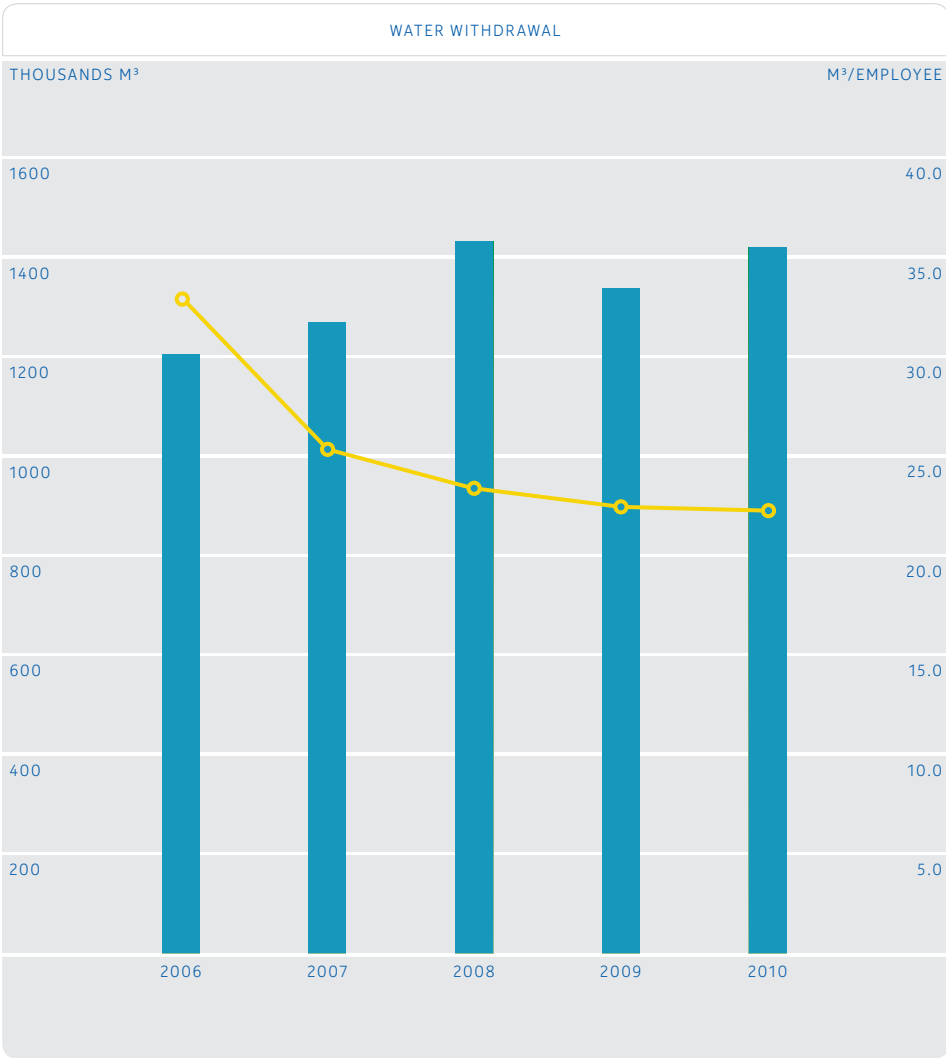
**OZONE-DEPLETING SUBSTANCES (ODS)**  
Ozone depleting substances are not used in our products or production. Nokia facilities use some HCFC and HFC types of refrigerants in cooling and air conditioning systems only. These systems are sealed and care is taken to prevent leaks during operations and maintenance, but some trace amounts are evaporating from all the systems and the amount of annual emissions vary due to changing refill needs. Legislation around refrigerants is followed and as with other companies, we would like to see market development of refrigerants friendly for both the ozone layer and climate.

— 4.2.6 —  
REDUCING WASTE (CONT.)



In 2010, only 6% of Nokia waste ended to landfill or incineration, meaning that we managed to continue our increasing trend of waste utilization. Our total waste amount on the other hand increased by 12% between 2009 and 2010, which is more than the production volumes increased. Incoming packaging waste from our factories is the biggest percentage of our total waste. This is the area where we are concentrating to find ways to reduce also the total waste amounts.

— 4.2.7 —  
WATER USAGE



Although our own water consumption is small, we continue to monitor our usage throughout our operations. Most of our water use occurs for sanitary and catering purposes, and to a smaller extent in gardening and facilities management, such as cooling towers. Our production processes do not consume water.

OUR PROGRESS IN 2010

In 2010, Nokia withdrew 1,422,000 m<sup>3</sup> water for use in facilities, out of which 95% was withdrawn from municipal, and 5% from ground water sources. Of the water used, 12% was recycled, 69% of waste water went for municipal off-site water treatment and the rest was treated on-site.

As some of our sites are in water-scarce areas, we plan to set appropriate local targets as part of Nokia’s water strategy creation in 2011.

**FACTORY HIGHLIGHT**

At our factory in Chennai, India we have pioneered the use of recycled “grey water” for toilet flushing. One- third of the plant water is recycled, thanks to the “Zero Discharge Concept” on which the operations are designed. The common sewage treatment plant, which was developed by Nokia, treats the water to surface discharge standards, as prescribed by the local regulations and the treated water is used for toilet flushing of all units in the Park. The total garden area of about 8.5 hectares is maintained with treated water.

Water at Nokia facilities is mainly used for sanitary and catering purposes, and to a smaller extent in gardening and maintenance, such as cooling towers. Production processes do not consume water. Withdrawal amount increased 6% between 2009 and 2010 but use per employee has a decreasing trend. In 2010, 12% of water was recycled on site.

- KEY
- Water Withdrawal
  - Water/Employee

— 4.2.8 —

PROTECTING BIODIVERSITY

Our greatest biodiversity impact takes place in our supply chain. During raw material extraction and component manufacturing, some of our activities can cause hydrological changes and pollution if not handled properly.

Nokia aims to reduce its environmental impact in all product life cycle phases through different activities described in other parts of this report. Our current focus relating to biodiversity is on identifying the water and forest related impacts in our value chain, and preparing action plans for reducing them.

**WORKING IN PARTNERSHIP**  
Nokia cooperates with NGOs on biodiversity issues, and supports different nature conservation programs. These include water management projects in Nepal, India and China; tiger protection in India; Baltic Sea and Staimaa seal protection in Finland and climate adaptation project in Brazil.

OUR PROGRESS IN 2010

**TAKING VOLUNTARY ACTION IN OUR FACTORIES**  
Our owned factory in Manaus, Brazil is located close to a non-protected, albeit high biodiversity area. We are following local requirements closely and taking voluntary action to avoid negative impacts on local biodiversity. Our leased R&D site in Vancouver, British Columbia is located in an area protected by the Federal provincial government under a “land, wetlands, and animals”-program.

**JOINING THE SAVE OUR SPECIES INITIATIVE**  
Launched at the Convention on Biological Diversity (COP10) in Nagoya, ‘Save our Species’ is a global response to the challenge of biodiversity loss. It aims to bring together financial support from private business with international conservation expertise and cooperation from countries facing species extinction. Nokia is proud to be the first company to join the initiative.

“WWF and Nokia have had a global partnership in place since 2003. Over the years, we have been working together in conserving the earth’s biodiversity as well as slowing down the growth of humanity’s ecological footprint by increasing consumers’ environmental awareness (e.g. by campaigning for the take-back of old devices and by mobile content such as the footprint calculator). During the current cooperation, Nokia contributes to our Himalayas conservation project, aiming at 9 million hectares of protected forests. An exciting area of present cooperation is the use of mobile technologies as enablers in field projects. In addition new solutions are being developed in order to promote consumers to more sustainable lifestyles.”

Liisa Rohweder,  
General Secretary, WWF Finland

— 4.3 —  
SUPPLIERS

Our supply chain is long and complex and we have thousands of direct and indirect suppliers. This gives us a great responsibility and we are committed to ensuring that the highest standard of environmental and social responsibility is exercised. Some suppliers are more advanced than others in managing their operations sustainably, which means our approach needs to meet different needs and build capacity over time. It is a challenge that requires continuous improvements and cannot be achieved alone.

To achieve our commitment, we promote environmental, ethical and social sound principles across the supply chain. For us, sustainable practices are not separate add-on features, but they are embedded in everything we do, including supplier selection and relationship development. We believe that open communication, good relationships and transparency are among the key success factors, and therefore work closely with not only our suppliers, but also industry peers and other stakeholders.

SUPPLIER REQUIREMENTS

Our comprehensive set of Nokia Supplier Requirements provides clear guidance on what is expected from our suppliers. Our aim with the Nokia Supplier Requirements is to ensure that our suppliers provide safe working conditions, exercise good labor practices, use environmentally friendly manufacturing processes and aim to reduce the environmental impact of their own operations.

CAPACITY BUILDING

Our approach to working with suppliers is not just focused on assessments. We believe that remaining engaged with suppliers and providing support is the best way to help them improve their long-term performance. To drive sustainable change, we combine different approaches including face-to-face meetings, development programs, training, performance metrics and targets, and supplier-focused events.

SNAPSHOT 2010

- 31 supplier system assessments were conducted
- 93% of our direct hardware suppliers have a Code of Conduct policy in place that meets our requirements
- 72% of our hardware suppliers that account for the highest environmental impact or are strategically important to us had company- level reduction targets for energy, greenhouse gas emissions, water and waste in place and monitored
- 87% of suppliers reported satisfaction with Nokia’s approach to corporate responsibility
- Four new metrics related to health, safety and labor issues introduced and piloted with eight suppliers
- Our first Supplier Sustainability Award was established in 2010 as part of our commitment to working with suppliers to build their capacity



## — 4.3.1 — SUPPLIER REQUIREMENTS

### NOKIA SUPPLIER REQUIREMENTS

Our comprehensive set of Nokia Supplier Requirements provides clear guidance on what we expect from our suppliers. These requirements include environmental and social expectations, which are based on international standards such as ISO 14001, SA 8000, OHSAS18001, as well as PCMM, ILO and UN conventions. The Nokia Supplier Requirements are part of the contractual agreement with suppliers and accordingly all Nokia suppliers must follow them regardless of location or size.

Our aim with these requirements is to ensure that our suppliers provide safe working conditions, use environmentally friendly manufacturing processes and contribute to reducing the environmental impact of our own operations. More information on the environmental impact of our own operations. More information on the environmental impact of our own operations. More information on the environmental and social supplier requirements can be found from our website.

### SUPPLIER ASSESSMENTS

To monitor supplier performance against our requirements and promote sustainability improvements, we conduct supplier self-assessments and on-site assessments.

All new Nokia suppliers must conduct a self-assessment using E-TASC, which is a web-based information management system that helps companies throughout the supply chain manage, and analyze social and environmental responsibility data. It was developed as a joint effort of the Global e-Sustainability Initiative (GeSi) and the Electronic Industry Citizenship Coalition (EICC) and is used across our industry.

In addition to the self-assessments, Nokia conducts two types of on-site assessments. The aim with our regular system assessments is to monitor compliance with the Nokia Supplier Requirements. These involve a review of the supplier's complete processes and management system against the Nokia Supplier Requirements. All new suppliers must undergo a system assessment together with suppliers who have undergone significant organizational changes and those considered to be at highest risk of non-compliance or with strong need of development. Key suppliers are generally assessed every two years.

The second type of on-site assessment is called an in-depth assessment. This provides an opportunity for more insight into how a supplier is managing and performing against the ethics, environment, labor and health and safety requirements defined in the Nokia Supplier Requirements. Suppliers undergo in-depth assessments for a variety of reasons, including identified risk, non-conformance or strategic importance.

### OUR ASSESSMENT PROGRESS IN 2010

During 2010, the average result of 26 suppliers' self-assessments indicates a corporate-level score of 89.7% and facility-level score of 89.9%, where a lower percentage score indicates a higher risk that the supplier is falling short of expectations and standards.

In 2010, we also conducted 31 system assessments and six in-depth assessments. In areas where risks were identified, suppliers have been requested to take corrective actions and we follow up on their improvements. In the area of human rights 41% of our significant suppliers had undergone screening.

### RETAIL SUPPLIER CRITERIA

This year we also renewed our retail supplier base partly based on sustainability criteria. Suppliers were requested to fill in self-assessments, and certain suppliers were visited based on the results. We continue to address sustainability in regular supplier meetings.

— 4.3.1 —  
SUPPLIER REQUIREMENTS (CONT.)

OUR PROGRESS IN 2010

**CODE OF CONDUCT**

For 2010, we set as a target to have visibility of the Code of Conduct policy of all of our direct hardware suppliers. We found that 92.9% met our requirements. Suppliers not meeting our expectations have been requested to take corrective actions.

**ENVIRONMENTAL MANAGEMENT SYSTEMS**

We require suppliers to have Environmental Management Systems in place. In 2010, 91.7% of our direct hardware suppliers' sites serving Nokia were certified to ISO 14001.

**REDUCTION OF ENVIRONMENTAL IMPACT**

During 2010, 71.9% of our hardware suppliers that account for the highest environmental impact or are strategically important to us, had company-level reduction targets for energy, carbon dioxide (equivalent), water and waste in place and monitored. In 2011, we plan to extend this scope further to drive continuous improvement. We would like to see that all of our suppliers have reduction targets in place in the longer term.

**INTRODUCING NEW HEALTH AND SAFETY METRICS**

In 2010, we also introduced four new metrics related to health, safety and labor issues. With these metrics we want to get a deeper understanding on the labor conditions of our suppliers. The metrics concern occupational injuries, employee attrition, absence rate due to sick leave and overall employee satisfaction. We piloted the metrics with 8 identified priority suppliers in 2010, and during 2011 our aim is to start a more comprehensive implementation of the metrics.

**SUPPLIER PERFORMANCE METRICS**

As well as driving performance improvements through our requirements and assessments, we also work to drive improvements through performance metrics and target setting. These metrics relate both to environmental and social aspects and help us to follow up on how our suppliers are managing and provide them support on how to go further.

One of the performance metrics we follow is the Code of Conduct policy, which is also part of the NSR. The Code of Conduct covers key sustainability topics including corruption, general business routines, health and safety, human rights, working conditions, social rights and environmental standards. Our other supplier performance metrics relate to the environmental impact of supplier operations, environmental management systems, corporate responsibility reporting and health, safety and labor issues.

— 4.3.2 —

CAPACITY BUILDING

**HELPING EVERY SUPPLIER BECOME MORE SUSTAINABLE**

Openness and trust are important aspects when working together with suppliers and driving compliance and performance improvements. We find that some suppliers have well-developed corporate responsibility programs, while others need more support. In the coming years, we will take an even more active role to ensure progress towards sustainability.

One of the most common findings in our on-site assessments has been related to the way our suppliers manage overtime hours of their employees. We have found that finding a real solution often requires long-term development. We support our suppliers in striving towards such lasting improvements by helping them analyze the adequacy of their corrective actions, offering benchmarking with our internal human resources practices and consultancy with our in-house subject matter experts as necessary. It is an approach that requires a strong commitment on both sides, but we believe it is the best way to create lasting change for the better.

We also conduct an annual supplier satisfaction survey to get feedback on our approach and way of working from our suppliers. The results of the survey reflect how we perform on topics such as planning and relationship management and whether other business expectations force suppliers to compromise on their environmental and ethical level of compliance.

OUR PROGRESS IN 2010

**OUR FIRST SUPPLIER AWARD**

We have noticed that a lot of publicity and media attention is directed towards the challenges of the supply chain. However, during the past few years we have seen suppliers that have made significant progress in their environmental or social performance. We see our role as not only supporting those suppliers that still need to improve their performance, but also to encourage those that have already made progress. During 2010, we therefore gave our first supplier sustainability award. This is a practice we will continue in the coming years.

**SUPPORTING BETTER LABOR PRACTICES**

During 2010, we saw an encouraging example of a holistic approach to labor conditions from one of our suppliers based in China. They made significant progress by taking the following actions:

- Carrying out a thorough analysis of possible causes of excess overtime
- Introducing a new overtime control guideline and targets
- Introducing a new system to identify manpower needs
- Recruiting additional manpower to fulfill the business needs within the limits of new overtime targets
- Providing on-the-job training to improve efficiency
- Creating a new work shift pattern

**IMPROVING SUPPLIER SATISFACTION**

The results of our supplier satisfaction survey showed that in 2010, on average, the respondents gave an overall rating for doing business with Nokia as 80% on a scale where 0% represents an unacceptable level and 100% represents an excellent level. Furthermore, on average 87% of respondents were satisfied with Nokia's overall approach to corporate responsibility.

— 5.0 —  
GOVERNANCE



## — 5.0 — GOVERNANCE

Like sustainability itself, sustainability governance takes place throughout Nokia's business. From the CEO's address at the Annual General Meeting to the people tasked with putting our strategy into action across all our key business functions.

Our approach is based on integrating responsibility for sustainability into the way everyone at Nokia works. Our values, rigorous governance framework, Code of Conduct, risk management process and commitment to customer privacy sit at the heart of ensuring that sustainability is a part of everything we do.

## — 5.1 — SUSTAINABILITY GOVERNANCE

### GOVERNANCE STRUCTURE

All shareholders have the right to submit agenda items or proposals to the agenda of our Annual General Meeting (AGM) provided that the item or proposal belongs to the scope of the general meeting of the shareholders), and the request is made to the Board in writing well in advance to be included in the notice of the meeting. All the directors attended Nokia's Annual General Meeting held on May 6, 2010. The Finnish Corporate Governance Code recommends attendance by the Board Chairman and a sufficient number of directors to allow the shareholders to exercise their right to present questions to the Board and management. In recent years, sustainability related questions have been discussed in AGM. During 2010, our Board of Directors reviewed sustainability and related topics in their meetings.

The Nokia Leadership Team (called the Group Executive Board until February 11, 2011) approves sustainability and related Key Performance Indicators as part of our strategic planning process. Esko Aho, Executive Vice President, Corporate Relations and Responsibility, leads our sustainability activities at the Nokia Leadership Team level. He oversees the work of the Corporate Responsibility Steering Group, which is responsible for supporting sustainability initiatives across the business and encouraging open communication and cooperation, both internally and externally. If needed, major issues are escalated to the Leadership Team.

The Corporate Responsibility Steering Group is made up of top managers of business units and corporate functions. It supports our corporate structures in helping integrate sustainability into our core business, for instance through approving the work of the Nokia Sustainability Management Team (NSMT). The NSMT represents all relevant Nokia units, develops and agrees the group-wide sustainability framework containing strategy, targets and priorities.

Our sustainability network acts as a virtual team across the organization and is led by Kirsi Sormunen, Vice President, Head of Sustainability Operations. Our sustainability teams drive sustainability initiatives within the business and monitor performance across our operations. Each of the key business functions has people responsible for building and implementing processes to achieve our environmental and social targets. Our sustainability framework provides guidelines on embedding sustainability strategy within our operational planning across the business.

## — 5.2 —

## MANAGING RISKS AND OPPORTUNITIES

## RISK MANAGEMENT

Our overall risk management concept aims to increase visibility of the key risks that could prevent us from reaching our business objectives. This covers strategic, operational, financial and hazard risks. Within these categories we monitor political, social, human rights, and environmental risks.

The principles set out in our risk policy and accepted by the Board's Audit Committee require risk management to be integrated into our business processes.

One of the main principles is that the business, function or category owner is also the risk owner, along with risk specialists. We believe it is everyone's responsibility at Nokia to identify risks.

Risk analysis covers both probability and impact of risks, as well as the ways of mitigating them. In the area of corporate responsibility, we follow the precautionary principle, especially in the areas involving environmental risks. Sustainability related risks in areas such as products, supply chain and climate change are all analyzed with our risk management process. Related activities are monitored at least twice a year by our sustainability management team and escalated further if needed.

The most material risk factors as well as the principal factors and trends affecting our results of operations are discussed in our publicly available [Annual Report on Form 20-F](#).

## OPPORTUNITIES

Our innovations hold the potential for changing the way we live, from improving livelihoods to embracing more sustainable lifestyles.

More than a billion people use Nokia mobile devices, and we believe that even small changes can make a big difference, for example in the protection of our environment. Our vision is to further realize the potential of mobility by extending access to mobile communications. Sustainability is part of our business strategy and we systematically analyze sustainability related opportunities. In this report, we present a wide range of examples where our work is enhancing accessibility, education delivery, data gathering, materials and substances, and the energy efficiency of products, as well as of various environmental services we offer customers through mobile devices. We also cover our improvement in our own operations, such as packaging, logistics and supply chain and our ways of working. Nokia Siemens Networks' corporate responsibility report has more examples of how mobile technology can make a difference.

One widely discussed topic is the role of information and communications technology (ICT) in the fight against climate change. There is good evidence that ICT makes a major contribution to GDP growth while also helping to reduce energy use in various industries, slowing down global warming. ICT-based services and working methods

such as remote working and video conferencing can result in lower overall CO<sub>2</sub> emissions. In addition, the environmental gains from substituting a service for hard product, also known as dematerialization, can be significant. Convergence, or incorporating the functionalities of several products into one, can further contribute to dematerialization and energy efficiency.

As well as exploring direct business opportunities, we have started research to help us better understand and make the most of the impacts of mobility. There is plenty of macroeconomic data, anecdotal evidence and common sense to suggest that mobility benefits societies in many ways. Mobility also has benefits that are over and above the generic benefits of ICT. Yet the full consequences of mobility are yet to be discovered. Political, social and business processes, for instance, are rapidly changing because of the increased mobility of communication. When 4.5 billion people use mobile phones every day, the sheer magnitude of this phenomenon must profoundly change the fabric of society.

## — 5.3 —

## REGULATORY COMPLIANCE

Nokia wants to ensure that it complies with the laws and regulations set by each market's individual regulatory bodies. Typically, our requirements meet or go beyond the strictest stipulations set by any regulations in the world and are rooted in our global standards and requirements. Against this baseline, it is not surprising that, for example, our environmental targets go way beyond regulatory compliance.

There were no significant fines or non-monetary sanctions for non-compliance with laws and regulations during 2010.

There were no legal actions against Nokia for anti-competitive behavior, anti-trust or monopoly practices in 2010. Nokia does not contribute to political parties or politicians.

— 6.0 —

## REPORTING APPROACH



## — 6.1 — INTEGRATED REPORTING

As sustainability matters are not separate from other key corporate information, we have also integrated key sustainability related data into our annual report on Form 20-F for 2010, which has been filed with the United States Securities and Exchange Commission.

During 2010, key sustainability issues have also been reported in the Operating highlights section of Nokia's quarterly results and in various press releases throughout the year.

Details on our financial performance are published in quarterly results releases, in our Form 20-F, and Nokia's Annual Accounts, which are available at [our website](#).

For quick reference, we have listed below some other key sources of Nokia sustainability information:

- Nokia Form 20-F 2010
- Third party assurance report by PricewaterhouseCoopers Oy.
- Global Reporting Initiative (GRI) guidelines with references to Nokia's sustainability report to ease compatibility with other organizations.
- Carbon Disclosure Project web site that provides detailed information on Nokia's climate change related activities and performance.
- [Nokia Siemens Networks' Sustainability report](#).
- Our website that provides more day-to-day information about our activities.

Many of our suppliers also report on their practices on their websites, through a corporate responsibility report or as a part of their annual report. During 2010, 66% of our direct suppliers publicly reported about corporate responsibility.

## — 6.2 — MATERIALITY ANALYSIS

Our 2010 report highlights Nokia's performance in the areas where business practices most affect society and the environment. It covers the key ethical, socio-economic and environmental areas we believe are most material to our business and our stakeholders. For the most material issues, see especially the [Summary section 1.3](#).

Our materiality identification process – and selection of topics to this report – is based on a combination of factors:

- **OUR EXPERIENCE**  
Our long legacy and experience working on sustainability issues gives us guidance on material issues. We also take into account public debate and media and analyst interest in issues.
- **STAKEHOLDER ENGAGEMENT / PARTNERING**  
We engage with stakeholders regularly to understand the issues that are most important to them.  
[See Stakeholder Engagement for more information.](#)
- **CORPORATE RISK AND OPPORTUNITY ASSESSMENT**  
We use risk assessments to help align our approach with our core business, [see 5.2 Managing risks and opportunities](#).
- **GLOBAL REPORTING INITIATIVE (GRI)**  
We use the GRI guidelines as a foundation for reporting and add issues that are most relevant to Nokia and our industry. [See our GRI index table for more information.](#)

○ **ASSURANCE**  
PricewaterhouseCoopers Oy (PwC) has provided assurance on selected Nokia Corporation's Corporate Responsibility information included in this report. We have worked closely with PwC using their assurance findings as feedback to develop our approach.

○ **GLOBAL eSUSTAINABILITY INITIATIVE (GeSI) MATERIALITY ANALYSIS**  
Nokia participated in the GeSI materiality analysis. The initiative aims to define areas where the ICT sector can make the greatest contribution to stakeholder engagement. Using a combination of stakeholder and company interviews, desk research and workshops, GeSI specifically identifies the issues that could be considered most material to the ICT sector. It ranks these material issues according to their "influence on the success of ICT businesses" and "influence on stakeholder decision making".



### — 6.3 — UN GLOBAL COMPACT

Nokia is committed to the principles of the United Nations Global Compact and has been a signatory and active member since The Global Compact's inception. The Global Compact provides a framework for responsible business practices relating to labor, human rights, anti-corruption and environmental issues. The Global Compact is the world's largest corporate citizenship initiative, with over 8,700 companies belonging to the network.

In our 2010 annual report Form 20-F and in this corporate responsibility report, we have sought to review progress on our activities and programs that support the ten principles of the Compact in the area of human rights, labor standards, the environment and working against corruption.

— 6.4 —

INDEPENDENT ASSURANCE

Selected key corporate responsibility indicators in this report have been assured by an independent third party, PricewaterhouseCoopers Oy (Nokia’s statutory auditor). Their assurance report can be found below:

INDEPENDENT ASSURANCE REPORT	
TO THE MANAGEMENT OF NOKIA CORPORATION	
<p>We have been engaged by the Management of Nokia Corporation to perform a limited assurance engagement on selected Nokia Corporation's Corporate Responsibility information for the year ending December 31, 2010 (hereinafter the "Selected CR information") included in Nokia Corporation's Sustainability Report 2010, as disclosed on Nokia Corporation's website.</p> <p>The Selected CR information consists of the following performance indicators and other items in the areas of Environment, HR and Supply Chain. The scope of the assurance engagement is described below for each area of assurance. In defining the assurance scope, "Nokia Group" consists of Nokia, NAVTEQ and Nokia Siemens Networks.</p> <p>Based on this assurance engagement, and in addition to this assurance report, PricewaterhouseCoopers Oy has issued a separate assurance report regarding the assurance scope for Nokia Siemens Networks.</p>	
ENVIRONMENT:	<ul style="list-style-type: none"><li>○ Facility related direct and indirect energy consumption and related greenhouse gas emissions (scope: Nokia Group).</li><li>○ Comparison of year 2010 CO<sub>2</sub> emissions to base year 2006 emissions (scope: Nokia, NAVTEQ included in Nokia). CO<sub>2</sub> emissions in base year 2006 have originally been assured by Ecofys Germany GmbH, and for that part PricewaterhouseCoopers Oy has relied on their assurance work. PricewaterhouseCoopers Oy has performed assurance procedures on base year recalculations.</li><li>○ Green electrical energy portion of total electricity consumption (scope: Nokia Group).</li><li>○ Energy savings in 2010 and 2010 year-end current status against the cumulative minimum savings target by 2012 (scope: Nokia). Energy consumption in base year 2006 and energy savings in 2007 have been assured by Ecofys Germany GmbH, and PricewaterhouseCoopers Oy has relied on their assurance work. Hence no assurance procedures have been performed by PricewaterhouseCoopers Oy on these amounts.</li><li>○ Water usage in facilities (withdrawal amount and source, discharge destination) (scope: Nokia Group).</li></ul>
	<ul style="list-style-type: none"><li>○ Waste amounts and treatment (scope: Nokia, NAVTEQ included in Nokia).</li><li>○ Case studies on GHG reduction impact of Nokia Devices &amp; Services (scope: Nokia, NAVTEQ included in Nokia).</li><li>○ RoHS and REACH compliance of products (scope: Nokia).</li><li>○ Charger no-load energy consumption (average sold p.a.) (scope: Nokia).</li><li>○ Air travel emissions (scope: Nokia).</li></ul>
	<p>HR:</p> <p>Scope: All performance indicators cover Nokia.</p> <ul style="list-style-type: none"><li>○ Employees in production.</li><li>○ Total training cost.</li><li>○ Training cost / employee.</li><li>○ Injury/illness rate in production.</li><li>○ Women in senior management.</li><li>○ Non-Finnish nationalities in senior management.</li><li>○ Voluntary attrition.</li></ul>
	<p>SUPPLY CHAIN:</p> <p>Scope: All performance indicators cover Nokia. Indicators in the area of Supply Chain cover Nokia 's direct hardware supply chain.</p> <ul style="list-style-type: none"><li>○ Percentage of direct suppliers having certified ISO 14001 system in place for sites serving Nokia.</li><li>○ Percentage of suppliers having reduction targets for energy, CO<sub>2</sub>, water, and waste in place and monitored.</li><li>○ Suppliers' compliance with Nokia Supplier Requirements: number of suppliers under E-TASC and % average supplier E-TASC self assessment score.</li><li>○ Suppliers' compliance with Nokia Supplier Requirements: number of supplier assessments and in-depth assessments.</li><li>○ Supplier Code of Conduct implementation %.</li><li>○ Supplier Satisfaction Survey results.</li><li>○ Number of priority suppliers participating in a pilot project on reporting health, safety and labor metrics.</li></ul>

## — 6.4 — INDEPENDENT ASSURANCE (CONT.)

### INDEPENDENT ASSURANCE REPORT CONTINUED

#### MANAGEMENT'S RESPONSIBILITY

The Management of Nokia Corporation is responsible for preparing the Selected CR information in accordance with the reporting criteria as set out in Nokia Corporation's own documented standards, GHG Protocol, and ISO 14001 standard.

#### PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a conclusion on the Selected CR information based on our work performed. Our assurance report has been made in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Nokia Corporation for our work, for this report, or for the conclusions that we have reached.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'. This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance whether any matters come to our attention that cause us to believe that the Selected CR information has not been prepared, in all material respects, in accordance with the reporting criteria.

In a limited assurance engagement the evidence-gathering procedures are more limited than in a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other disclosures in the Selected CR information. The procedures selected depend on the practitioner's judgment, including an assessment of the risks of material misstatement of the Selected CR information. Our work consisted of, amongst others, the following procedures:

- Conducting interviews with relevant management of Nokia Corporation and Nokia Siemens Networks Oy.
- Assessing how Nokia Group employees apply Nokia Corporation's reporting guidelines and procedures.
- Visiting Nokia Corporation's and Nokia Siemens Networks Oy's Head Offices as well as a sample of seven other sites in China, Germany, Great Britain, Hungary and India.
- Conducting interviews with employees responsible for collection and reporting of the Selected CR information at Nokia Group and at Nokia Siemens Networks level, as well as at the sites where our visits took place.

- Inspecting relevant documents and systems for gathering, analyzing and aggregating the Selected CR information as well as performing tests on a sample basis.
- Assessing the data consolidation process of the Selected CR information at Nokia Group level and at Nokia Siemens Networks level.

#### CONCLUSION

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the Selected CR information has not been prepared, in all material respects, in accordance with the reporting criteria. Our assurance report should be read in conjunction with the inherent limitations of accuracy and completeness for corporate responsibility information. This independent assurance report should not be used on its own as a basis for interpreting Nokia Corporation's performance in relation to its principles of corporate responsibility.

Helsinki, June 29, 2011

PricewaterhouseCoopers Oy



Merja Lindh  
Authorised Public Accountant



Sirpa Juutinen  
Partner, Sustainability & Climate Change

— 6.5 —  
GLOBAL REPORTING INITIATIVE

In compiling the 2010 sustainability report, Nokia used the Global Reporting Initiative’s (GRI) G3 Sustainability Reporting Guidelines. We have disclosed all mandatory indicators as well as additional indicators relevant to Nokia.

A third-party GRI Application Level check conducted by a corporate responsibility specialist, Tofuture Oy has confirmed Nokia’s self-declaration that this report meets the requirements for GRI’s Application Level A+.

The table below shows where the GRI standard disclosures are addressed in this report.

## — 6.5.1 —

## GRI INDEX

## STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

1. STRATEGY AND ANALYSIS					
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER	PAGE IN 20F	COMMENTS
1.1	Statement from the most senior decision-maker of the organization.	Fully	1.1 CEO interview	—	—
1.2	Description of key impacts, risks, and opportunities.	Fully	Report: 1.3 Nokia's role as part of a solution, 5.2 Managing risks and opportunities	—	—
2. ORGANIZATIONAL PROFILE					
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER	PAGE IN 20F	COMMENTS
2.1	Name of the organization.	Fully	First page	—	—
2.2	Primary brands, products, and/or services.	Fully	Report: 1.2 Nokia in 2010; 20F 4B. Business overview	42-52	—
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Report: 1.2 Nokia in 2010; 20F: 4A. History and development of the company	39-42	—
2.4	Location of organization's headquarters.	Fully	Report: 1.2 Nokia in 2010; 20F	First page	—
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	20F: 4D. Property, plants and equipment	74-75	—
2.6	Nature of ownership and legal form.	Fully	20F: Introduction and use of certain terms; 7A. Major shareholders	4, 164	—
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Report: 1.2 Nokia in 2010; 20F: 5A. Operating results	100-118	—
2.8	Scale of the reporting organization.	Fully	20F: Item 4. Information on the company	39	—

## — 6.5.1 —

## GRI INDEX

## STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

2. ORGANIZATIONAL PROFILE (CONT.)					
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER	PAGE IN 20F	COMMENTS
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	20F: 5A. Operating results; 8B. Significant changes	75, 170	—
2.10	Awards received in the reporting period.	Fully	Report: 1.5 Key achievements and challenges in 2010	—	—
3. REPORT PARAMETERS					
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER	PAGE IN 20F	COMMENTS
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	Report: 1.2 Nokia in 2010	—	—
3.2	Date of most recent previous report (if any).	Fully	Report: 1.2 Nokia in 2010	—	—
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Report: 1.2 Nokia in 2010	—	—
3.4	Contact point for questions regarding the report or its contents.	Fully	Report: 1.2 Nokia in 2010	—	—
3.5	Process for defining report content.	Fully	Report: 6.2 Materiality analysis	—	—
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	Report: 1.2 Nokia in 2010 (Reporting boundary)	—	—
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Report: 1.2 Nokia in 2010 (Reporting boundary)	—	—
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	Report: 1.2 Nokia in 2010 (Reporting boundary)	—	—

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## GRI INDEX

## STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

3. REPORT PARAMETERS (CONT.)					
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	PAGE IN 20F	COMMENTS
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Report: 7. Key Data 2010	—	—
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	Report: 7. Key Data 2010; 20F: 3A. Selected financial data	8	—
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	Report: 7. Key Data 2010; 20F: 3A. Selected financial data	8	—
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	Report: 6.5 Global Reporting Initiative; This index	—	—
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Report: 6.4 Independent assurance	—	—
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT					
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	PAGE IN 20F	COMMENTS
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	20F: 6A. Directors and senior management	123	—
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	20F: 6A. Directors and senior management	123	—
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	Fully	20F: 6A. Directors and senior management	123	—

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## STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT (CONT.)					
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER	PAGE IN 20F	COMMENTS
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Report: 5.1 Sustainability governance	—	—
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	20F: 6B. Compensation (Board of Directors)	135	—
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	20F: 6C. Board practices	151	—
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	20F: 6A. Directors and senior management	123	—
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	20F: 4B. Business overview (Employees, Corporate responsibility)	65–70	—
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Report: 5.1 Sustainability governance; 20F: 4B. Business overview	65	—
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	20F: 6B. Compensation (Board of Directors)	135	—
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Report: 5.2 Managing risks and opportunities	—	—



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## GRI INDEX

## STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT (CONT.)					
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	PAGE IN 20F	COMMENTS
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Report: 6.3 Global Compact	—	—
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Report: 3.3 Stakeholders; 6.3 Global Compact	—	—
4.14	List of stakeholder groups engaged by the organization.	Fully	Report: 3.3 Stakeholders	—	—
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Report: 3.3 Stakeholders	—	—
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Report: 3.3 Stakeholders	—	—
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Report: 3.3 Stakeholders; 4.3 Suppliers	—	—

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## GRI INDEX

## STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

DISCLOSURE ON MANAGEMENT APPROACH EC					
DMA EC	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	PAGE IN 20F	COMMENTS
Aspects	Economic performance	Fully	Report: 3.3 Stakeholders, 5.2 Managing risks and opportunities, 7. Key data 2010; 20F: F-2 -, F-28 Pensions	—	—
	Market presence	Fully	Report: 3.1.2 Diversity and inclusion, 4.3.1 Supplier requirements	—	—
	Indirect economic impacts	Fully	Report: 2.2.1 Applications for sustainable lifestyles	—	—
DISCLOSURE ON MANAGEMENT APPROACH EN					
DMA EN	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	PAGE IN 20F	COMMENTS
Aspects	Materials	Partially	Report: 2. Progress in detail, 2.1 Environmentally leading product range, 2.1.2 Substance and materials management, 2.1.3 Packaging, 2.1.4 Sustainable sourcing	—	—
	Energy	Fully	Report: 4.2.2 Energy efficiency; 7. Key Data 2010	—	—
	Water	Fully	Report: 7. Key data 2010	—	—
	Biodiversity	Fully	Report: 4.2.8 Protecting biodiversity	—	—
	Emissions, effluents and waste	Fully	Report: 1.4 Our sustainability approach; 2.2 Sustainable lifestyles; 4.2	—	—

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## STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

DISCLOSURE ON MANAGEMENT APPROACH EC (CONT.)					
DMA EN	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	PAGE IN 20F	COMMENTS
Aspects	(Cont.)	(Cont.)	Environmental impact, 4.2.2 Energy efficiency; 4.2.6 Reducing waste, 7. Key Data 2010	—	—
	Products and services	Fully	Report: 2.1. Environmentally leading product range, 2.1.2 Substance and materials management, 2.4 Take-back and recycling, 4.3.1 Supplier requirements, 7. Key data 2010	—	—
	Compliance	Fully	Report: 5.3 Regulatory compliance	—	—
	Transport	Fully	Report: 4.2.4 Green logistics, 7. Key Data 2010	—	—
DISCLOSURE ON MANAGEMENT APPROACH LA					
DMA LA	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	PAGE IN 20F	COMMENTS
Aspects	Employment	Fully	Report: 3.1.2 Diversity and inclusion, 7. Key data 2010; 20F: 6D. Employees	—	—
	Labor/management relations	Fully	Report: 3.1.7 Labor conditions	—	—
	Occupational health and safety	Fully	Report: 3.1.5 Health, safety and well-being, 3.1.7 Labor conditions, 7. Key data 2010	—	—

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## STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

DISCLOSURE ON MANAGEMENT APPROACH LA (CONT.)					
DMA LA	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	PAGE IN 20F	COMMENTS
Aspects	Training and education	Fully	Report: 3.1 Employees, 3.1.3 Training & development, 3.1.4 Performance and rewarding, 7. Key data 2010	—	—
	Diversity and equal opportunity	Fully	Report: 3.1.2 Diversity and inclusion; 3.1.4 Performance and rewarding; 20F: 4B Business overview, Promoting diversity in the workplace	—	—
DISCLOSURE ON MANAGEMENT APPROACH HR					
DMA HR	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	PAGE IN 20F	COMMENTS
Aspects	Investment and procurement practices	Fully	Report: 3.1.7 Labor conditions, 3.1.8 Nokia Code of Conduct, 4.3.1 Supplier requirements	—	—
	Non-discrimination	Fully	Report: 3.1.7 Labor conditions	—	—
	Freedom of association and collective bargaining	Fully	Report: 3.1.7 Labor conditions	—	—
	Child labor	Fully	Report: 3.1.7 Labor conditions	—	—
	Forced and compulsory labor	Fully	Report: 3.1.7 Labor conditions	—	—

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## STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

DISCLOSURE ON MANAGEMENT APPROACH SO					
DMA SO	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	PAGE IN 20F	COMMENTS
Aspects	Community	Fully	Report: 2.3 Mobile technology for development: Empowering people and organizations	—	—
	Corruption	Fully	Report: 3.1.7 Labor conditions, 3.1.8 Nokia Code of Conduct	—	—
	Public policy	Fully	Report: 3.3 Stakeholders, 5.3 Regulatory compliance	—	—
	Anti-competitive behavior	Fully	Report: 5.3 Regulatory compliance	—	—
	Compliance	Fully	Report: 5.3 Regulatory compliance	—	—
DISCLOSURE ON MANAGEMENT APPROACH PR					
DMA PR	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER	PAGE IN 20F	COMMENTS
Aspects	Customer health and safety	Fully	Report: 1.3.5 Health and safety, 2.1.1 Design for environment, 2.1.2 Substance and materials management, 3.2.4 Product safety	—	—
	Product and service labelling	Fully	Report: 2. Progress in detail: Products and services	—	—
	Marketing communications	Fully	Report: 5.3 Regulatory compliance	—	—
	Compliance	Fully	Report: 5.3 Regulatory compliance	—	—

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## GRI INDEX

## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

ECONOMIC					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER		COMMENTS
ECONOMIC PERFORMANCE					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Report: 7. Key data 2010; 20F: F-2 -	F-2	Data presented in Key data table (not in GRI format)
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	Report: 5.2 Managing risks and opportunities	—	Not expected to cause material financial implications in the near term.
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	20F: F-28 Pensions	F-28	—
EC4	Significant financial assistance received from government.	Fully	Report: 3.3 Stakeholders	—	—
MARKET PRESENCE					
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Partially	Report: 4.3.1 Supplier requirements	—	As Nokia is a global company and to ensure material availability, we mainly use global suppliers. Many of these suppliers often operate near our locations of operations.  Proportion of spending on locally-based suppliers not disclosed.

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## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

ECONOMIC (CONT.)					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER		COMMENTS
MARKET PRESENCE (CONT.)					
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	Report: 3.1.2 Diversity and inclusion	—	—
INDIRECT ECONOMIC IMPACTS					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Report: 2.2.1 Applications for sustainable lifestyles	—	—
ENVIRONMENTAL					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER		COMMENTS
MATERIALS					
EN1	Materials used by weight or volume.	Partially	Report: 2.1 Environmentally leading product range, 2.1.2 Substance and materials management, 2.1.3 Packaging	—	Packaging materials disclosed. Full material declaration of our mobile devices available.
EN2	Percentage of materials used that are recycled input materials.	Partially	Report: 2. Progress in detail, 2.1.2 Substance and materials management, 2.1.3 Packaging, 2.1.4 Sustainable sourcing	—	Recycling percentage of packaging materials disclosed. Use of recycled metals described.
ENERGY					
EN3	Direct energy consumption by primary energy source.	Fully	Report: 4.2.2 Energy efficiency (Energy efficiency initiatives); 7. Key Data 2010	—	—

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## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

ENVIRONMENTAL (CONT.)					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER		COMMENTS
ENERGY (CONT.)					
EN4	Indirect energy consumption by primary source.	Fully	Report: 4.2.2 Energy efficiency (Energy efficiency initiatives); 7. Key Data 2010	—	—
EN5 (add)	Energy saved due to conservation and efficiency improvements.	Fully	Report: 4.2.2 Energy efficiency (Energy efficiency initiatives); 7. Key Data 2010	—	—
EN6 (add)	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Report: 4.2.2 Energy efficiency; 7. Key Data 2010	—	—
EN7 (add)	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Report: 4.2.2 Energy efficiency; 7. Key Data 2010	—	—
WATER					
EN8	Total water withdrawal by source.	Fully	Report: 7. Key data 2010	—	—
BIODIVERSITY					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Partially	Report: 4.2.8 Protecting biodiversity	—	Locations described.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	Report: 4.2.8 Protecting biodiversity	—	—
EMISSIONS, EFFLUENTS AND WASTE					
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Report: 4.2.2 Energy efficiency; 7. Key Data 2010	—	—



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## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

ENVIRONMENTAL (CONT.)					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER		COMMENTS
EMISSIONS, EFFLUENTS AND WASTE (CONT.)					
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Report: 7. Key data 2010	—	—
EN18 (add)	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Report: 1.4 Our sustainability approach; 2.2 Sustainable lifestyles; 4.2 Environmental impact	—	—
EN19	Emissions of ozone-depleting substances by weight.	Fully	Report: 7. Key data 2010	—	—
EN20	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight.	Fully	Report: 7. Key data 2010	—	—
EN21	Total water discharge by quality and destination.	Fully	Report: 7. Key data 2010	—	—
EN22	Total weight of waste by type and disposal method.	Fully	Report: 7. Key data 2010	—	—
EN23	Total number and volume of significant spills.	Fully	Report: 4.2.6 Reducing waste	—	—
PRODUCTS AND SERVICES					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Report: 2.1. Environmentally leading product range, 2.1.2 Substance and materials management, 4.3.1 Supplier requirements	—	—
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	Report: 2.4 Take-back and recycling, 7. Key data 2010	—	Recycling volumes described.

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## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

ENVIRONMENTAL (CONT.)					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER		COMMENTS
COMPLIANCE					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Report: 5.3 Regulatory compliance	—	—
TRANSPORT					
EN29 (add)	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	Report: 4.2.4 Green logistics, 7. Key Data 2010	—	—
SOCIAL: LABOR PRACTICES AND DECENT WORK					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER		COMMENTS
EMPLOYMENT					
LA1	Total workforce by employment type, employment contract, and region.	Fully	Report: 3.1.2 Diversity and inclusion; 20F: 6D. Employees	156	—
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	Report: 7. Key data 2010, 20F: 6D. Employees	156	—
LABOR/MANAGEMENT RELATIONS					
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Report: 3.1.7 Labor conditions (Collective bargaining)	—	—
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	Report: 3.1.7 Labor conditions (Nokia Labor Conditions Standard)	—	—

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## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

SOCIAL: LABOR PRACTICES AND DECENT WORK (CONT.)					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER		COMMENTS
OCCUPATIONAL HEALTH AND SAFETY					
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	Report: 3.1.5 Health, safety and well-being, 3.1.7 Labor conditions (Meeting global standards and our own guidelines), 7. Key data 2010	—	—
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Report: 3.1.5 Health, Safety and Wellbeing	—	—
TRAINING AND EDUCATION					
LA10	Average hours of training per year per employee by employee category.	Partially	Report: 3.1 Employees, 7. Key data 2010	—	Nokia does not track training hours, only the cost of training.
LA11 (add)	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Report: 3.1.3 Training & development	—	—
LA12 (add)	Percentage of employees receiving regular performance and career development reviews.	Fully	Report: 3.1.4 Performance and rewarding	—	—

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## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

SOCIAL: LABOR PRACTICES AND DECENT WORK (CONT.)					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER		COMMENTS
DIVERSITY AND EQUAL OPPORTUNITY					
LA13	Composition of governance bodies and break-down of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Report: 3.1.2 Diversity and inclusion; 20F: 4B Business overview, Promoting diversity in the workplace	—	—
LA14	Ratio of basic salary of men to women by employee category.	Partially	Report: 3.1.4 Performance and rewarding	—	Gender demographics vary greatly both between the many countries where we operate and employee categories. For our indirect (non-production staff) we use a global framework to set salary bands which are applied to people regardless of gender / age, etc. We also regularly benchmark with other companies in the industry to ensure we are paying competitively. For our production staff, we have agreements which specify the salary for each role and experience level. These are applied consistently irrespective of gender.

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## GRI INDEX

## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

SOCIAL: HUMAN RIGHTS					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER		COMMENTS
INVESTMENT AND PROCUREMENT PRACTICES					
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Fully	Report: 3.1.7 Labor conditions	—	Nokia conducts human rights/ social impact assessment for all major new investments e.g. new factories.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Fully	Report: 4.3.1 Supplier requirements	—	Percentage of significant suppliers that have undergone screening on human rights disclosed.
HR3 (add)	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	Report: 3.1.8 Nokia Code of Conduct	—	—
NON-DISCRIMINATION					
HR4	Total number of incidents of discrimination and actions taken.	Fully	Report: 3.1.7 Labor conditions (Meeting global standards and our own guidelines)	—	Total number of people incidents disclosed.
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	Report: 3.1.7 Labor conditions (Meeting global standards and our own guidelines)	—	—

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## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

SOCIAL: HUMAN RIGHTS (CONT.)					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER		COMMENTS
CHILD LABOR					
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	Report: 3.1.7 Labor conditions (Meeting global standards and our own guidelines)	—	—
FORCED AND COMPULSORY LABOR					
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	Report: 3.1.7 Labor conditions (Meeting global standards and our own guidelines)	—	—
SOCIAL: SOCIETY					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/ DIRECT ANSWER		COMMENTS
COMMUNITY					
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	Report: 2.3 Mobile technology for development: Empowering people and organizations	—	—
CORRUPTION					
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Report: 3.1.7 Labor conditions (Nokia Labor Conditions Standard)	—	In 2010 Nokia conducted corporate level human risks assessment where corruption was one of the key indicators.

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## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

SOCIAL: SOCIETY (CONT.)					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER		COMMENTS
CORRUPTION (CONT.)					
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Report: 3.1.8 Nokia Code of Conduct	—	—
SO4	Actions taken in response to incidents of corruption.	Fully	Report: 3.1.7 Labor conditions	—	—
PUBLIC POLICY					
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Report: 3.3 Stakeholders	—	—
SO6 (add)	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Report: 5.3 Regulatory compliance	—	—
ANTI-COMPETITIVE BEHAVIOR					
SO7 (add)	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	Report: 5.3 Regulatory compliance	—	—
COMPLIANCE					
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	Report: 5.3 Regulatory compliance	—	—
SOCIAL: PRODUCT RESPONSIBILITY					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER		COMMENTS
CUSTOMER HEALTH AND SAFETY					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	Report: 1.3.4 Health and safety, 2.1.1 Design for environment, 2.1.2 Substance and materials management, 3.2.4 Product safety	—	—

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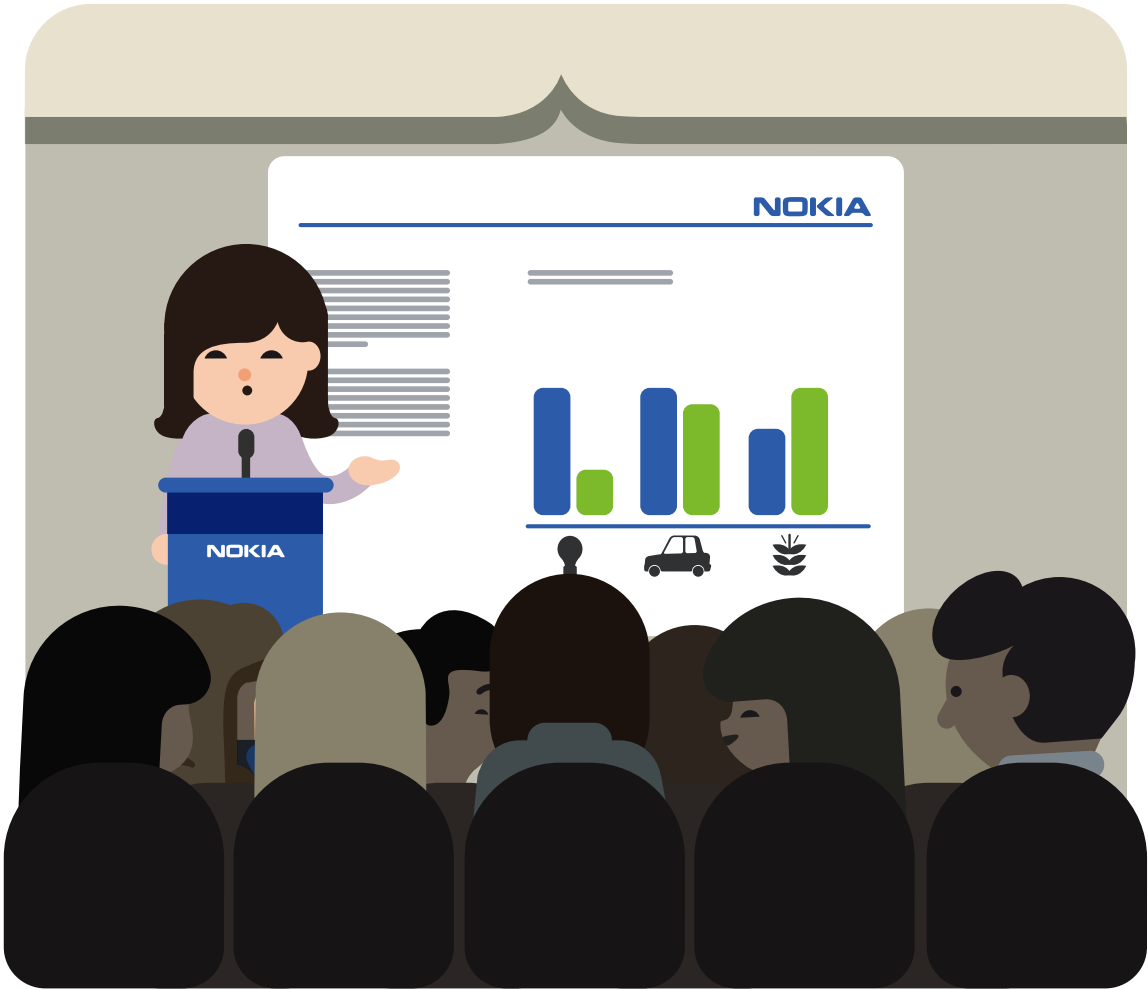
## GRI INDEX

## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

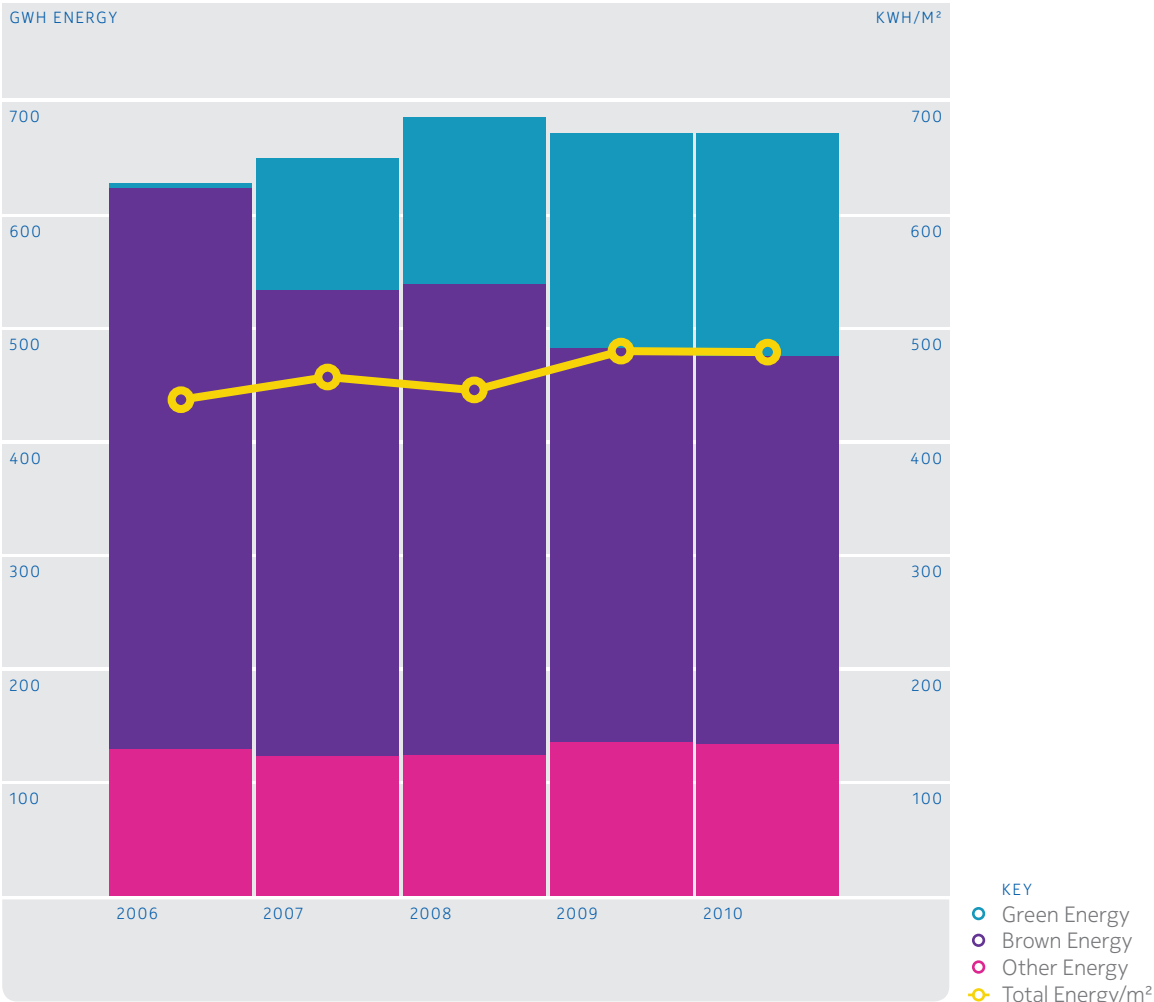
SOCIAL: PRODUCT RESPONSIBILITY (CONT.)					
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE / DIRECT ANSWER		COMMENTS
PRODUCT AND SERVICE LABELLING					
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Report: 2. Progress in detail: Products and services	—	Applicable to all Nokia products.
MARKETING COMMUNICATIONS					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Report: 5.3 Regulatory compliance	—	—
COMPLIANCE					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	Report: 5.3 Regulatory compliance	—	—



— 7.0 —  
KEY DATA 2010



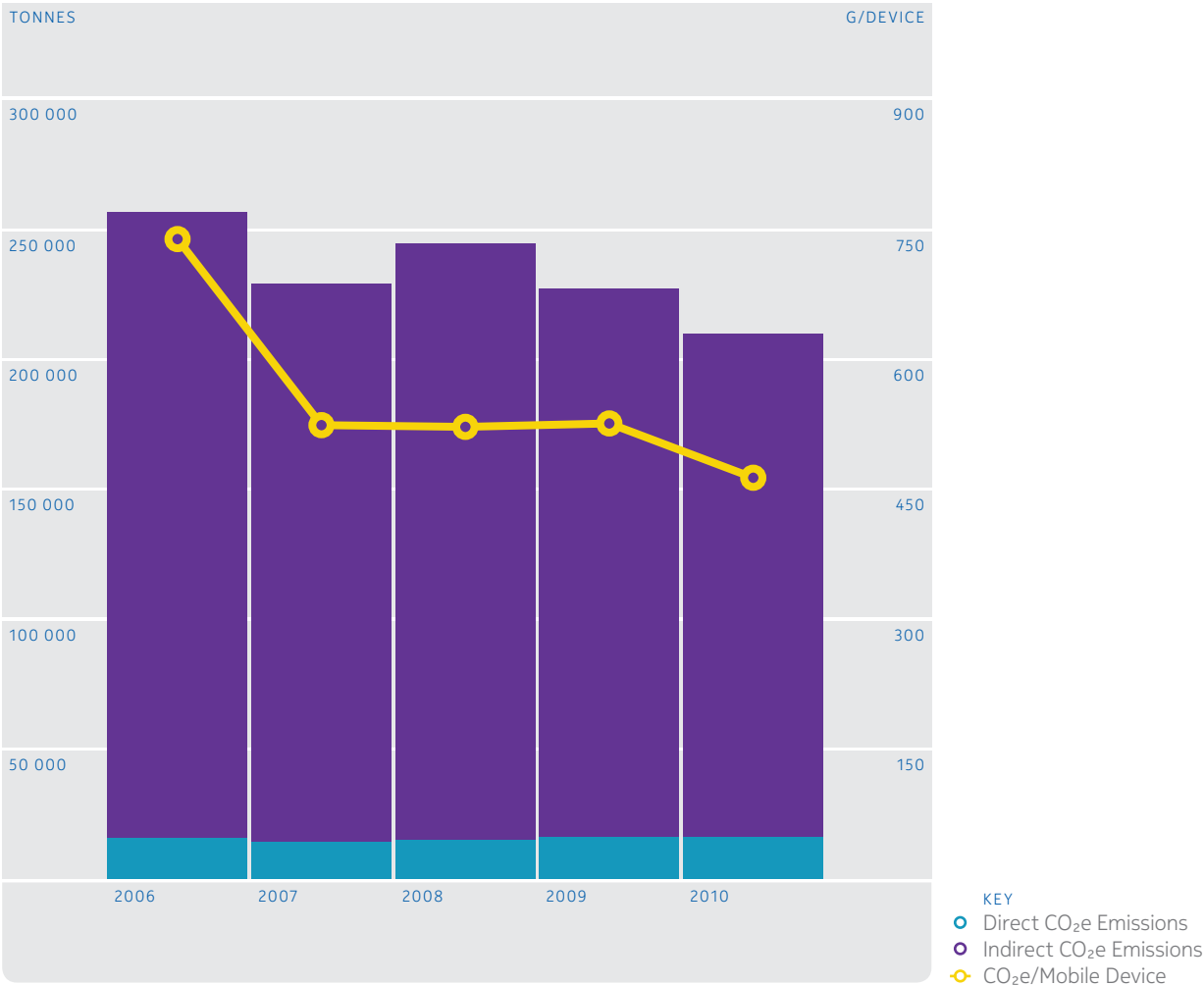
— 7.1 —  
ENERGY CONSUMPTION



In 2010, the share of renewable energy was 36% of our total electricity consumption, which means one percent increase to 2009. The total energy and electricity consumption stayed in the same level as in 2009, despite increased production volumes.

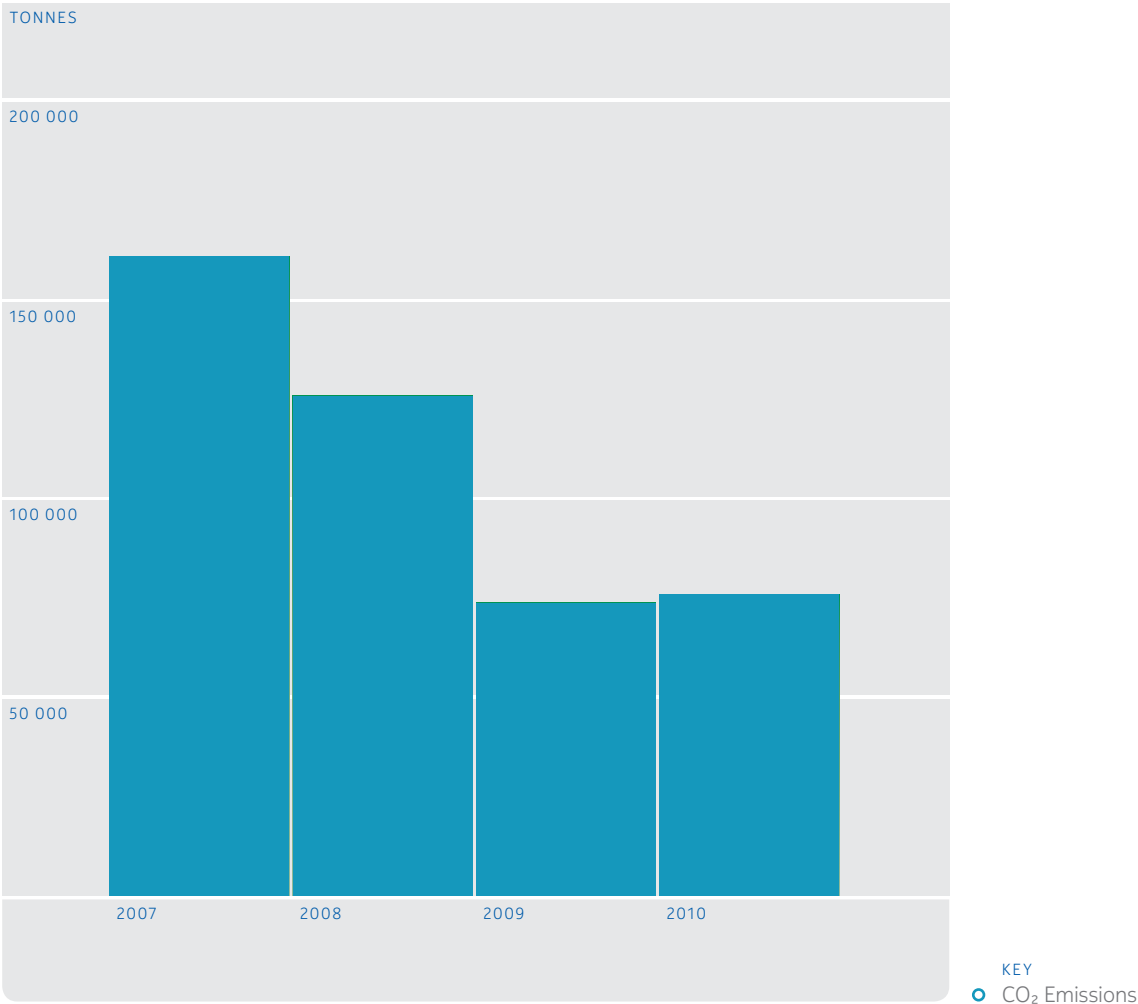
— 7.2 —

FACILITY GREENHOUSE GAS EMISSIONS



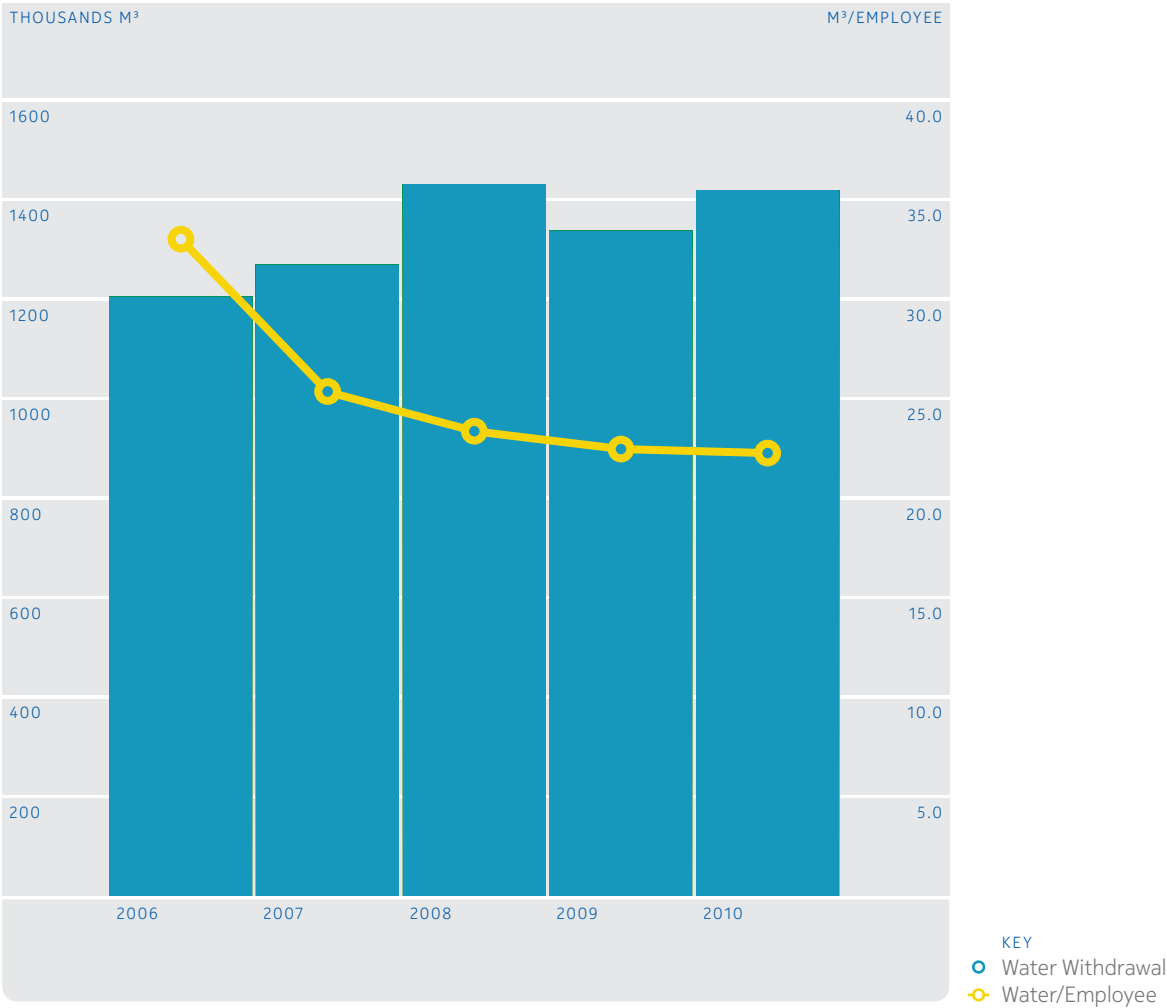
Our facility related CO<sub>2</sub> emissions were 208,000 tonnes in 2010. Without our purchase of certified green energy emissions would have been greater by 60,000 tonnes. In addition, in 2010, we offset 32,500 tonnes of carbon by supporting Gold Standard-certified renewable energy projects in China. Facility greenhouse gas emissions (CO<sub>2</sub>e) include also minor HFC-refrigerant emissions. CO<sub>2</sub>e/device follows the same declining trend.

— 7.3 —  
CO<sub>2</sub> EMISSIONS FROM AIR TRAVEL



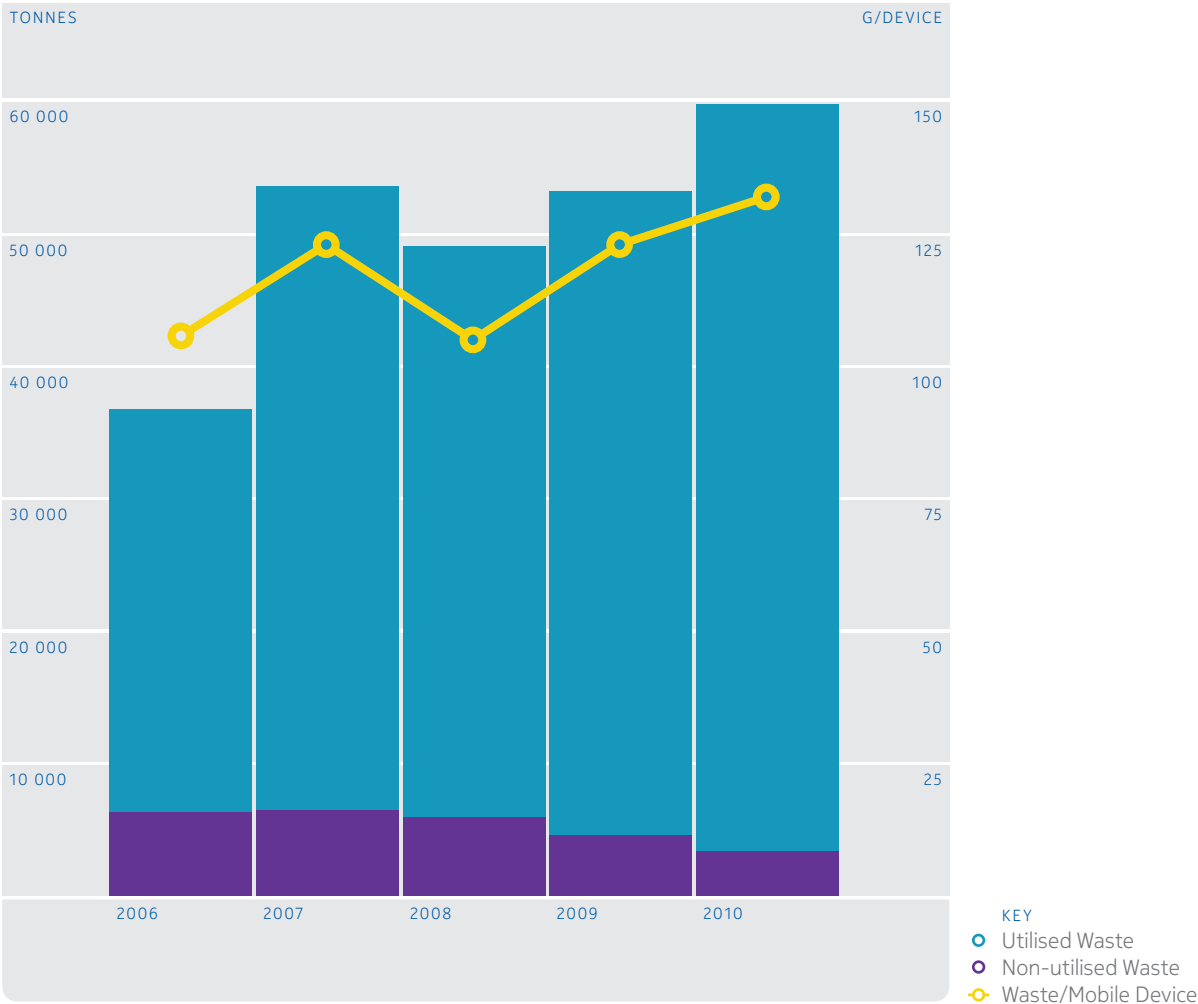
Nokia's CO<sub>2</sub> emissions from air travel have been reduced by 40% from 2008 base level. CO<sub>2</sub> emissions from air travel were 75,893 tons in 2010, which is 2.8% more than in 2009. In 2010 the number of flights actually decreased, but average flight distance increased which resulted in increased emissions. The emissions figure covers 95% of Nokia's (excluding NAVTEQ) air travel and has been calculated with a conservative interpretation of GHG Protocol emission factors.

— 7.4 —  
WATER WITHDRAWAL



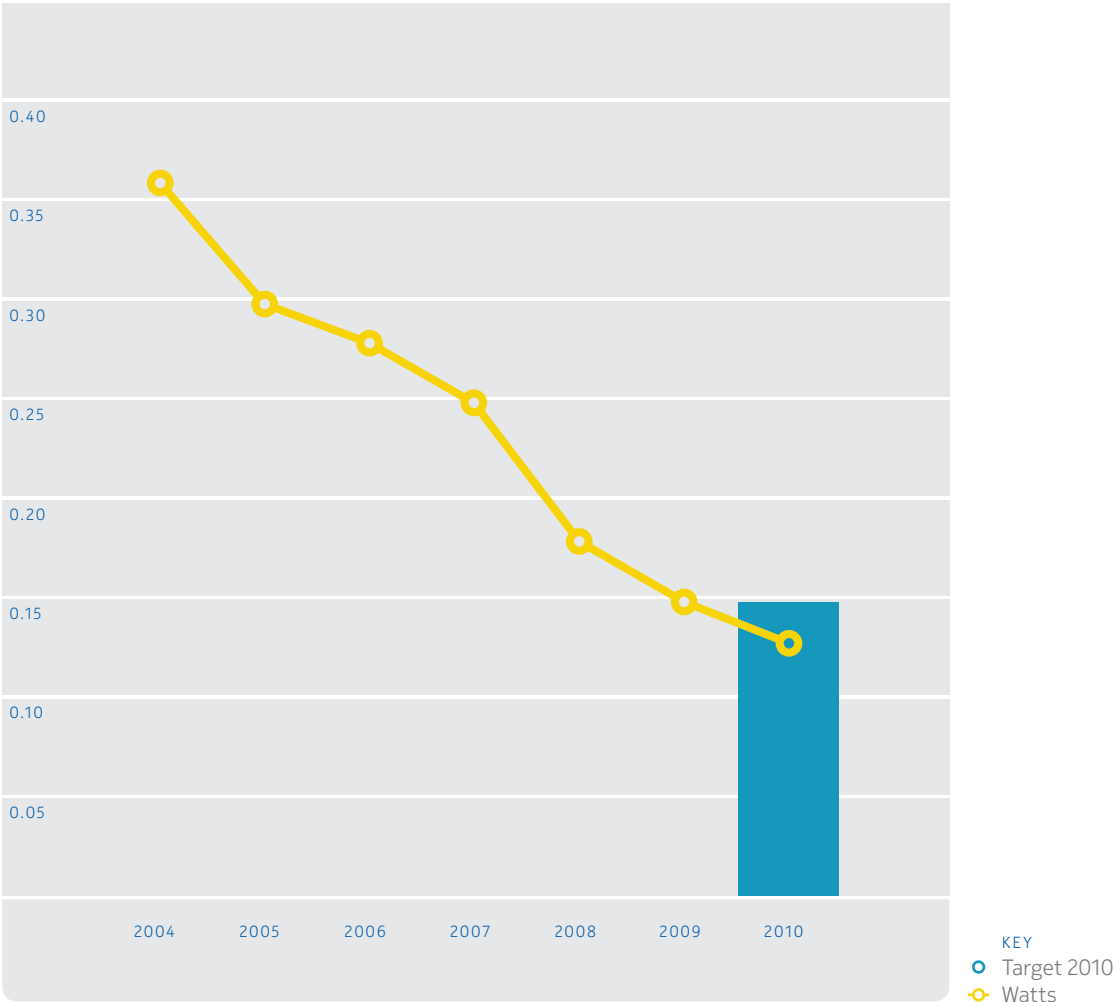
Water at Nokia facilities is mainly used for sanitary and catering purposes, and to a smaller extent in gardening and maintenance, such as cooling towers. Production processes do not consume water. Withdrawal amount increased 6% between 2009 and 2010 but use per employee has a decreasing trend. In 2010, 12% of water was recycled on site.

— 7.5 —  
WASTE UTILIZATION



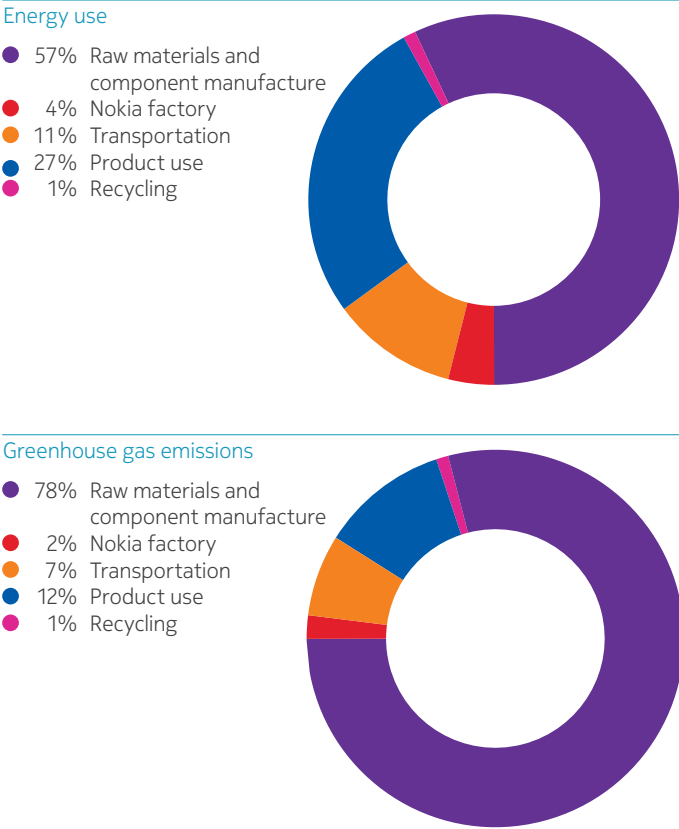
In 2010, only 6% of Nokia waste ended to landfill or incineration, meaning that we managed to continue our increasing trend of waste utilization. Our total waste amount on the other hand increased by 12% between 2009 and 2010, which is more than the production volumes increased. Incoming packaging waste from our factories is the biggest percentage of our total waste. This is the area where we are concentrating to find ways to reduce also the total waste amounts.

— 7.6 —  
NO-LOAD POWER CONSUMPTION OF NOKIA’S CHARGERS



We have reached and exceeded our target of reducing no-load power used by our chargers by 50 percent from 2006 to 2010. The target was already reached during second half of 2009 and during 2010 the no-load power consumption was further decreasing and finally exceeding the target with 18%

— 7.7 —  
LIFE CYCLE ASSESSMENT OF ENERGY USE AND GHG EMISSIONS

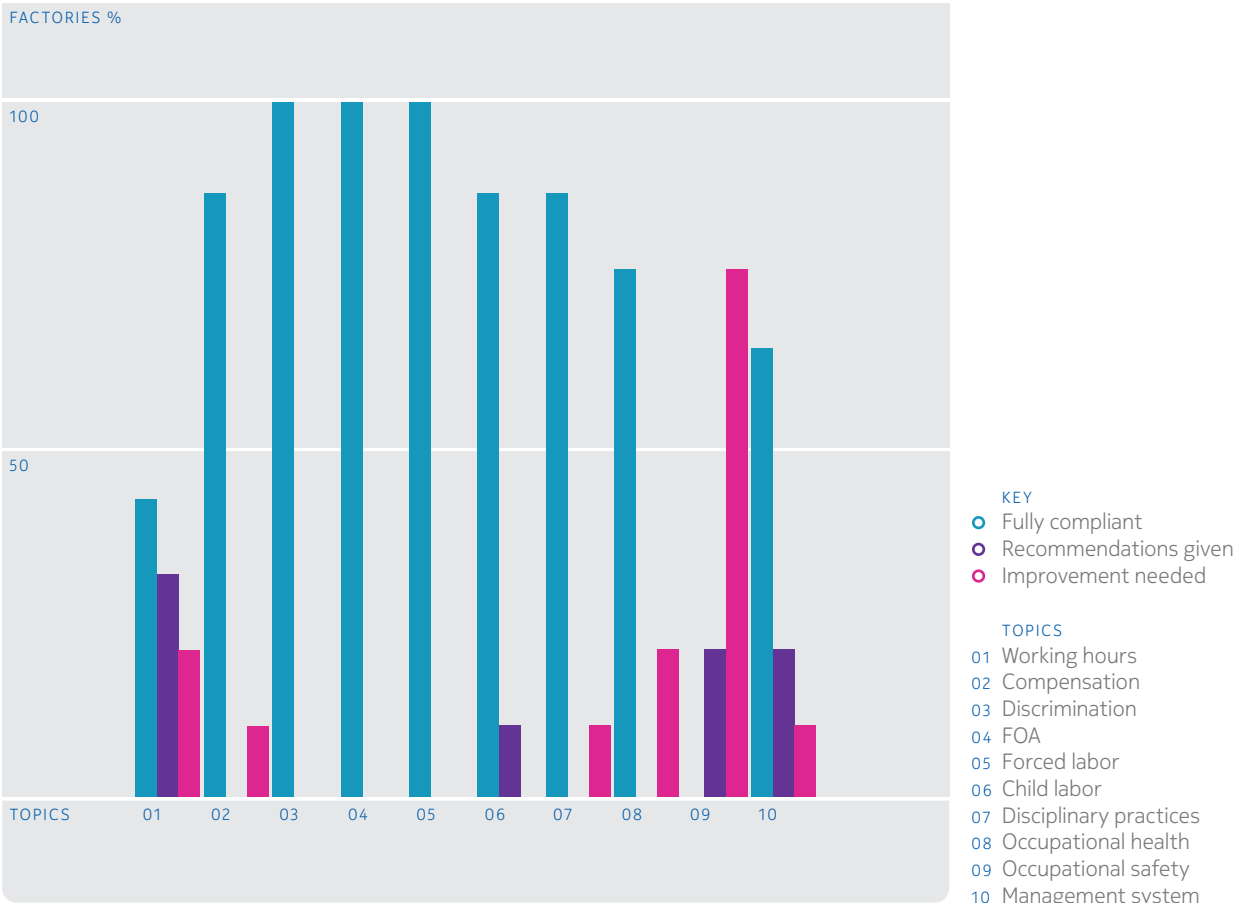


In 2009, we published the life cycle assessment of a typical Nokia mobile device. This assessment measured the energy use across the entire life cycle of the device (pictured above). The amount of energy consumed during the entire life cycle is around 220 megajoules (MJ) and the total emissions are 26kg of CO<sub>2</sub>e. This is equal to driving 167km in a typical family car.

The biggest impact throughout the life cycle comes from raw materials and component manufacturing, which makes up 57% of total energy use and 78% of total emissions. Our mobile device production facilities account for 4% of total energy consumption, transportation is 11%, device usage 27%, and recycling 1%.



— 7.8 —  
LABOR CONDITIONS IN NINE NOKIA-OWNED FACTORIES



One area which clearly requires special attention is occupational safety. The manufacturing process itself does not pose safety risks, those arise more from the behaviors and habits of employees such as stacking material in front of an exit door, storing chemicals without proper labeling and inadequate evacuation signs. While individual audit findings in the area of safety are minor, if there haven't been improvements to correct these small issues the findings are flagged as "Improvement Needed" (indicated by the pink bar).

## — 7.9 —

## NOKIA KEY SUSTAINABILITY DATA

These figures cover Nokia sustainability data and exclude Nokia Siemens Networks (NSN) a company approximately 50% owned by Nokia, which publishes its own sustainability report and figures. In addition to separate data tables of Nokia and NSN we have consolidated some key figures in a Nokia group key figure table which can be found after the notes part of this table. See footnotes for more information about the reporting scope and boundaries. This report covers last 5 years – if interested in longer term historical development please see Nokia's older reports.

ENVIRONMENTAL KEY DATA					
GREENHOUSE GAS EMISSIONS (TONNES) 1,2	2010	2009	2008	2007	2006
<b>GHG Scope 1 (direct facility &amp; car fleet)</b>	<b>20,100</b>	<b>19,100</b>	<b>17,400</b>	<b>15,900</b>	<b>17,000</b>
Direct CO <sub>2</sub> emissions from facilities total	14,200	14,400	13,600	13,100	14,400
Hydro-Fluoro-Carbon (HFC)	1,800	1,600	1,700	1,100	1,400
CH <sub>4</sub>	28	29	27	26	29
N <sub>2</sub> O	11	12	11	10	12
<b>CO<sub>2</sub> emissions from car fleet <sup>3</sup></b>	<b>4,100</b>	<b>3,100</b>	<b>2,100</b>	<b>1,700</b>	<b>1,200</b>
<b>GHG Scope 2 (Purchased electricity and heat), net amount <sup>4</sup></b>	<b>193,800</b>	<b>211,100</b>	<b>229,400</b>	<b>214,900</b>	<b>240,900</b>
Indirect CO <sub>2</sub> from facilities, gross amount	286,400	280,600	276,000	241,600	242,700
CO <sub>2</sub> avoided due to purchased renewable energy (tonnes)	-60,100	-69,500	-46,700	-26,700	-1,800
CO <sub>2</sub> avoided due to Gold Standard offsets (tonnes)	-32,500	0	0	0	0
<b>GHG Scope 3 (See below)</b>					
<b>CO<sub>2</sub> emissions from air travel (tonnes) <sup>5</sup></b>	<b>75,900</b>	<b>73,811</b>	<b>125,853</b>	<b>161,000</b>	
<b>CO<sub>2</sub> emissions from employee commuting (tonnes) <sup>6</sup></b>	<b>74,600</b>				
<b>CO<sub>2</sub>e emissions from the use of devices (tonnes) <sup>7</sup></b>	<b>1,470,000</b>				
<b>CO<sub>2</sub>e emissions from supply chain (tonnes) <sup>7</sup></b>	<b>6,880,000</b>				
<b>CO<sub>2</sub> Key Performance Indicators</b>					
Logistics: CO <sub>2</sub> /sales package, kg <sup>8</sup>	3.50	3.06	2.23		
Offices: CO <sub>2</sub> /office headcount, net (tonnes) <sup>9</sup>	1.66	1.39	1.93	3.06	3.09
Offices: CO <sub>2</sub> /office headcount, gross, (tonnes) <sup>10</sup>	2.83	3.02	3.13	3.82	3.15
Factories: CO <sub>2</sub> /device, net, (grams) <sup>11</sup>	276	377	358	345	422

— 7.9 —  
NOKIA KEY SUSTAINABILITY DATA (CONT.)

ENVIRONMENTAL KEY DATA (CONT.)					
OTHER AIR EMISSIONS (TONNES)	2010	2009	2008	2007	2006
Volatile Organic Compounds (VOC) Emissions to air total (tonnes) <sup>12</sup>	66	65	47	43	28
Emissions of Ozone Depleting Substances (ODS), as ODP <sup>13</sup>	0.16	0.17	0.04	0.09	0.23

## — 7.9 —

## NOKIA KEY SUSTAINABILITY DATA (CONT.)

ENVIRONMENTAL KEY DATA (CONT.)					
ENERGY CONSUMPTION (1 GWh = 3 600 GJ)	2010	2009	2008	2007	2006
<b>Nokia facilities <sup>14</sup></b>					
Electricity, total (GWh)	538	537	560	527	498
District heating, total (GWh)	57	56	50	51	52
District cooling, total (GWh)	2	2	2	2	2
Gas, total (GWh)	68	72	66	66	67
Oil, total (GWh)	7	5	6	3	9
<b>Energy, total (GWh)</b>	<b>672</b>	<b>672</b>	<b>684</b>	<b>649</b>	<b>628</b>
Direct energy, total (GWh)	75	77	72	69	76
Indirect energy, total (GWh)	597	595	612	580	552
Renewable energy (GWh) <sup>15</sup>	196	189	147	116	4
Renewable energy share of electricity <sup>15</sup>	36%	35%	26%	22%	1%
Energy, total kWh/m <sup>2</sup>	485	486	450	462	441
<b>Nokia device chargers' no-load power consumption (average sold per annum in W)</b>	<b>0.114</b>	<b>0.145</b>	<b>0.185</b>	<b>0.250</b>	<b>0.280</b>

## — 7.9 —

## NOKIA KEY SUSTAINABILITY DATA (CONT.)

ENVIRONMENTAL KEY DATA (CONT.)					
WATER (NOKIA FACILITIES)	2010	2009	2008	2007	2006
<b>Water withdrawal total (thousands m<sup>3</sup>)</b>	<b>1,422</b>	<b>1,340</b>	<b>1,434</b>	<b>1,282</b>	<b>1,207</b>
<b>Water withdrawal by source (%) <sup>16</sup></b>					
Municipal water supply	95%	94%	94%	94%	95%
Ground water	5%	6%	6%	6%	5%
<b>Discharges to Water, Total (tonnes) <sup>17</sup></b>					
BOD5	382	364	368	303	219
TSS	504	481	486	400	289
N	61	58	59	48	35
P	15	15	15	12	9
<b>Water discharge destination (%)</b>					
Municipal treatment facility, %	69%	69%	71%	69%	77%
Piped to surface water after treatment, %	22%	22%	20%	24%	20%
Used for irrigation after treatment, %	9%	9%	9%	7%	3%
<b>Recycled/reused water (thousands m<sup>3</sup>) <sup>18</sup></b>	<b>178</b>	<b>141</b>	<b>130</b>	<b>90</b>	<b>40</b>
<b>Recycling/reuse % of total withdrawal</b>	<b>12%</b>	<b>11%</b>	<b>9%</b>	<b>7%</b>	<b>3%</b>

## — 7.9 —

## NOKIA KEY SUSTAINABILITY DATA (CONT.)

ENVIRONMENTAL KEY DATA (CONT.)					
WASTE FROM NOKIA FACILITIES <sup>19</sup> TONNES	2010	2009	2008	2007	2006
<b>Total</b>	<b>59,800</b>	<b>53,200</b>	<b>49,100</b>	<b>53,600</b>	<b>36,800</b>
Reuse	10,300	8,000	2,000	2,100	1,400
Recycle	43,900	38,700	39,000	43,400	27,100
Energy recovery	2,200	1,900	2,200	1,600	2,000
Incineration without energy recovery	200	200	400	200	500
Landfill	3,200	4,400	5,500	6,300	5,800
<b>Utilisation rate % <sup>20</sup></b>	<b>94%</b>	<b>91%</b>	<b>88%</b>	<b>88%</b>	<b>83%</b>
<b>Non-hazardous waste <sup>21</sup></b>	<b>59,400</b>	<b>52,900</b>	<b>48,800</b>	<b>53,300</b>	<b>36,600</b>
<b>Hazardous waste</b>	<b>420</b>	<b>300</b>	<b>270</b>	<b>340</b>	<b>240</b>
<b>E-waste collected outside own facilities (tonnes) <sup>22</sup></b>	<b>415</b>	<b>373</b>	<b>316</b>		

## — 7.9 —

## NOKIA KEY SUSTAINABILITY DATA (CONT.)

EMPLOYEES & ETHICS <sup>23</sup>					
	2010	2009	2008	2007	2006
Average number of employees	58,642	56,462	57,443	49,887	44,716
Total number of permanent employees, average for year	54,868	53,261	56,512	49,560	
Employees in production	29,234	22,935	25,576	28,096	33,031
Total employee training cost for non production staff, EUR million	28	25	55	70	125
Average cost of training per employee, EUR	850	748	1,721		1,908
Injury/illness rate within production, IIR <sup>24</sup>	0.32	0.49	0.6	0.73	0.82
Women in senior management, % <sup>25</sup>	14.5	13.8	13.7	14.3	12.5
Non-Finnish nationalities in senior management, % <sup>25</sup>	53.2	50.7	47.4	44.1	45.1
Voluntary attrition, %	12	12.8	9.3	8.5	6.2
Countries with community involvement programs	42	40	57	45	37
Employee Code of Conduct awareness, %	98	85	86	98	81
Languages of the Code of Conduct	34	34	34	32	31

— 7.9 —  
NOKIA KEY SUSTAINABILITY DATA (CONT.)

SUPPLY CHAIN					
	2010	2009	2008	2007	2006
Number of assessments <sup>26</sup>	37	63	70	90	120
Supplier ISO14001 certification, % <sup>27</sup>	92	92	91		
Supplier satisfaction survey, % <sup>28</sup>	80	79	78		
Supplier's Code of Conduct implementation % <sup>29</sup>	93	92			
Supplier's environmental performance % <sup>30</sup>	72	93	82		



— 7.9 —  
NOKIA KEY SUSTAINABILITY DATA (CONT.)

ECONOMIC					
	2010	2009	2008	2007	2006
Note: more financial figures can be found in Nokia Group level data table					
Net sales, EUR million	29,134	27,853	35,099	37,705	33,684
Operating profit, EUR million	3,299	3,314	5,816	7,584	4,865
Research & development, EUR million	2,954	2,984	3,127	2,879	2,717

## — 7.9 —

## NOKIA KEY SUSTAINABILITY DATA (CONT.)

## NOTES

Following scope has been used for facility related data (energy, emissions from facilities, other air emissions, waste and water) in the above table: NAVTEQ figures have been included for years 2006–2010. Although NAVTEQ has been part of Nokia Group only from mid 2008 onwards, NAVTEQ data has been included also for 2007 and 2006 according to WRI/WBCSD Greenhouse Gas Protocol requirements to recalculate acquisition's effect until base year, which is 2006 in case of Nokia. NAVTEQ increased Nokia consumption values with around 5%. Nokia's former Networks business group and functions supporting Networks have been excluded from year 2006 and 2007 figures. Data covers 100% of square meters managed by Nokia in 2006–2010; data collection coverage has been 90–92% of all square meters, including all production sites and other sites greater than 3000 sqm. Data from smaller than 3000 sqm sites has been estimated based on Nokia averages. Due above explained scope definitions year 2006–2010 data in the above table are comparable between each other but in some cases differ from figures published in previous reports.

1) Our approach to measuring greenhouse gas emissions follows the Greenhouse Gas (GHG) Protocol ([www.ghgprotocol.org](http://www.ghgprotocol.org)) developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The GHG Protocol defines three scopes of CO<sub>2</sub> emissions:

- Scope 1 – direct emissions, from sources owned or controlled by the company
- Scope 2 – indirect emissions, from the consumption of purchased electricity, heat, and/or steam
- Scope 3 – indirect emissions, as a consequence of the activities of the company, but from sources not owned or controlled by the company.

## Organisational boundaries

We use the “operational control” approach (instead of equity share approach), which means we include entities based on whether we can introduce and implement operating policies rather than on the basis of financial control. Thus, Nokia Siemens Networks' energy consumption and emissions are included in Nokia Group's performance and shown in Nokia Group's summary tables. As Nokia Siemens Networks' daily operations are separate, detailed data management and reporting are done separately.

Our GHG measurements have been verified by third party since 2003 and verifications will continue on an annual basis. Read our verification statements ([6.4 Independent assurance](#)).

Direct CO<sub>2</sub>e emissions from Nokia facilities include emissions from gas and oil usage in Nokia facilities and HFC emissions. Emissions are calculated by using the values embedded in WRI/WBCSD GHG Protocol Initiative calculation tool: “Calculation Tool for Direct Emissions from Stationary Combustion, version 4.0”, by using Higher heating values. The effect of greenhouse gases CH<sub>4</sub> and N<sub>2</sub>O produced during burning process have been included in CO<sub>2</sub>e emissions (CH<sub>4</sub> and N<sub>2</sub>O effect being 0.3% of direct CO<sub>2</sub> emissions). HFCs are refrigerants and emissions are minor fugitive emissions from facilities' cooling systems. Nokia uses also some HCFCs as refrigerants, but they are not included in the inventory because they are not covered by the Kyoto Protocol. These refrigerants are anyhow included in the published Ozone Depleting Potential -figure. Out of Kyoto protocol greenhouse gases Perfluorocarbons (PFCs) and Sulphur hexafluoride (SF<sub>6</sub>) are not applicable for Nokia.

Indirect CO<sub>2</sub>-emissions (Scope 2 emissions) include emissions from purchased electricity and district heating and cooling. Emissions are calculated by A WRI/WBCSD GHG Protocol Initiative calculation tool: “Indirect CO<sub>2</sub> Emissions from the Consumption of Purchased Electricity, Heat, and/ or Steam”, which takes values from IEA. The latest version published in GHG website is used to calculate new data: data from previous years has not been updated with new factors. The year 2006 emissions are calculated with tool worksheet version

## — 7.9 —

## NOKIA KEY SUSTAINABILITY DATA (CONT.)

## NOTES (CONT.)

1.2 and 2007 & 2008 with version 2.0 and 2009 with version “GHG emissions from purchased energy, version 21”. Year 2010 emission factors are IEA country statistics from year 2007 (published in October 2009) and for USA latest EPA eGrid factors based on year 2005 statistics. As an exception to get more specific district heating emission factor for Finland, which uses around 90% of Nokia total district heating, Finland year 2008 emission factor is based on energy production data from year 2007 (Statistics Finland, Environment and Energy), calculation method being “benefit sharing” (in stead of alternative “energy method”) and the year 2007 factor is based on Finnish Environmental Institute publication. As no update for “benefit sharing” value was available for 2009 calculation and for simplicity, Finland figure was calculated in 2009 and 2010 with the GHG-tool value for purchased energy. As CO<sub>2</sub> typically represents over 99 percent of the GHG emissions in electricity and heat production, indirect emission factors in GHG-tool are for CO<sub>2</sub> only, not for CO<sub>2</sub>e.

2) TOTAL NET CO <sub>2</sub> EMISSIONS IN NOKIA FACILITIES BY REGIONS (TONNES)	2010	2009	2008	2007	2006
Total	208,000	225,500	243,000	228,000	255,300
Americas	34,200	14,200	26,400	57,500	56,800
Asia-Pacific	127,500	157,400	151,900	121,500	94,300
Europe & Africa	46,300	53,900	64,700	49,000	104,200

3) Car fleet emissions include NAVTEQ fleet used in Digital Mapping Operations. NAVTEQ 2009 figure has been recalculated based on actual km data and figure has changed from partly estimated value published in 2009 report. Sources of carbon conversion factors (i.e. for converting distance driven to kg of CO<sub>2</sub>) are following:

Europe: Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting. Factors based on a equal split between medium sized petrol and medium sized diesel cars

North America: Calculated with data from [www.Fueleconomy.gov](http://www.Fueleconomy.gov) and based on the composition up of NAVTEQ car fleet.

Rest of the World: DECC's GHG Conversion Factors for Company Reporting. Factors based on medium sized petrol cars only.

4) Net and gross indirect CO<sub>2</sub> emissions: Gross emissions are emissions from purchased electricity and heat calculated with IEA (Internal Energy Agency) country emission factors. Net emissions are gross emissions reduced with CO<sub>2</sub> avoided due to purchase of renewable energy (certificates) and carbon offsets.

5) NAVTEQ is not included in the figures. If included, NAVTEQ would account for approximately 9% of Nokia's business air travel emissions. The emissions figure covers over 95% of Nokia's (excluding NAVTEQ) air travel. Emissions have been calculated with a conservative interpretation of GHG Protocol 2006 emission factors.

6) In 2010 Nokia conducted an employee commuting survey in order to calculate the corresponding CO<sub>2</sub> emissions. The following information was required: country, how many days one works at the office/home, commuting distance, time and means of transport.

## — 7.9 —

## NOKIA KEY SUSTAINABILITY DATA (CONT.)

## NOTES (CONT.)

3455 employees participated in the survey from 58 different countries. The emissions were then extrapolated to correspond with all Nokia's employees and as a result the emissions of Nokia's employee commuting were 74,600 tCO<sub>2</sub>.

7) Greenhouse gas emissions figures are based on a Life Cycle Assessment in accordance with the ISO 14040 and ISO 14044. These calculations take into account the raw materials acquisition, component manufacturing, Nokia's own factory processes, inbound & outbound logistics, usage (3 years) and recycling of the mobile devices. The results of a life cycle assessment (LCA) always depend on the calculation method, scoping and assumptions used. (Use of devices figure excludes the minor impact from Nokia Gear & Vertu)

8) This covers component and customer shipments. The year 2010 has been a transition period when we have moved onto a second development phase of CO<sub>2</sub> calculation and data gathering from logistics service providers system wise, which means that the basis for our calculations will change. Therefore before the transformation is complete we cannot calculate the CO<sub>2</sub> emissions for 2010 logistics. However, despite of all packaging efficiency development activities taken place in 2010 we estimate that due to increasing use of long distance air transportation in customer shipments the figure for 2010 would be slightly higher than the figure for 2009, based on estimation it would be about 3.5 kgCO<sub>2</sub>/sales unit.

9) Net CO<sub>2</sub> emissions (i.e. green energy and offsets taken into account) from Nokia office and R&D buildings (excluding NAVTEQ) in metric tonnes, per Nokia employees and externals working in Nokia Offices and R&D

10) Gross CO<sub>2</sub> emissions from Nokia office and R&D buildings (excluding NAVTEQ) in metric tonnes, per Nokia employees and externals working in Nokia Offices and R&D

11) Net CO<sub>2</sub> emissions (i.e. green energy and offsets taken into account) from Nokia factory sites (including emissions from all energy use in the sites) in grams, per Nokia device volume as published in Nokia annual report

12) Volatile organic compounds (VOC's) are released during the soldering process and when using solvents in the cleaning process. Until 2009 consumption has increased due to more accurate reporting and changes in the production process. At Nokia, we monitor and control the use of solvents with the aim to reduce the consumption. In general, the consumption is on a low level and no environmental VOC permits or declarations are required by authorities.

13) Nokia uses no Ozone Depleting Substances (ODS) in its products or production. The reported ODS figures are due to minor leakage of ODS contained in cooling systems in facilities. Annual emissions vary due to changing annual maintenance needs. ODP (Ozone Depleting Potential) = emission in kg of CFC-11 equivalent.

14) Energy consumption in Nokia facilities by regions. Direct energy means fuel (gas and oil) used on site and indirect energy purchased electricity and heat, in case of Nokia district heating and district cooling.

## — 7.9 —

## NOKIA KEY SUSTAINABILITY DATA (CONT.)

## NOTES (CONT.)

GWh (1 GWh = 3 600 GJ)	2010	2009	2008	2007	2006
<b>Electricity, total</b>	<b>538</b>	<b>537</b>	<b>560</b>	<b>527</b>	<b>498</b>
Americas	114	110	118	119	122
Asia-Pacific	202	196	196	154	122
Europe & Africa	222	231	246	254	254
<b>District heating, total</b>	<b>57</b>	<b>56</b>	<b>50</b>	<b>51</b>	<b>52</b>
Americas	0	0	0	0	0
Asia-Pacific	1	0	0	0	0
Europe & Africa	56	56	50	51	52
<b>District cooling, total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Americas	0	0	0	0	0
Asia-Pacific	0	0	0	0	0
Europe & Africa	2	2	2	2	2
<b>Gas, total</b>	<b>68</b>	<b>72</b>	<b>66</b>	<b>66</b>	<b>67</b>
Americas	13	13	11	16	18
Asia-Pacific	27	26	23	19	14
Europe & Africa	28	33	32	31	35
<b>Oil, total</b>	<b>7</b>	<b>5</b>	<b>6</b>	<b>3</b>	<b>9</b>
Americas	2	2	3	1.5	2
Asia-Pacific	5	3	3	1.5	7
Europe & Africa	0	0	0	0	0

## — 7.9 —

## NOKIA KEY SUSTAINABILITY DATA (CONT.)

## NOTES (CONT.)

GWH (1 GWH = 3 600 GJ)	2010	2009	2008	2007	2006
<b>Energy, total</b>	<b>672</b>	<b>672</b>	<b>684</b>	<b>649</b>	<b>628</b>
Americas	129	125	132	137	142
Asia-Pacific	235	225	222	175	143
Europe & Africa	308	322	330	337	343

15) Over years, major part of the renewable (“green”) electricity has been from the purchase of RES-E Guarantee of Origin certificates in Nordic countries and Green-e wind certificates in USA. In addition smaller amount of other certificates (RECS, GreenContract, Greenpower, EcoLogo) have been purchased in Europe, Australia and Americas. Green certificates have been bought also in United Kingdom in 2006-2008: the amounts are included as renewable energy in the table, but due to new UK governmental guidance in 2008, no CO<sub>2</sub> reduction has been calculated to result from the purchase in 2008.

16) Water withdrawal is reported according to Global Reporting Initiative (GRI) definitions.

17) Discharges to water are coming from sanitary waste water and are calculated based on the headcount. BOD5 (Biological Oxygen Demand for 5 days) measures the amount of oxygen required or consumed for the microbiological decomposition (oxidation) of organic material in water. TSS means Total Suspended Solids, N stands for Nitrogen and P for Phosphorus.

18) Recycled/reused water amount includes water recycled both for sanitary purposes (water recycled many times) and for irrigation.

19) Accuracy of waste data is not as high as with energy and water, as waste vendors often report amounts based on number of waste bins emptied and average weight for waste type, instead of weighing each container. In factories and biggest offices most of the reporting is based on actual weighed amounts.

20) Utilised waste includes waste that has been either reused, recycled or energy of it has been utilised. Remaining waste has been either sent to landfill or incinerated without energy recovery. Composting of biowaste is recorded under recycling.

21) The definitions for what is reported under hazardous and non-hazardous waste have been done on global level to keep simplicity in corporate reporting. E.g. all discarded batteries are reported globally under hazardous waste, although several battery types are not defined hazardous in many countries. On the other hand all electronic waste is reported under non-hazardous, although different sub-categories of it are defined hazardous in different countries. The actual waste treatment is always done according to local legal requirements.

## — 7.9 —

## NOKIA KEY SUSTAINABILITY DATA (CONT.)

## NOTES (CONT.)

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22) E-waste figure includes electronics waste collected by Nokia outside of own offices, R&D and production, for example as part of phone and accessories take-back campaigns.

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23) NAVTEQ is not included in the figures. Figures also exclude NSN as of 2007.

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24) IIR = Number of occupational injuries and illnesses per total hours worked by all employees during calendar year multiplied by 200 000 (the number of hours theoretically worked by 100 full time employees in a year).

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25) The calculation rule was changed for the 2009 report from an average for the year to be year end figure. This was done to enable a direct comparison with NSN data.

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26) Number of assessments; Number of Nokia Supplier Requirements system assessments conducted during the year. 2008 figure is including Nokia direct sourcing supplier system assessments and in-depth assessments. 2009 figure is including Nokia direct and indirect sourcing system assessments including in-depth assessments. 2010 figure is including Nokia direct and indirect sourcing system assessments including in-depth assessments.

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27) Supplier ISO14001 certification %; Hardware supplier environmental management system ISO14001 certification status at Supplier sites serving Nokia.

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28) Supplier satisfaction survey %; Nokia conducts an annual Supplier Satisfaction Survey. Overall satisfaction reflects how Nokia performs on areas such as planning, relationship management and whether other business expectations force suppliers to compromise on their environmental and ethical level of compliance. In 2010, on average, the respondents of the supplier satisfaction survey gave an overall rating for doing business with Nokia as 80 percent on a scale where zero percent represents an unacceptable level and 100 percent an excellent.

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29) Supplier's Code of Conduct implementation %: One expectation for suppliers is that they have a company-level Code of Conduct in place. Codes of conduct set out requirements in several areas, such as corruption, general business routines, health and safety, human rights, working conditions, social rights and environmental standards. The indicator measures percentage of suppliers that have such a Code of Conduct policy in place that meets Nokia's requirements concerning it.

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30) Supplier's environmental performance %: Suppliers' environmental performance and target setting status, concentrating on four key areas: energy consumption, carbon dioxide (equivalent) emissions, water consumption and waste generation.

## — 7.10 —

## NOKIA GROUP KEY SUSTAINABILITY DATA

This data table consolidates some key Sustainability performance related figures of Nokia and Nokia Siemens Networks (NSN - a company approximately 50% owned by Nokia). More detailed company specific data can be found from Nokia data table (above) and from NSN own CR Report. This report covers last 5 years – if interested in longer term historical development please see Nokia's older reports.

ECONOMIC KEY DATA 1	2010	2009	2008	2007	2006
Net sales, EUR million	42,446	40,984	50,710	51,058	41,121
Operating profit, EUR million	2,070	1,197	4,966	7,985	5,488
Earnings/share diluted, EUR	0.50	0.24	1.05	1.83	1.05
Market capitalization at year-end, EUR million	28,709	33,078	41,046	101,995	61,390
Research & development, EUR million	5,863	5,909	5,968	5,636	3,897
Total tax, EUR million	443	702	1,081	1,522	1,357
Interests paid, EUR million	235	256	155	59	18
Dividends paid, EUR million	1,519	1,546	2,048	1,760	1,553
Total purchases of goods and services, EUR million	30,500	29,100	34,600	36,400	29,500
Liquid assets at year-end, EUR million	12,275	8,873	6,820	11,753	8,537
Total liabilities at year-end, EUR million	22,892	20,989	23,072	20,261	10,557
Retained earnings at year-end, EUR million	10,500	10,132	11,692	13,870	11,123



## — 7.10 —

## NOKIA GROUP KEY SUSTAINABILITY DATA (CONT.)

ENVIRONMENTAL KEY DATA	2010	2009	2008	2007	2006
Energy consumption, GWh	1,190	1,223	1,285	1,223	892
Direct CO <sub>2</sub> e from facilities, tonnes	20,400	20,100	23,000	18,500	19,200
Indirect CO <sub>2</sub> e from facilities energy consumption, tonnes, net <sup>2</sup>	363,500	413,500	434,500	418,900	334,200
Indirect CO <sub>2</sub> e from facilities energy consumption, tonnes, gross	523,000	520,800	496,700	457,900	336,000
CO <sub>2</sub> avoided due to renewable energy, tonnes	-127,000	-107,300	-62,200	-39,000	-1,800
CO <sub>2</sub> avoided due to Gold Standard offsets, tonnes	-32,500	0	0	0	0
Water use, thousand m <sup>3</sup>	2,197	2,167	2,293	2,091	1,547
Total waste, tonnes	66,130	58,930	55,200	60,810	51,900
Total waste utilisation, %	93%	91%	88%	88%	83%
<b>Emissions of ODS, kg of CFC-11 equivalent <sup>3</sup></b>	<b>187</b>	<b>186</b>	<b>42</b>	<b>108</b>	<b>326</b>
E-waste collected outside own facilities (tonnes)	415	373	316		
Data reported from Facility area, 1000 m <sup>2</sup>	2,489	2,641	2,743	2,996	2,158
EMPLOYEES	2010	2009	2008	2007	2006
Total number of employees at year-end	132,427	123,553	125,829	112,262	68,483
Total payroll & benefits, EUR million	5,808	5,658	5,615	4,664	3,457
Pension expenses net, EUR million	431	427	478	420	310

## NOTES

<sup>1</sup> Figures are consolidated Nokia group data that include Nokia Siemens Networks and NAVTEQ. The years are not directly compatible largely because of following reasons:

\*year 2007 Nokia Siemens Networks data was consolidated in Nokia group data for 9 months. Our consolidated financial data for the periods prior to April 1, 2007 included our former Networks business group only.

\*year 2008 Nokia Siemens Networks data was consolidated in Nokia Group data for 12 months and NAVTEQ for less than 6 months

\*year 2009 and 2010 Nokia Siemens Networks and NAVTEQ data were both consolidated in Nokia Group data for 12 months

<sup>2</sup> Net and gross indirect CO<sub>2</sub> emissions: Gross emissions are emissions from purchased electricity and heat calculated with IEA (Internal Energy Agency) country emission factors. Net emissions are gross emissions reduced with CO<sub>2</sub> avoided due to purchase of renewable energy (certificates) and carbon offsets.

<sup>3</sup> Nokia uses no ODS (Ozone Depleting Substances) in its products or production. The reported ODS figures are due to ODS contained cooling systems in facilities. ODP (Ozone Depleting Potential) = emission in kg of CFC-11 equivalent.