

## An overview of our supplier requirements on corporate responsibility

All suppliers as defined in our Supplier Base Management Process must comply with our robust Supplier Requirements. In addition, we expect our suppliers to have a code of conduct in place and policies related to ethical behavior, human rights, fair employment, health and safety, environment and conflict minerals.

Requirements covered in this document are included in our Supplier Requirements, which form part of our contractual agreements with suppliers. To promote sustainable improvements throughout the supply chain, we ask our suppliers to put in place similar sustainability requirements for their own supplier.

In this document, we provide an overview of our requirements on:

- Management responsibility
- Ethics and human resources management
- Health and Safety
- Environmental management
- Supplier Management & purchasing.

Our Supplier Requirements are based on the following international standards:

- United Nations Declaration of Human Rights
- International Labor Organization Core Conventions
- Social accountability standard SA 8000
- Occupational health and safety management standard OHSAS18001
- Environmental management standard ISO 14001
- Social Responsibility Standard ISO 26001
- EICC Code of Conduct
- JAC Guidelines.

## 1 Management Responsibility

Supplier shall have in place guiding policies for all key aspects and activities as required by the scope of its business and collaboration in use. Management shall ensure that the policies are communicated, understood and implemented at all levels of the organization.

### 1.1 Company values and business conduct

Supplier shall have an ethical conduct policy, such as a code of conduct, defining how Supplier understands and manages the ethical impacts of its business operations and reflecting its company values and culture. The policy shall reflect understanding of wider human rights impacts and demonstrate commitment to ethical business conduct and to continuous improvement.

Management shall ensure all relevant personnel is trained in and aware of the ethical conduct policy and related practices and risks and shall be able to provide evidence of employee awareness. Records of training shall be kept.

### 1.2 Environment

Supplier shall have an environmental policy, defining how Supplier manages environmental issues related to its business. The policy shall state a commitment to environmental protection, pollution prevention, compliance with environmental legislation and continuous improvement. The Policy shall be visible in work areas and management shall be able to provide evidence of employee awareness. Records of training shall be kept.

### 1.3 Human resources management

Supplier shall have a Human Resources (HR) policy (or policies), defining how Supplier manages its employees. The policy shall be applicable locally and globally, as relevant, and ensure employees are treated with respect and dignity and in compliance with local labor law and recognized international labor standards (i.e. ILO and relevant UN conventions). The policy (or policies) shall cover, for example, Recruitment and Exit, Working Hours, Compensation & Benefits, Discrimination, Equal Opportunity, Harassment and Abuse, Child Labor, Forced Labor, Freedom of Association and Disciplinary Practices. Where applicable, it shall cover also temporary labor and employees working outside Supplier's premises (e.g., at Nokia Solutions and Network's premises). Supplier shall ensure that its employment policies are free from discrimination based on race, color, gender, religion, national extraction, social origin, sexual orientation, political opinion, age, disability, marital or family status, personal relationships and health status. Management shall ensure that the associated HR processes are communicated and understood by HR personnel.

## 1.4 Occupational Health & Safety

Supplier shall develop, implement and maintain an Occupational Health & Safety Policy based on the principle that strong health and safety and health standards and organizational performance are mutually supportive and reinforcing. Management shall be able to provide evidence of employee awareness.

## 1.5 Conflict Minerals

In light of broad public concern over the so-called conflict minerals issue, suppliers who manufacture components, parts, or products containing tin, tantalum, tungsten, and/or gold must be particularly vigilant to follow commitment of sourcing those materials from environmentally and socially responsible sources only.

Materials, which either directly or indirectly contributes to conflict, are unacceptable.

All suppliers who manufacture components, parts and/or products containing tin, tantalum, tungsten, or gold shall have and implement their own Conflict Mineral Policy defining how they are integrating conflict minerals issue into their management systems.

Suppliers shall and communicate to sub-suppliers their own Conflict Mineral Policy, outlining their commitment to responsible sourcing and legal compliance and measures for implementation.

## 1.6 Organization and responsibilities, Environment and Ethics

The supplier shall have a defined organization with roles and responsibilities, including management representative responsible for ensuring that ethics, labor, environmental and health and safety management system requirements and product/service requirement compliance are established, implement and maintained. Supplier shall provide suitable human, technical and financial resources essential to the implementation and control of the operation's management systems, including specialized skills, when needed.

## 1.7 Legal compliance

Supplier shall comply with all applicable local, national and international legislation relating to Supplier's products, operations, activities, human resources and environment. Management shall be well-informed about and continuously monitor the development of the legislation related to its business area.

## 2 Ethics and human resources management

### 2.1 Workforce planning and recruiting

Supplier shall have a system to ensure the availability of workforce for current and future business needs, in a sustainable and ethical manner, at both organizational and unit level.

Supplier shall ensure that competent and eligible individuals are recruited and appointed to open positions, according to competence, with equal opportunity and on a voluntary basis. Supplier shall check the eligibility of candidates and that they are not children (\*). Supplier may employ young workers (\*), but where such young workers are subject to compulsory education laws, they shall only work outside of school hours. It is recommended that the Supplier conducts security clearance / background checks of candidates, when permitted by local law.

Upon employment, individuals shall be provided with a work contract/agreement/offer letter, basic induction training (without cost to the employee) and not be required to give financial deposits (neither directly nor through subcontractors used for employment) or deposit original identity documents such as passports as condition of employment. The Supplier shall not engage in or benefit from any use of forced or compulsory labor including prison labor. Employees shall be free to leave the company after giving reasonable notice (equal with notice period by employer unless local law states otherwise). Neither the organization nor any entity supplying labor to the organization shall engage in or support human trafficking.

Supplier shall ensure that exit procedures are compliant with local legislation, international labor standards and applicable collective agreements. Supplier shall ensure that access to information systems and tools are revoked in a timely manner for employees exiting the company, and that any property (including documentation) of Nokia is collected.

Supplier shall process any personal data submitted by the employee fairly, lawfully and carefully in a way that protects the privacy and rights of employees.

(\*) [Child: Any person under 15 years of age, unless the minimum age for work or mandatory schooling is higher by local law, in which case the stipulated higher age applies in that locality. Young worker: Any worker under the age of 18 but over the age of a child, as defined above.]

#### **Resource planning**

Supplier shall ensure that resources are available to meet both current and future business needs according to company strategy. Resource planning shall be conducted at both organizational/global and unit/local levels.

In particular, under-age workers or false apprenticeship schemes must not be used.

## 2.2 Non-disclosure and confidentiality agreements

Supplier shall ensure that employees working with Nokia products or projects or having access to Nokia specific knowledge, information or data, or to Nokia facilities, have signed a Non-Disclosure Agreement (NDA) separately or as part of the working contract. Supplier shall ensure that the employees fully understand its practical implications.

## 2.3 Occupational health and safety protection

Supplier shall ensure that physical and mental working conditions allow employees to perform their tasks safely and efficiently. Supplier shall have procedures for risk assessment on occupational health & safety, including identification, evaluation as well as mitigation and prevention of hazards. Preventative action shall include, for example, safety instructions, work procedures, preventive maintenance, employee training, appropriate safety devices, personal protective equipment and clothing, hearing protectors, chemical control or machine safeguarding. Management shall ensure that all workers shall respect and apply safe practices and procedures at all times.

The organization shall appoint a senior management representative to be responsible for ensuring a safe and healthy workplace environment for all personnel.

Supplier shall nominate and train persons responsible for the occupational health of employees.

Supplier shall have specific procedures in place for employees under the age of 18 (young workers) to protect them from hazardous work and night work.

Supplier shall assume responsibility for the occupational health of employees working off-site (e.g., at customer premises). This responsibility extends to any part-time and temporary workers employed or subcontracted by the supplier.

All supplier's personnel have the right to refuse to conduct a task that they believe is dangerous and places them at immediate risk of injury without seeking permission from the organization.

## 2.4 Occupational health and safety response

Supplier shall have occupational health and safety procedures to prepare for and respond to emergency situations involving occupational health and safety risks. Supplier shall record and investigate all health and safety incidents and concerns that workers have identified in order to minimize or eliminate them. Management shall encourage employees to report accidents and take action upon these records and reports.

## 2.5 Employee amenities

Supplier shall ensure that employees are provided with access to potable water and clean toilet facilities. Canteen facilities and food preparation areas shall be clean and safe, and food, if provided shall be offered at reasonable cost. Employee dormitories shall be clean, safe (equipped with fire extinguishers and emergency exits), adequately ventilated and/or heated, shall provide reasonable personal space to allow for privacy. Accommodation, if provided, shall be provided at reasonable cost.

## 2.6 Life Saving Rules on Health and Safety

Supplier shall observe the following rules and ensure compliance and awareness at all levels and monitor compliance with Nokia Life Saving Rules:

- Always wear a seat belt in ANY vehicle.
- Do not drive distracted or tired - take a break every 2 hours.
- Always drive at a safe speed for road, traffic and weather conditions. Do not exceed the speed limit.
- Always attach yourself and your equipment when working at height.
- Always make sure that nobody enters the space below when you are working at height.
- Do not work on live electrical systems. Do not work on any electrical system unless you are trained.

## 2.7 Competence and development

Supplier shall ensure that employees have the education, training and competences required for their position and tasks and that they are aware of the policies, rights and responsibilities related to carrying out their duties.

### 2.7.1 Competence analysis

Supplier shall periodically conduct competence analyses to identify the knowledge and skills/competences required to perform the organization's business activities according to short- and long-term strategic goals.

### 2.7.2 Competence development

Supplier shall ensure that employees, at all levels and with equal opportunity, have training and competence they need for their positions and tasks. Supplier shall develop training plans based on competence analyses and implement them to enhance and develop workforce capabilities.

Supplier shall maintain a training register, detailing the training employees have received. Where training is mandatory for the employee it shall be provided free of charge.

## 2.7.3 Nokia specific training and certification

Supplier shall ensure, on request, that personnel allocated to Nokia work have the necessary training on Nokia policies, products, processes and guidelines and, if needed, have necessary licenses and certificates. Supplier shall ensure such licenses and certificates are valid in terms of time and scope. Supplier, providing services at Nokia facilities or on behalf of Nokia, including (Nokia') customer sites, shall ensure that its personnel accept and adhere to the Nokia values and Code of Conduct and its rigorous standards relating to human rights, environmental protection, and health and safety.

## 2.8 Human rights and use of telecommunications technology

Suppliers and their employees shall be aware and align to the positions outlined in the Nokia' "Human Rights Policy" regarding the misuse of communications technology to infringe on human rights. Nokia expects that the technology it provides legally and in good faith will be used properly and lawfully, consistent with the human rights obligations of our customers and their governments. It is not the intent of Nokia to violate, or provide products or services that violate human rights. This obligation extends to any supplier who is operating, configuring, maintaining or offering any service related to Nokia or on its behalf. Supplier shall report any violation of these policies via the existing grievance channels.

## 2.9 Working time and time off

Supplier shall ensure that employees can perform assigned tasks efficiently without exceeding the maximum working hours. The supplier shall comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and public holidays. The normal work week, not including overtime, shall not exceed 48 hours or the maximum hours allowed as per local law whichever is lower. Overtime work shall be voluntary and shall not exceed 12 hours per week or the maximum hours allowed per local law whichever is lower. Supplier shall ensure that employees have at least one day off per seven-day week, and that overtime work is voluntary and it shall not be requested on the regular basis and that employees are entitled to 2 weeks of paid annual leave per year. Public holiday entitlements and other leaves of absence (e.g., medical or parental) shall comply with local labor laws or applicable collective agreements.

If young workers are employed, under no circumstances shall young workers school, transportation and working time exceed 10 hours and in no case shall young workers work more than 8 hours a day.

## 2.10 Compensation and benefits

Supplier shall respect the right of personnel to a living wage and ensure that wages for a normal work week, not including overtime, shall always meet at least legal or industry minimum standards, or collective bargaining agreements. Supplier shall provide social, medical and life insurance to its employees. Any deductions for the additional and voluntary services provided to the employee such as dormitory, lunch or transportation shall be cost based. Overtime work shall be compensated at the premium rate. Supplier shall also provide employees with benefits to reward contributions, skills and behavior considered vital to success. Compensation and benefits shall be aligned with relevant company policies.

Supplier shall not withhold any part of any personnel's salary, and other benefits in order to force such personnel to continue working for the organization.

Supplier shall not use labor-only contracting arrangements, consecutive short-term, contracts and/or false apprenticeship or other schemes to avoid meeting its obligations to personnel under applicable laws and regulations pertaining to labor and social security.

## 2.11 Fair treatment

Supplier shall ensure that employees at its facilities are treated with respect and dignity, equal opportunity and are safe from abuse, harassment or bullying of any kind (e.g., physical, verbal, mental, sexual, racial, cultural, age or disability related). Unless mandatory by local law, pregnancy, HIV or Hepatitis testing shall not be used in the recruitment process.

Supplier shall ensure company rules/guidelines are regularly communicated to employees. Supplier shall ensure that disciplinary procedures prohibit physical punishment and do not support financial deductions, or the threat thereof. A progressive warning procedure shall be in place to ensure the fair treatment. Supplier shall ensure decent conditions of work with regard to maternity protection and ability to combine work with family responsibilities and wherever possible, allow observance of national or religious traditions and customs.

### 2.11.1 Performance management

Supplier shall have a system to manage employee performance. Supplier shall ensure individual objectives are derived from company strategy and policies. Supplier shall ensure performance is evaluated fairly and objectively, against defined criteria and on a periodic basis, to identify ways to improve performance. Supplier should provide equal pay for the work of equal value.

## 2.12 Communication and coordination

Supplier shall ensure that information relevant to employees (about, e.g., business activities, changes and results) is communicated across the organization. Supplier shall ensure employees can share such information fast enough to be able to align their activities efficiently.

Supplier shall respect, and not obstruct or discourage in any way, the right of all employees to seek to form or join their own organizations and to bargain collectively, In cases this is restricted by law, facilitate parallel means to ensure that individuals or groups are able to raise concerns to the attention of the management. The organization shall respect this right and shall effectively inform personnel that they are free to join a worker organization of their choosing without any negative consequences or retaliation from the organization.

### 2.12.1 Employee satisfaction

Supplier shall have the means to evaluate and improve employee satisfaction. A company of substantial size (i.e. headcount exceeding 100) shall have an employee satisfaction program based on employee opinion surveys and shall take action based on the results of the program.

## 2.13 Feedback and complaint channels

Supplier shall have a system through which employees can give feedback or complain about unethical conduct, unfair treatment or practices, violation of company values, policies and procedures, or improvement ideas and suggestions.

Management shall, when appropriate, act upon this feedback and handle it confidentially and anonymously. Management shall ensure that there are no adverse consequences as a result of giving feedback.

## 3 Environmental Management

### 3.1 Environmental management system

Supplier shall have an environmental management system (EMS) ensuring effective planning, operation and control of environmental aspects. The EMS shall satisfy the requirements of ISO14001 or other internationally recognized standards. Supplier shall be well-informed about environmental legislation and applicable regulations and be able to provide evidence of compliance. The EMS shall include a continuous improvement program.

#### 3.1.1 Environmental certification

Supplier's EMS shall be certified by third party as compliant with ISO14001 or Eco-Management and Audit Scheme. (EMAS)

### 3.2 Raw material content data management

Supplier shall comply with material restrictions, set by applicable law and Nokia, and continuously maintain records of full raw material content data (materials, substances and compounds) of products supplied to Nokia or of materials used in implementing the services provided to Nokia. These records (including any updates) shall be provided to Nokia in a format specified by Nokia. Suppliers shall comply with the special requirements set by Nokia on traceability and storing of raw material data with regard to "Conflict Minerals".

### 3.3 Waste management

Supplier shall manage any waste generated from its operations or from products or customer's assets in its possession, or reaching end-of-life or being classified as waste according to legal requirements and good environmental practices. Supplier shall establish and maintain procedures ensuring compliance with its waste management obligations. Supplier shall primarily investigate ways to reduce waste generation and secondarily ways to promote reuse (of non-Nokia-proprietary material) and recycling. Nokia proprietary material must not be reused without prior consent from Nokia.

Supplier shall record information about waste management (i.e. how much and where waste is reused, recycled, energy recovered, sent to landfill etc) and provide this information to Nokia on request.

## 3.4 Air pollutants

Supplier shall identify, minimize, monitor, control and treat all hazardous air pollutants and all emissions should be avoided in accordance with international standards and applicable laws.

## 3.5 Energy Efficiency

Suppliers shall identify the sources of direct and indirect accumulated greenhouse gas (GHG) emissions and define the boundaries (scope of their responsibility). Supplier shall measure, record and report on its significant GHG emissions and shall implement optimized measures to progressively reduce and minimize GHG emissions within its control. Supplier shall communicate its level of emissions and reduction targets to Nokia on request.

## 3.6 Programs for improving environmental performance

Supplier shall identify and measure the environmental consequences and impacts of its operations and products / services and run continuous improvement programs to address these impacts. These programs shall promote efficient use of energy, water conservation, use and access to water; efficiency in the use of materials, elimination of its impacts on biodiversity, avoid use of hazardous materials, promote waste minimization and improve treatment and control of waste emissions affecting air, water and soil. Supplier shall be able to provide supporting evidence.

## 4 Supplier management & purchasing

Nokia Networks expects our suppliers to have a supplier base strategy and supplier base management for their suppliers (vendors, subcontractors, service providers, partners, etc. – sub-suppliers from Nokia Networks' point of view).

- 4.1 A supplier shall identify, evaluate and select its sub-suppliers according to a documented procedure. Selection criteria shall be aligned with the Nokia Networks Supplier Requirements (including environmental and labor condition requirements). Supplier shall have purchase and/or service agreements as well as valid Non-Disclosure Agreements (NDAs) in place with all its sub-suppliers, service providers and partners. Any such NDA(s) shall be aligned with supplier's NDA(s) with Nokia.

As a part of Supplier Requirements to the sub-suppliers, a supplier shall also set environmental and labor condition requirements (e.g., occupational health and safety, ethical conduct) for its sub-suppliers, including waste handling/recycling sub-suppliers. They need to evaluate sub-supplier performance and set improvement targets. The requirements shall be aligned with Nokia Networks supplier requirements.

If a sub-supplier is used for waste disposal, the Nokia Networks supplier shall ensure the sub-supplier is appropriately authorized and licensed.

### 4.2 Conflict Minerals due diligence

Suppliers who manufacture components, parts, or products containing tin, tantalum, tungsten, and/or gold shall define, implement and communicate to sub-suppliers their own Conflict Mineral Policy, outlining their commitment to responsible sourcing and legal compliance and measures for implementation. (See section 1.5). Suppliers shall work with sub-suppliers to ensure traceability of these metals at least to smelter level. Traceability data shall be maintained and recorded for 5 years and provided to Nokia upon request. Once such mechanisms are available, suppliers shall ensure that purchased metals originate from smelters validated by Suppliers as being conflict mineral free.

Suppliers are encouraged to support industry efforts to enhance traceability and responsible practices in global minerals supply chains.