NOKIA

NOKIA SUSTAINABILITY REPORT 2011 OVERVIEW
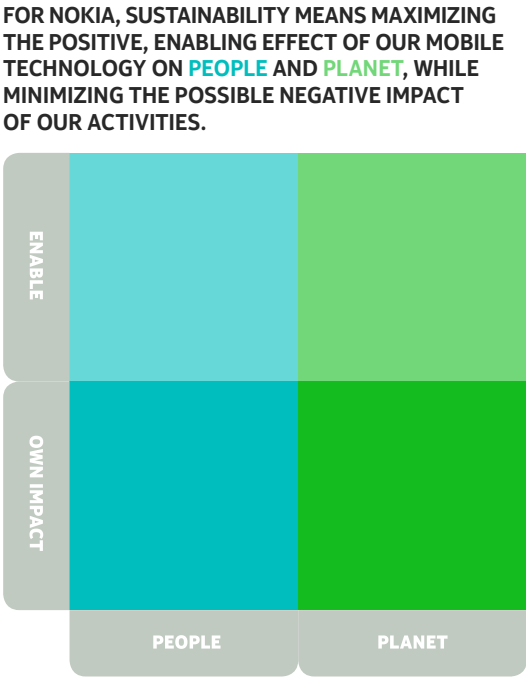
GREAT SUSTAINABLE MOBILE PRODUCTS...

GOOD FOR PEOPLE, GOOD FOR PLANET
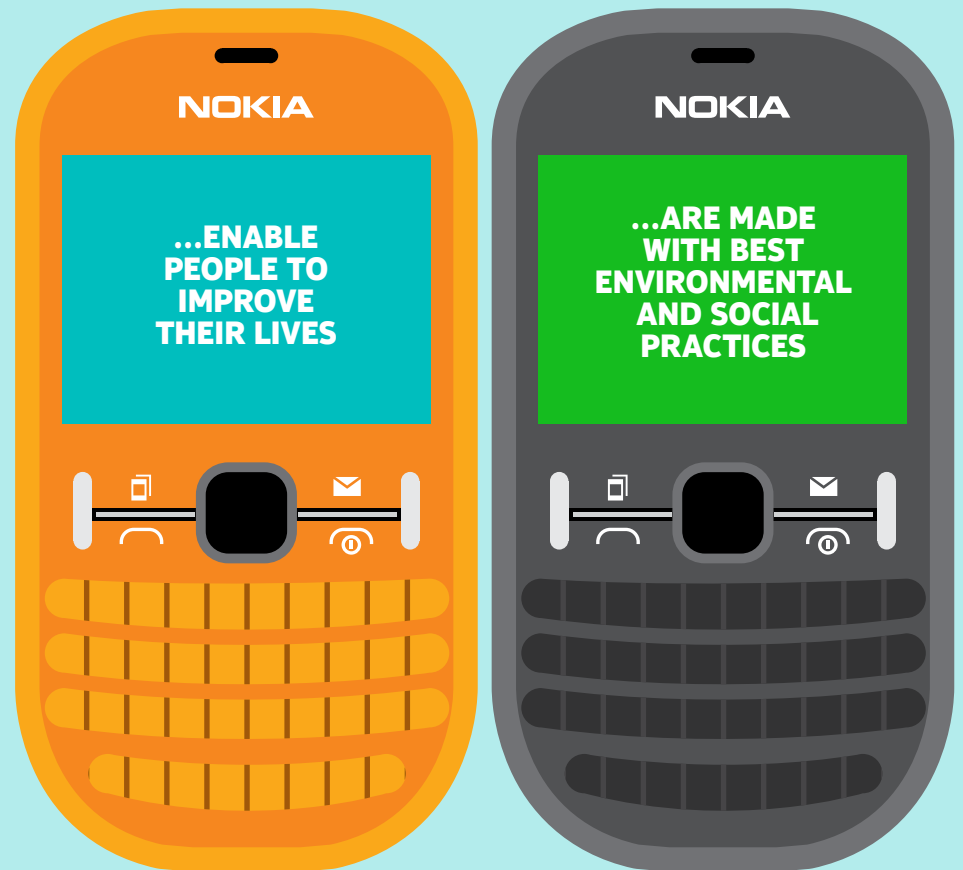
NOKIA

...ENABLE PEOPLE TO IMPROVE THEIR LIVES

NOKIA

...ARE MADE WITH BEST ENVIRONMENTAL AND SOCIAL PRACTICES

ABOUT THE OVERVIEW

CONTENTS

FOR NOKIA, SUSTAINABILITY MEANS MAXIMIZING THE POSITIVE, ENABLING EFFECT OF OUR MOBILE TECHNOLOGY ON PEOPLE AND PLANET, WHILE MINIMIZING THE POSSIBLE NEGATIVE IMPACT OF OUR ACTIVITIES.

Thank you for taking the time to read our report overview. Within these pages, you'll find a wealth of information about our efforts to create a sustainable business. Traditionally, 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 maximizing the positive, enabling effect of our mobile technology on people and planet, while minimizing the possible negative impact of our activities. Responsible environmental and social practices are integrated into everything we do. From the devices we build and the suppliers we choose, to our mobile solutions that enhance people's education, livelihoods and health. In sum, we strive to create value for people, planet and Nokia. Open and transparent reporting of our progress is a key part of our sustainability activities.

This 2011 report overview (for the fiscal year 2011) covers the key ethical, socio-economic and environmental areas most relevant to our business and our stakeholders. The activities are split into the themes of people and planet. For both, we first discuss our enabling effect and then our own impact.

REPORTING SCOPE

Nokia has published corporate responsibility reports annually since 2002 and we've reported our environmental activities continually since 1999. Nokia Siemens Networks (NSN), which is approximately 50% owned by Nokia, publishes its own detailed Sustainability Report on their website, and is excluded in this report unless otherwise indicated.

YOUR FEEDBACK

We welcome your views on our activities and our performance. If you'd like to share your opinions, please contact the Nokia sustainability team at sustainability.feedback@nokia.com, or respond to the feedback questionnaire available on our website.

1.1
GREETINGS FROM NOKIA'S CEO

HELLO THERE,

Nokia undertook a monumental shift in 2011, embarking upon a new strategy that reflected the sea change in the mobile industry and our intent to both stay ahead of, and capitalize on, the challenges facing us. I'm proud to say that even in a year of such big change, Nokia's commitment to sustainability remained firm. In fact, it was further strengthened by the new strategy, where we saw clear evidence of progress before the year was out.

NEW STRATEGY

Nokia's strategy is based around three main areas. First, we are partnering with Microsoft to deliver industry-leading smartphones using the Windows Phone operating system. In October we already saw the first fruit of our labors with the launch of the Nokia Lumia 800 and 710, and we followed this up with further Lumia launches, the Nokia Lumia 900 and 610 in early 2012. All our new Lumia phones fully meet our strict environmental requirements.

Second, we aim to connect the next billion to the Internet and information, bringing consumers with limited economic means the full benefits of mobile communications. The lines between a smartphone and a feature phone are blurring, and people, regardless of where they are based, want to do more with their phones. At Nokia World we launched our Asha range of devices, which offer consumers the smartphone-like features desired in developed markets – touch screens, QWERTY keyboards and games – but at lower price points. We augmented our Asha line with further launches in February, 2012.

Finally, Nokia is focusing on what we call future disruptions – technology, business, and process areas that we have identified as having a profound influence on our industry. We will invest in these areas to ensure we are positioned as a leader in the next era of computing innovation and remain ahead of the competition.

SUSTAINABILITY IN FOCUS

From a sustainability point of view, these three pillars all have a role to play in helping us achieve our goal: to make great, sustainable mobile products; devices that incorporate the best environmental and social practices and enable people to improve their lives. Perhaps the greatest resonance, however, can be found in the work we are doing to connect the next billion.

Nokia strongly believes that access to communication and information is a right, not a privilege. Mobile communications technology has the power to strengthen public life and the role of citizens around the globe, and it has proven time and again that it can democratize the spread of information. This belief, this ethos, runs deep within all of our employees, and we had numerous examples of this on display in 2011.

In South Africa, we are very proud of the achievements of Nokia Mobile Mathematics, a free-of-charge service that turns your mobile device into a text and exercise book. Students get access to theory and a database of thousands of exercises, solutions, and competitions. Nokia has found that students who use the service show improvement in their grades, and teachers get a better understanding of their pupils' strong and weak points. In 2011, 25,000 Grade 10 students benefited from the solution, and Nokia plans to double this in 2012 to reach 50,000 Grade 10 and 11 students.

1.1
GREETINGS FROM NOKIA'S CEO

Nokia is also active in driving environmental sustainability, working both with governments as well as with other multinational companies. According to the United Nations Environment Programme, about 50 million tonnes of electronic waste is generated each year, and E-waste is the fastest growing waste stream.

In Kenya, we commissioned a report in 2011 that showed only 14% of citizens are aware that mobile phones can be recycled, and only 2% actually recycle their old mobile phones. We followed this up with a campaign to drive awareness around mobile recycling, including advertising, press conferences, and an outreach to bloggers and citizens. Surveys show that Nokia is seen as the greenest brand in Kenya.

This is part of a broader global effort from us: Nokia operates the world's largest voluntary take-back program for old mobile devices, with more than 6,000 collection points in almost 100 countries. We accept all brands of phones, which are then collected and sent to approved Nokia recyclers, where they are recycled in a sustainable manner. 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.

But sustainability means more than this. Following our strategy announcement, we announced a number of planned changes to our operations and, unfortunately, this had an impact on our personnel. We responded with the creation of the Bridge program, which aims to support employees during tough times by focusing on three areas in particular:

- Re-employment of employees affected by Nokia's change in strategy
- The local communities where our operations have changed
- The long-term of Nokia and how we create value for society at large

Bridge offers a wide range of possibilities, from traditional individual re-employment support to investments that encourage entrepreneurship, re-training and innovation which can fuel new growth for those communities impacted. The highest priority is the reemployment of Nokia employees, either inside or outside the company, or by promoting the creation of new businesses by those who are leaving. In Denmark, for example, thanks to Bridge we have seen the creation of over 20 start-ups following our announcement to close our facilities there, and the number is growing.

CHALLENGES REMAIN

These examples give just a taste of some of the work that we did during the year, and many more cases can be found in this report. I'd like to stress that while our change journey started in 2011, it is far from over. We entered 2012 in the heart of our transition, showing clear progress versus our strategy but operating in a fiercely competitive industry that is in constant flux.

On the sustainability front, challenges also remain. We are focused on honing the direction we give our suppliers and measuring their performance, ensuring that they closely follow our comprehensive set of Nokia Supplier Requirements for environmental and social performance.

And unfortunately the renewable energy market has developed more slowly than expected. That said, Nokia still showed progress on this front in 2011, installing fuel cells at our facility in Sunnyvale in the U.S. and a small biofuel station in Chennai, India. Nokia has increasingly purchased green electricity since 2006, and altogether, in 2011 our renewable electricity share was equal to 40%, which reduced our CO_2 emissions by 54,500 tonnes.

Like all Nokia employees, I take great pride in the work we do to improve people's lives around the world. And yet, in many areas, we've only scratched the surface in terms of what we can do. It's the scale of this challenge that drives and motivates us on a daily basis, and I look forward to sharing more of our progress and good news with you in the future.

Best regards,
Stephen Elop

1.2
NOKIA IN 2011

WHO WE ARE

Nokia is a global leader in mobile communications whose products have become an integral part of the lives of people around the world. Every day, more than 1.3 billion people use their Nokia to capture and share experiences, access information, find their way or simply to speak to one another. Nokia's technological and design innovations have made its brand one of the most recognized in the world. Nokia Siemens Networks, jointly owned by Nokia and Siemens, is one of the leading global providers of telecommunications infrastructure hardware, software and services.

We operate a global network of production facilities for mobile products and network infrastructure in eight countries as well as a global network of sales, customer service and other operational units. For mobile products, we have sales in more than 160 countries. Nokia has made significant investments into research and development and has been one of the leading innovators in the industry over the past two decades. For mobile products, we operate several major research and development and software development facilities, with key sites in China, Finland, Germany and the United States.

STRUCTURE AT DECEMBER 31, 2011

We have three businesses: Devices & Services (which includes the Smart Devices and Mobile Phones business units), Location and Commerce and Nokia Siemens Networks.

We adopted our current operational structure during 2011. Smart Devices and Mobile Phones focus on the areas of smartphones and mass market feature phones, respectively, while Location and Commerce, which was formed by combining NAVTEQ with our Devices and Services social location services operations, focuses on the development of location-based services and local commerce.

STRATEGY

Nokia's strategy to generate sustainable long-term growth is centered on the creation of great mobile products. We create products for virtually every demographic and every geography worldwide. Our strategy has three core elements: i) to win in smartphones; ii) to connect the "next billion" to the Internet and information; and iii) to continue to invest in future disruptions through long-term exploratory research into the future of mobility and computing. We outlined this new strategy in February 2011 in conjunction with the announcement of changes to our leadership team and operational structure which are designed to accelerate our speed of execution.

2011 AT-A-GLANCE (NOKIA GROUP LEVEL)

- Head office in Finland; R&D, production, sales, marketing activities around the world
- Total number of employees at year-end: 130,050 (Nokia Group)
- Major R&D and software development sites in China, Finland, Germany and the United States
- Sales in over 160 countries

FIGURE	2011 (MILLIONS OF EUROS)	2010 (MILLIONS OF EUROS)
NET SALES (GROUP)	38,659	42,446
NET SALES: DEVICES AND SERVICES	23,943	29,134
NET SALES: NOKIA SIEMENS NETWORKS	14,041	12,661
NET SALES: LOCATION AND COMMERCE	1,091	869
OPERATING PROFIT[1]	-1,073	2,070
EARNINGS PER SHARE, DILUTED[1]	-0.31	0.50

More Nokia and Nokia Group data is available in the Key Data section of this report. More information about our financials, organization and other key corporate information can be found from Nokia's annual report on Form 20-F for 2011.

[1] Location and Commerce operating loss in 2011 includes a goodwill impairment loss of 1,090 million Euros.

1.3
KEY SUSTAINABILITY TOPICS

1.3.1 IDENTIFYING KEY SUSTAINABILITY TOPICS

This report highlights Nokia's performance in the areas where business practices most affect society and the environment. The identification of our key sustainability topics – also called the materiality identification process – as well as the selection of topics to this report is based on a combination of factors:

- Our long legacy and experience working on sustainability issues gives us guidance on the key topics. We also take into account public debate and media and analyst interest in issues.

- Regular engagement with stakeholders and partners, to understand the issues that are most important to them. In 2011, we also conducted an online stakeholder survey, to further improve our understanding of our stakeholders' expectations and to better align our sustainability efforts and reporting with their priorities. Stakeholder engagement is a key component in identifying sustainability topics, and therefore we have dedicated an entire chapter 2.2.5 for it in the full report.

- Analyzing the global macro trends and sustainability challenges, including the UN Millennium Development Goals, and how Nokia can be part of the solution driving positive change, is a part of Nokia's annual planning process.

- Risk and opportunity assessments that help align our approach with our core business.

- Participation in the Global eSustainability Initiative (GeSI) materiality analysis, an initiative that defines areas where the ICT sector can make the greatest contribution, using a combination of stakeholder and company interviews, desk research and workshops

- Global Reporting Initiative (GRI) guidelines, which provide a foundation for reporting and add topics most relevant to Nokia and our industry. See the 'GRI Index' at the end of the full report.

Based on these factors, we have analyzed the shared value to people, planet and Nokia, and this forms a basis for our sustainability strategy and related target setting. The results of the analysis are represented in the following table, which summarizes the key topics of our sustainability work and the high level structure of this report.

1.3
KEY SUSTAINABILITY TOPICS

MATERIALITY MATRIX

Key topics and their impact to sustainable development, stakeholder interest and Nokia business.

The vertical axis represents the stakeholder view and the overall impact on sustainable development. The horizontal axis portrays the importance to Nokia's business. The topics most important to our stakeholders and to sustainable development, as well to our business, are therefore the ones closest to the top right hand corner. However, all the topics in this picture are very important in our sustainability work.

IMPACT TO SUSTAINABLE DEVELOPMENT AND STAKEHOLDER INTEREST

CUSTOMER SATISFACTION PRIVACY & SAFETY

IMPROVING PEOPLES LIVES WITH MOBILE TECHNOLOGY

ECONOMIC IMPACT

SOCIAL AND ETHICAL PERFORMANCE IN SUPPLY CHAIN

TAKE-BACK AND RECYCLING

GREEN SUPPLY CHAIN AND LOGISTICS

LABOUR AND SOCIAL ISSUES IN OWN OPERATIONS

GREEN OPERATIONS AND FACILITIES

ENVIRONMENTALLY LEADING PRODUCT RANGE

IMPACT TO NOKIA BUSINESS

● IMPACTING PEOPLE
● IMPACTING PLANET

1.3
KEY SUSTAINABILITY TOPICS

1.3.2 OUR KEY SUSTAINABILITY TOPICS TABLE

In this table, we have summarized our key topics in 2011, their importance to sustainable development, stakeholder interest and Nokia's business. Also the key risk and opportunity areas are mentioned when relevant. Each subject is discussed in more detail in various sections of the report as indicated below.

NOKIA AND PEOPLE

TOPIC	IMPORTANCE
IMPROVING PEOPLE'S LIVES WITH MOBILE TECHNOLOGY	Nokia is uniquely placed to support people through its core business. Access to communication and information has huge benefits for people, and by connecting the next billion to the Internet and information, one of our strategic goals, we can bring those benefits to the ever-increasing number of people worldwide. Mobile technology can be harnessed to help in global sustainability challenges, having both major sustainability as well as business potential. Nokia already improves people's lives through services enabling improved education, health and livelihoods. With our products, we also positively contribute to accessibility, human rights and safety.
LABOR AND SOCIAL ISSUES IN OWN OPERATIONS	Our success depends on our employees. The key issues include: employee satisfaction, company values, diversity and inclusion, training and development, performance and rewarding, health, safety and well-being, labor conditions, human rights and ethics. Succeeding in these areas offers opportunities and is crucial in mitigating risks. During 2011, employee satisfaction and motivation were especially important due to a high level of operational restructuring.
SOCIAL ISSUES AND ETHICS IN SUPPLY CHAIN	We have thousands of direct and indirect suppliers. This gives us great responsibility and we're committed to ensuring that, in addition to environmental requirements, the highest standards of social responsibility is exercised throughout our supply chain. Succeeding in these areas offers opportunities and is crucial in e.g. mitigating reputation risk. Some suppliers are more advanced than others in managing their operations sustainably, which means our approach must meet different needs and build capacity over time. Our challenge is that the supply chain is long and complex – for example there are typically four to eight supplier layers between Nokia and any mining activities – and active work to increase transparency is needed in all these layers.
CUSTOMER SATISFACTION, CUSTOMER PRIVACY AND PRODUCT SAFETY	Customer satisfaction, product safety and protecting customer privacy are top priorities for Nokia. Delivering customer satisfaction is not only about meeting needs, but about creating value for our operator customers and end users by increasing the sustainability of our devices throughout their life cycle. Our products must be safe for people and the environment. Protecting customer privacy has always been important to Nokia. It is even more important as we develop new services and bring more people online. These services enable consumers to use and share their personal information in new contexts. All these areas offer opportunities and are crucial in mitigating risks.
OUR ECONOMIC IMPACT	As a global company, the Nokia Group has a significant economic impact, both directly and indirectly. Our 2011 direct economic impact to different stakeholder groups can be summarized with the following figures: our net sales were 38,659 million Euros, the total purchases of goods and services from suppliers were 27,572 million Euros; we paid 7,534 million Euros of wages and benefits to employees; we paid 1,536 of Euros of dividends to shareholders; we paid 283 million Euros of interests to creditors, and we paid 752 million Euros of taxes. In addition, Nokia contributes to economic development through its products for the over one billion customers and in many other ways.

1.3
KEY SUSTAINABILITY TOPICS

NOKIA AND PLANET

TOPIC	IMPORTANCE
ENVIRONMENTALLY LEADING MOBILE PRODUCT RANGE	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. During the last decade, the greenhouse gas footprint of our phones has been reduced by up to 50%. At the same time, we have also introduced new features and capabilities that allow the mobile device to become a multifunctional product, and thereby reducing the need to buy multiple devices for different purposes. Another major positive impact comes from providing innovative solutions that enable people to reduce their own environmental impact related e.g. to travel and commuting. The implementation of environmental requirements, both legal and customer specific, have key importance for our business success and we go far beyond compliance with initiatives such as voluntary substance and materials requirements.
TAKEBACK AND RECYCLING	As the number of mobile devices in the world increases, so does the concern about 'e-waste' from old devices. This fact, combined with a finite supply of raw materials available for producing new phones, demonstrate that the end-of-life of mobile devices is a major issue that impacts across our industry. Nokia has the world's largest recycling network. At the end of 2011, we had approximately 6,000 collection points in almost 100 countries. Yet, only about 9% of people say that they recycle their phones. Therefore, we work around the globe to raise awareness and to ensure proper and safe recycling and take part in collective recycling schemes. Currently, our challenge is to show people how recycling phones is both easy and beneficial and inspire them to take action.
GREEN OPERATIONS AND FACILITIES	Although Nokia is not part of an energy-intensive industry and the CO_2 emissions and water use in our own facilities is relatively small, we still have possibilities to control and reduce our own environmental impacts. As the number of devices that can access Internet increases, the energy consumption of our data centers becomes increasingly important. The environmental impact of our own activities is an area where stakeholder interest, with various reporting requirements, has increased during the recent years. In extreme cases non-compliance with various regulations and customer requirements can cause risks to our operations.
GREEN SUPPLY CHAIN AND LOGISTICS	The vast majority of Nokia device life cycle environmental impact comes from our supply and logistics chain. Therefore, it is important for us to work closely with our suppliers and logistics service providers to reduce this environmental impact. Our main focus is on energy consumption, greenhouse gas emissions, waste generation, water use and recycling. We encourage our direct suppliers to set reduction targets and we follow up on their performance. We also require supplier sites to be ISO 14001 certified. The major challenge here is the long supply chain where Nokia or our first-tier suppliers are only part of the impact.

1.4
KEY ACHIEVEMENTS AND CHALLENGES IN 2011

These achievements and challenges highlight our sustainability performance in our key sustainability topics in 2011.

IMPACTING PEOPLE

Helping our employees affected by personnel reductions to re-employ

To accelerate the company's speed of execution in a dynamically competitive environment, we announced a new strategic direction and operational structure in February, 2011. These changes have had an impact on Nokia's operations and personnel, including announcing painful but necessary plans to reduce personnel and close sites. To minimise the negative impact on our employees, we started a comprehensive social responsibility program called Bridge for employees and communities affected by the personnel reductions. The program is led locally, with local partners and stakeholders, and Nokia's senior management support. It is tailored for different markets to help people affected prepare for the future in wide variety of ways.

Focus on bringing Internet and information to the next billion

In 2011 we approved a new strategy that focuses on providing the next billion people the benefit of access to technology, Internet and the wealth of information. This also means new opportunities for a vast number of people to create locally relevant apps and content. It also provides a unified platform for developers and operators to create an even more compelling offering.

40 million people have experienced Nokia Life (known as Nokia Life Tools in 2011)

Nokia Life is a SMS service especially for people in emerging markets. It helps them in their daily lives by providing services in areas like education, healthcare, agriculture, and entertainment. By the end of 2011, 40 million people had experienced the service.

Open sourcing of Nokia Data Gathering lead to its rapid expansion

After being open-sourced in 2010, the number of organizations using Nokia Data Gathering (NDG) doubled in 2011. This free software allows any organization to collect data using mobile phones. There are already numerous examples of NDG improving health and the environment. We've also seen businesses offering services based on NDG, contributing to their own success, while helping the software reach even more people.

Making progress on the challenge of tracing the origins of raw materials

In 2011, Nokia made good progress in improving the traceability of metals in the supply chain. The GeSI Extractives group, of which we are an active member, published its first list of third party validated conflict-free Tantalum smelters. At Nokia, we expressed our stance regarding the illegal trade in natural resources by publishing Nokia Policy against Illegal Trade of Natural Resources, which our suppliers need to respect. To complement the policy, we also included requirements regarding due diligence to our supplier requirements. As a forerunning company, Nokia takes seriously the continuous challenge to ensure that metals from conflict areas, such as the Eastern part of Democratic Republic of Congo, do not enter our supply chain.

While we want to ensure that our products are free of conflict minerals, we wish to avoid an embargo on Central Africa and support legitimate trade. Therefore we joined the Public-Private Alliance for Responsible Minerals Trade (PPA). To support development of responsible supply chain management, we participated in the OECD pilot implementation phase of the OECD Due Diligence for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Making a commitment to ensure our mobile products are more accessible

All people, without discrimination, should be able to communicate. Worldwide there are about 600 million people with a recognized disability or need for improved accessibility. Nokia wants to give the possibility to connect to the Internet and information for all people, including those with accessibility needs regarding vision, hearing, speech, mobility or cognition. To really engage our stakeholders in this discussion, we organized the Nokia Accessibility Summit. Driven by a clear customer need, we also launched the Nokia Screen Reader, for people with visual impairments, and the Accessibility Channel in the Nokia Store for accessibility applications during 2011.

NOKIA WANTS TO GIVE THE POSSIBILITY TO CONNECT TO THE INTERNET AND INFORMATION FOR ALL PEOPLE, INCLUDING THOSE WITH ACCESSIBILITY NEEDS REGARDING VISION, HEARING, SPEECH, MOBILITY OR COGNITION.

Next generation cooperation with non-governmental organizations

By working together with other organizations, we can have an even greater positive impact. Nokia looks beyond traditional NGO cooperation, and seeks projects that bring value to communities and improves the environment with mobile technology. In 2011, we started global partnership with Oxfam GB, part of an international federation working on solutions to end poverty and related injustice. Our first project with Oxfam, striving to improve maternal health, combined mobile technologies and online community. Our other global partners include IUCN (International Union for Conservation of Nature), UNESCO (United Nations Educational, Scientific and Cultural Organization) and WWF (World Wide Fund For Nature)

1.4
KEY ACHIEVEMENTS AND CHALLENGES IN 2011

IMPACTING PLANET

Introducing new eco hero devices

While continuously improving the environmental credentials of all our products, we introduced five new eco hero devices, including the Nokia 700, an industry leader in the use of bio materials, recycled plastics and recycled metals. We also launched the Nokia Asha 200 and 201, the first eco hero devices available at a lower price point.

Making public transportation easier to use

Nokia Public Transport offers public transportation route planning for Nokia device owners in hundreds of places worldwide. It also highlights public transportation as being the environmentally sound travel option, and makes using public transportation easier.

Adjusting to green energy availability

We've been increasingly purchasing green electricity since 2006, but are still encountering the challenge of slower than expected renewable energy market development. In 2011, we put in place our first onsite installations for generating renewable energy: fuel cells at our facility in Sunnyvale in the US and a biofuel station at our factory in Chennai, India. Altogether, in 2011 our renewable electricity share was 193 GWh, which is equal to 40% and which reduced our CO_2 emissions by 54,500 tonnes.

Increasing focus on supplier performance

Even though our comprehensive set of Nokia Supplier Requirements provides clear guidance on what we expect from our suppliers in terms of environmental and social performance, we implemented several improvements to better direct and measure their performance. In 2011, we put more emphasis on the Environment, Labor conditions, Occupational Health and Safety, and Ethics in our supplier requirements. To make sure the requirements are taken into practice, we trained more social compliance assessors to monitor performance and risk assessed our key 1st tier direct supplier facilities. We also have reduction targets for energy, greenhouse gas emissions, water and waste for those hardware suppliers, which have the highest environmental impact or are strategically important to us.

1.4.1 NOKIA IN 2011 SUSTAINABILITY RANKINGS

ORGANIZATION	RANKING IN 2011
DOW JONES SUSTAINABILITY INDEXES REVIEW	Among 5 best scoring companies in Communications Technology category
GREENPEACE GUIDE TO GREENER ELECTRONICS	#3 for leading electronics manufacturers and #1 for mobile device manufacturers.
CARBON DISCLOSURE PROJECT	One of the top IT sector companies in both performance (#5) and disclosure (#8)
FORBES WORLD'S MOST SUSTAINABLE COMPANIES	#4 most sustainable out of 100 publicly traded companies
NEWSWEEK GREEN RANKINGS	#21 out of 500 largest companies in the world
TWO TOMORROWS	#2 in Information and Communications Technology category
OEKOM INDUSTRY REPORT FOR IT COMMUNICATIONS EQUIPMENT	Oekom Prime Status (absolute best-in-class approach). A report assessing a company's social, cultural and environmental sustainability
ENOUGH PROJECT RANKING	Among the top 5 electronics companies for progress on conflict minerals (12/2010)
FTSE4GOOD INDEX	Included since 2001

1.5
SUSTAINABILITY MANAGEMENT APPROACH

1.5.1 SUSTAINABILITY GOVERNANCE AND MANAGEMENT

Nokia's sustainability governance and management practises are in place with the aim of ensuring that social and environmental matters are duly taken into account in everything we do. Sustainability issues are reviewed regularly at all levels, up to the highest decision making bodies of the company. The structure of the managerial sustainability governance levels can be seen in the graphic below.

The highest decision making levels at Nokia are the board of directors and ultimately the general meeting of shareholders. The Board provides the ultimate supervision of Nokia's sustainability performance, and during 2011, sustainability and related topics were reviewed in their meetings. In recent years, sustainability related questions have been discussed also in AGM.

HIGHEST DECISION MAKING, STRATEGIC DIRECTION AND SUPERVISION

CEO and Nokia Leadership Team

Discusses and agrees on strategic issues, priorities, resourcing, organization, key targets and measures for sustainability initiatives across Nokia.

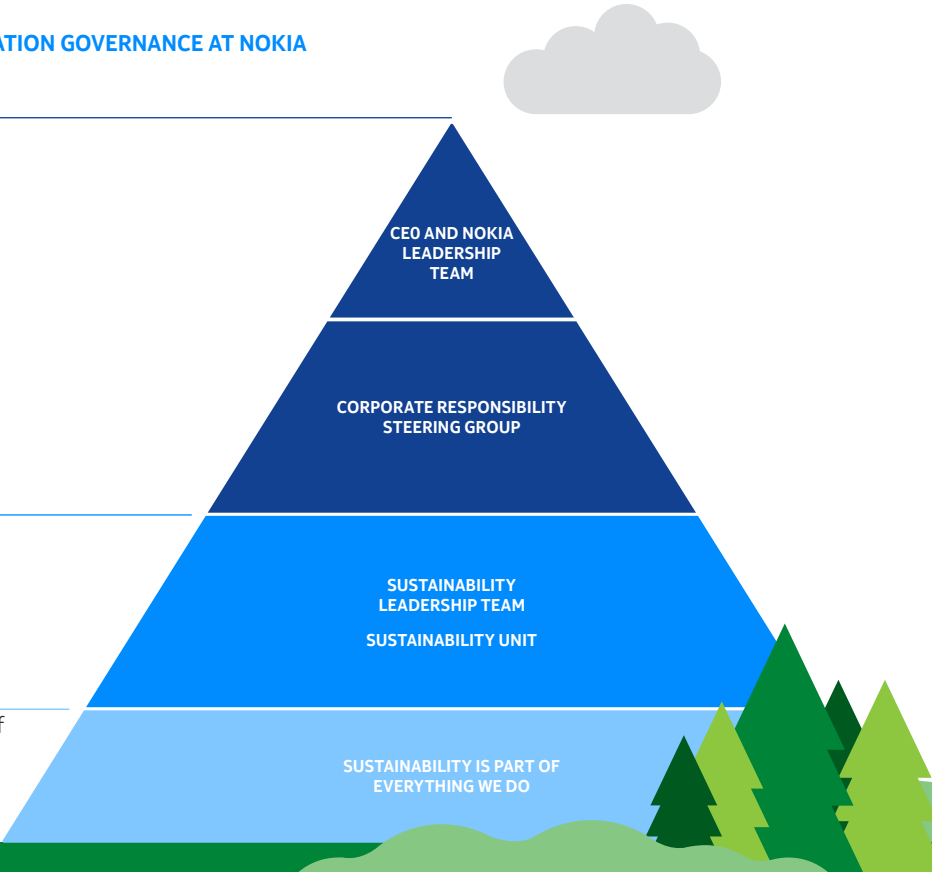**Corporate Responsibility Steering Group**

Headed by Nokia Leadership Team member, Executive Vice President Esko Aho, the steering group includes management representatives of major functions as members. Responsible for supporting sustainability initiatives across the business and encouraging open communication and cooperation, both internally and externally, and helping integrate sustainability into our core business.

OPERATIVE LEADERSHIP AND IMPLEMENTATION OF NOKIA'S SUSTAINABILITY ACTIVITIES.

Nokia Sustainability Leadership Team develops the group-wide sustainability framework containing strategy targets and priorities. It acts as the Operative Leadership team of Nokia's Sustainability Unit, which drive sustainability initiatives within the business and is responsible for building and implementing processes to achieve our environmental and social targets.

Finally, sustainability is part of everyone's business at Nokia. It needs to be in everything we do.

SUSTAINABILITY ORGANIZATION GOVERNANCE AT NOKIA

Highest decision making, strategic direction and supervision

CEO AND NOKIA LEADERSHIP TEAM

CORPORATE RESPONSIBILITY STEERING GROUP

Operative leadership and implementation of Nokia's sustainability activities

SUSTAINABILITY LEADERSHIP TEAM

SUSTAINABILITY UNIT

Finally, sustainability is part of everyone's business at Nokia. It's in everything we do.

SUSTAINABILITY IS PART OF EVERYTHING WE DO

1.5.2 SUSTAINABILITY TARGETS, MANAGEMENT SYSTEMS AND POLICIES

Nokia has company level sustainability targets and also each business unit has their more specific targets. The externally communicated key targets and our performance against them are described in the following table. More target and performance information is given in the relevant sections of the report. The 2011 Key data section at the end of the Report also gives detailed information on our sustainability performance.

Our sustainability related policies and management systems include e.g. the following:

- Nokia code of conduct
- Nokia global employment guidelines
- Nokia labor conditions standard
- Occupational health and safety policy
- Environmental policy
- Nokia supplier requirements
- Nokia policy against illegal trade of natural resources
- Nokia human rights approach
- Nokia privacy policy
- Environmental management systems
- Risk and opportunity management process

1.5
SUSTAINABILITY MANAGEMENT APPROACH

KEY TARGETS AND PERFORMANCE

TOPIC	TARGET	PERFORMANCE
NOKIA CODE OF CONDUCT	All Nokia employees are required to take part in the company Code of Conduct training.	By the end of 2011, 98% of eligible non-manufacturing-based employees completed their training.
CHARGER POWER CONSUMPTION	Continue to reduce the charger no-load power consumption with new target that is a 75% reduction by end of 2012 from the 2006 baseline.	Over the last decade, we have reduced the no-load consumption of our chargers by over 80% and of our best-in-class chargers by over 95%. We continue to reduce the charger no-load power consumption and are heading for the new target of 75% reduction by end of 2012 from the 2006 baseline.
TAKE-BACK AND RECYCLING	Strong focus on take-back and recycling.	We operate the world's largest mobile phone and accessory recycling system. The number of take-back points – in almost 100 countries – increased to more than 6,000 during 2011. We collected 661 tonnes of used mobile phones, batteries and accessories. That is an increase of almost 60% compared to the previous year.
GREENHOUSE GAS EMISSIONS	Reduce CO_2 emissions in our offices, R&D sites and manufacturing facilities by a minimum of 30% by 2020 (2006 baseline, assuming no major business volume or headcount changes). Reduce greenhouse gas emissions per person working in Nokia offices and R&D by a minimum of 15% by the end of 2012 (2006 baseline). Maintain annual air travel-related CO_2 emissions, both total and per employee, clearly below 2008 level.	In 2011, Nokia facilities' CO_2 emissions decreased by 17%, compared with the 2006 level. In 2011, we reduced greenhouse gas emissions from offices and R&D premises by 15% per person, compared to 2006. In 2011, Nokia's CO_2 emissions from air travel have been reduced by 36% from 2008 base level – but are 2.8% more than in 2010.
WASTE	Reduce all Nokia waste to a minimum and find alternative ways to reuse it. Halve the landfill waste from our factories each year, starting from 2008. This will lead us close to 100% waste utilization by the end of 2012.	In 2011, Nokia total waste amount was reduced 23% in comparison to 2010. We also managed to continue our trend of sending less waste to landfill. However we're slightly behind our factory target of halving landfill waste each year.
SUPPLIER CODE OF CONDUCT	All Nokia direct hardware suppliers to have a code of conduct in place that meets our requirements.	98% (92.9% in 2010) of our direct hardware suppliers had a code of conduct policy in place that met our requirements. Suppliers not meeting our expectations have been requested to take corrective actions.
SUPPLIER HEALTH AND SAFETY	All strategically important hardware suppliers to report on our health and safety metrics.	97% of our strategically important hardware suppliers report on our new health and safety metrics introduced in the 2011.
SUPPLIER ENVIRONMENTAL MANAGEMENT	All Nokia direct hardware suppliers' sites to be ISO 14001 certified.	In 2011, 91% of our direct hardware suppliers' sites serving Nokia were certified to ISO14001. Nokia's direct hardware suppliers have maintained a high level of certification since 2008.

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