

People & Planet Report 2019 | Executive summary

NOIKIA



We are on a journey to **1.5°C** where we can help build a more sustainable future for all people and the planet. Trust and integrity are the basis of our business. We strive to ensure the technology we provide is not misused to limit freedom of expression or right to privacy. We engage with our supply chain to improve transparency. We believe in an inclusive, diverse world where nobody is left behind. **Join us.**

www.nokia.com/about-us/sustainability

Improving lives

We create the technology to connect the world in a responsible way. Our greatest contribution to the world's sustainability challenges is by far through the solutions and technology we develop and provide. We connect people and things in order to improve lives, providing greater opportunities for people and the planet to thrive. We are continually reimagining technology to meet society's many challenges and opportunities, making communities smarter and more sustainable, transportation safer, and enterprises more agile and efficient. In 2019 we continued to look at how our technology impacts people and the planet around us.



Our CEO is an active member of the World Economic Forum (WEF) Digital Communications Governors Group. We are part of WEF's Internet for All Initiative in Argentina.

6.4 billion

The number of subscriptions globally served by the radio networks we have delivered to our customers. This is compared to around 5.5 billion at the end of 2016.

From 2020 onwards the key pillars of our collaboration with non-governmental organizations are

- ✓ Connecting the Unconnected
- ✓ Empowering Diversity
- ✓ Defending our Climate

Around 1 633 500 people have benefitted from our community investment programs globally since 2016 against our 2025 target of improving the lives of 2 000 000 people.

We now have **more than 1 300 customers** deploying our mission critical networks globally.

By the end of 2019 we reached **62 5G commercial deals** and launched **18 live networks** with our customers.



We improved connectivity and coverage in emerging and other markets with new cooperation in Algeria, Aruba, Brazil, Egypt, Ethiopia, Kenya, Malaysia, Nigeria, Pakistan, Rwanda, Sudan, the Marianas, Tanzania, Tunisia, Uganda, and Vietnam.

Combatting climate change

Climate change took center stage in 2019. It is by far the greatest challenge of our time and we are at the beginning of the decisive decade. We must act – governments, cities, business and individuals. Digitalization will provide one way to achieve global climate targets, but these tools and solutions require innovative cross-sector collaboration to maximize the impact. We continue to play our part in improving energy efficiency and circularity to encourage the ICT sector in managing potential increases in its own emissions. In 2019 we continued to drive the enabling effect of our solutions in other industries while ensuring good housekeeping in our own operations. Our climate related disclosures, including risks, opportunities, governance, targets and scenario analysis are aligned with the guidance of the Task Force on Climate-related Financial Disclosures (TCFD) in our [CDP report](#).



Our own operations are certified under ISO 14001:2015 EMS standard. Our Environment Policy can be found [here](#).

1.5°C

In September 2019, at the United Nations climate summit, we joined a group of 87 companies in committing to recalibrate our existing science-based climate targets in line with the latest science.

75%

We are on track with our current science-based target to reduce the emissions caused through the use of our sold products by 2030.

The customer base-station sites we modernized used on average **46% less energy** than those we did not modernize, and the total energy savings of these modernizations were **4 times bigger** (in MWh) than in 2018.

Our portfolio includes a range of energy efficiency solutions and we delivered **zero emission** products to over 150 customers globally.



Our current science based targets commit us to decrease emissions from our own operations **by 41% by 2030** (baseline 2014).

Carbon reduction initiatives encouraged amongst our suppliers saved **1 333 million metric tons CO₂e** equaling around **EUR 644 million**.

Integrity

Our business is built on the foundation of trust. Our Code of Conduct (CoC) represents our commitment to establishing and maintaining trust across our business and wherever we operate. It provides clear and simple direction for all our employees and business partners and defines the principles of ethical and compliant business practices including how we work with suppliers to ensure responsible sourcing and ensure the technology we provide is trustworthy, secure and is used with respect for human rights.



Our Business Ethics Helpline enables multi-channel anonymous reporting. By mail: ethics@nokia.com, by phone: www.nokiaphone.ethicspoint.com and online at nokia.ethicspoint.com.

96.7%

of our employees

completed our Ethical Business Training in 2019, above the 95% target.

71% “Go”

6% “No go”

21% “Go with conditions”

A breakdown of how the Human Rights Due Diligence cases we investigated were resolved in 2019.

We implemented **332 supply chain audits** of which **45 were onsite audits** on corporate responsibility topics. 46 were against our full set of supplier requirements.



We have **228 Local Ombuds Leaders** based across **88 countries** in **145 cities** supporting a speak up culture.

We successfully completed **our first external human rights assessment** for the Global Network Initiative (GNI).

We celebrated **Nokia's Integrity Day** conducting face-to-face events at more than 130 sites around the world with around 10000 employees participating.

Respect

Our people are our greatest asset and we aim to build a culture of trust, respect, diversity and opportunity for all. We believe it is essential that we continuously work on creating a company culture that is inclusive and makes use of all the talent to respond to our company business priorities. We foster a culture that supports productivity, growth, high performance and the wellbeing of organizations and individual employees. It is a culture that is guided by our vision, brand, and values. It is through our people and culture that we shape technology to serve human needs.



We are aligned with key elements of the social accountability standard SA8000. Our Health and Safety management system is certified with OHSAS 18001 standard.

97%

of suppliers carrying out high risk work had been assessed against our H&S Maturity Assessment program. 99% of the assessed suppliers met compliant supplier status for Health & Safety.

Our CEO approved a special budget to close the unexplained pay gap identified in the company.

Our Code of Conduct

provides our requirements and guidance for all employees and is available in 23 languages.

In 2019 we provided training to customers and partners totalling **690 000 training hours**.

We trained 1 512 managers on **inclusive leadership practices**.










Our Global Day of Learning gathered 56 762 webcast participants across all sessions, equalling an 88% increase over 2018.








Women accounted for **22%** of our workforce and **15%** of the leadership positions.

For 2020 Bloomberg has given us a **strong score in its Gender Equality Index (GEI)**.








Targets and achievements

Target	Achievements 2019	Status
Connecting people and things		
2022 Helping our customers to connect the next billion measured by number of subscriptions in Nokia radio customers' networks and by number of fixed network lines shipped to our customers.	At the end of 2019 the radio networks we delivered to our customers served around 6.4 billion subscriptions worldwide, compared to around 5.5 billion at the end of 2016.	 Ongoing - on track
Sustainability related products and services		
2019 Establishment of a global rapid response team that can quickly respond in case of disasters.	Plans for the establishment of a Response Team have been created in alignment with Global Disaster Response standards. The implementation is pending and will be tied to the availability of funding and partnerships.	 Not achieved
2019 Establishment of further international relationships with rescue forces and potential funds, so that Nokia Saving Lives can be deployed in a similar mode to other teams as done for the Philippines Red Cross.	Nokia Saving Lives has intensified the relationship and collaboration with the Philippines Red Cross in the course of 2019. There have been new relationships built during 2019 with ETC (Emergency Telecommunications Cluster), GSMA IoT Programme and the World Food Programme Innovation accelerator. New funding is pending.	 Achieved
2025 Improve the life of 2 000 000 persons through our corporate and key regional community investment programs (baseline 2016) focusing our action on gender balance, education and health and on how Nokia products and services improve people's lives.	In 2019, our corporate and key regional community investment programs had around 206 900 direct beneficiaries. Since the baseline, already around 1 633 500 people have benefitted from our programs.	 Ongoing - on track
Climate and our products		
2030 GHG reduction of 75% compared to the 2014 baseline (scope 3, use of sold products) (This target is accepted by Science Based Target initiative)	Scope 3 emissions included in our Science Based Target were on track to reach the 2030 target.	 Ongoing - on track
Climate - own operations		
2019 At least 30% utilization of renewable electricity, compared to total purchased electricity	31% of our total purchased electricity was from renewable sources.	 Achieved
2019 Facility energy usage reduction of 3%, compared to 2018 level	Energy consumption across our facilities decreased by 7% compared to 2018.	 Achieved








Targets and achievements

Target	Achievements 2019	Status
2019 GHG emission reduction of 3% from facilities, compared to 2018 level (Scopes 1+2)	GHG emissions from facilities decreased by 12% compared to 2018.	 Achieved
2030 GHG emission reduction of 41%, compared to the 2014 baseline (Scopes 1+2). (This target is accepted by Science Based Target initiative)	Scope 1+2 emissions included in our Science Based Target were on track to reach the 2030 target.	 Ongoing - on track
NEW target for 2020 35% utilization of renewable electricity from the total purchased electricity		
NEW target 2020 Facility energy usage reduction of 3%, compared to 2019 level		
NEW target for 2020 GHG emission reduction of 4% from facilities, compared to 2019 level (Scopes 1+2)		
Management and prevention of environmental pollution in own operations		
2019 Reduce the water use in our facilities by 1% compared to 2018	Water use decreased by 3% compared to 2018.	 Achieved
2019 Recycle at least 60% of facility waste	While total facility waste decreased by 41%, we did not reach the recycling target. 48% of facility waste was recycled, reused or sent to energy recovery in 2019, compared to 49% in 2018.	 Not achieved
2020 Recycle at least 75% of facility waste		 Ongoing - not on track
NEW target for 2020 Recycle at least 65% of facility waste		
Ethical business practices and corporate governance		
2020 Employee/Line Manager engagement on importance of ethics and compliance. 75% favorable answers targeted.	Progress of this target is measured with a question in our anonymous employee survey (CCT) "Does your line manager periodically talk with you and your team members about the importance of ethics and compliance?" In 2019 79% (77% in 2018) of responding employees gave a favorable response.	 Ongoing - on track
2030 Employee/Line Manager engagement on importance of ethics and compliance. 85% favorable answers targeted		 Ongoing - on track

Targets and achievements

Target	Achievements 2019	Status
2020 Ethical Business training (EBT) completion: 95%	In 2019, the training was completed by 96.7% of Nokia employees.	 Ongoing - on track
Privacy and security		
2020 Our aim for 2020 is that Nokia be recognized as an industry leader in security and privacy. This will be assessed through external benchmarking	Our security Capability Maturity Model (CMM) score for 2019 was 3.1. This is on target and ahead our industry peers. Critical information protections and employee engagement targets were met and over 95% of the identified critical and high audit findings were addressed.	 Ongoing - on track
Preventing the misuse of technology		
2019 Successful completion of the first GNI assessment	We completed our first ever GNI assessment by the independent assessor Foley Hoag LLP. We are honored to report that the GNI Board found Nokia has made good faith efforts over time to implement the GNI Principles on freedom of expression and privacy.	 Achieved
2020 Nokia as externally recognized leader in vendor related issues in freedom of expression & right to privacy according to external benchmarking	Work on going to update external Human Rights communication after refreshed Human Rights Policy published in December 2019. Target to be renewed in 2020.	 Ongoing - not on track
Responsible sourcing		
2020 Comprehensive supplier sustainability risk mitigation (90% of Suppliers assessed with Satisfactory Sustainability Score and 100 on-site audits conducted per year).	74% suppliers achieved a satisfactory EcoVadis score (74% in 2018) and we conducted 45 on-site audits (75 in 2018).	 Ongoing - not on track
2020 Establish supplier worker empowerment program (enabling trainings on NokiaEDU and Worker Tollfree Helpline).	We could not open a NokiaEDU training to supplier employees, but we continued conducting training through our Corporate Responsibility and Health and Safety trainings and cascading those to be delivered to supplier employees.	 Ongoing - not on track
2020 Achieve full traceability to the smelters in our supply chain and their conflict-free status (Nokia Group).	96% of our suppliers have achieved full visibility into the smelters in our supply chain. 82% of smelters identified as part of Nokia's supply chain were validated as conflict-free or are active in the validation process.	 Ongoing - on track

Targets and achievements

Target	Achievements 2019	Status
2019 90 dedicated one-to-one reviews with suppliers, collaborative emission reduction projects.	All of the suppliers participating in our carbon reduction programme received overview of their assessment results and improvement expectations from Nokia. While we could not have dedicated sessions with all of the suppliers, CDP programme was covered as part of Quality review sessions with suppliers as well as at our annual Suppliers Climate Webinar. All of the suppliers were also offered with an opportunity to have one-to-one session with an expert.	 Not achieved
Health, safety, and wellbeing		
2020 50% of suppliers delivering high risk activity to meet or exceed “H&S preferred supplier” status.	We are first focusing on getting 100% of suppliers to “compliant”-level (score 3/5; 99% of suppliers in 2019) and concentrating then gradually to “preferred”-level (score 4/5; 21% in 2019). We are on track with the "compliant" level but below target with the "preferred" level target. We continue our work on increasing the share of suppliers meeting the "preferred" level.	 Ongoing - not on track
2030 100% of supplier delivering high risk activity to meet or exceed “H&S preferred supplier” status.	We have an active program ongoing, please see comments on 2020 targets.	 Ongoing - not on track
Employee engagement, diversity and inclusion		
2020 Sustained focus on CEO-sponsored Nokia Culture Principles	In 2019 we continued to measure the favorability of employee perceptions with an anonymous employee survey (CCT). The two CCT target question scores (company direction = 76.7%, culture direction =79.6%) remain in the green, albeit the average for % favorability for these two CCT target questions was down 1.3% from 2018.	 Achieved
2020 Nokia to be the “employer of choice” (in our size) for all of our major hubs in locations around the world and become the best regarded employer in our industry globally.	At the end of 2019, we had a Glassdoor rating of 3.9 (4.1 in 2018). While there has been a slight decrease from 2018, the overall rating remains good in general and in relation to peers so we are still on track with this target.	 Ongoing - on track
2020 Foster the spirit of employee volunteerism across the company and increase their engagement.	Guidance to all employees on volunteering is provided through our Volunteering guidelines. In 2019, our employees contributed around 9600 hours of volunteering in paid working time (18 500 in 2018).	 Ongoing - on track
2020 Increasing the % of women in leadership by 25% (baseline 2016)	In 2019, we had 15.0% women in leadership positions, 0.5 percentage points down from the 2016 baseline of 15.5%. We continue working, within our five-year gender balance action plan, towards the 2020 target.	 Ongoing - not on track

Our recognitions and awards



Carbon disclosure: In January 2020 we were again ranked at leadership level by CDP for our work on and disclosure of climate change data in 2019.



Carbon disclosure in supply chain: Recognized again as a global leader for engaging with our suppliers on climate change.



Sustainability: Reconfirmed as a constituent of both the Ethibel Sustainability Indices (ESI) for Excellence Europe and Excellence Global.



Gender equality: We achieved a strong score in Bloomberg Gender Equality Index (GEI) 2020 based on our gender diversity work in 2019.



Ethical business: We were named for the third consecutive year (2018-2020), and the fourth time overall as one of 2020 World's Most Ethical Companies by Ethisphere.

World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.



FTSE4Good

Sustainability: January 2020, confirmed that Nokia has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Learn more.

MSCI ESG RATINGS



Sustainability: We were given a rating of AA (on scale of AAA-CCC) in the MSCI ESG Ratings assessment.

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Sustainability: We were in the top 1% of suppliers assessed by EcoVadis, achieving particularly high scores in environment and sustainable procurement.

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