Norwegian Transparency Act Statement 2023
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1. Background

Nokia Solutions and Networks Norge AS is a Norwegian registered company 100% owned by Nokia. Nokia Solutions and Networks Norge AS as an integrated part of Nokia, benefit from Nokia’s work on social responsibility in respect to the Norwegian Transparency Act. Nokia on a global view is referenced in the following.

2. About Nokia

At Nokia, we create technology that helps the world act together. We are a B2B technology innovation leader, pioneering networks that sense, think and act by leveraging our work across mobile, fixed and cloud networks. In addition, we create value with intellectual property and long-term research, led by the award-winning Nokia Bell Labs. We have built industry-leading patent, technology, and brand licensing programs.

Service providers, enterprises and partners worldwide trust Nokia to deliver secure, reliable, and sustainable networks today – and work with us to create the digital services and applications of the future.

Our main customers are communication service providers. We also provide solutions to a growing number of enterprises in the private and public sector that use our network portfolio to increase productivity, efficiency, and sustainability. We have four core business groups: Network Infrastructure, Mobile Networks, Cloud and Network Services, and Nokia Technologies. For more information see our financial reporting.

Nokia fundamentally believes that connectivity and the technology we provide are a social good that can support human rights and we acknowledge the responsibility that comes with this. Upholding human rights is a complex issue that covers not only the technology we provide, but also our partners, suppliers and our own operations. Therefore, we strive to continuously learn and improve, and we believe that engaging with the broader stakeholder community is the best way forward. Our Human Rights policy is available online and addresses our most salient risks related to the potential misuse of the technology we provide. Policies related to other areas of human rights, for example rights relating to fair labor practices, modern slavery and human trafficking, and environmental stewardship are covered by other company policies.

Human Rights Policy
Code of Conduct
RBA Code of Conduct
3. Human rights due diligence

Nokia has a rigorous Human Rights Due Diligence (HRDD) process for our most salient human rights risk – that of the potential misuse of the technology we provide. It is a pre-emptive process applied before any sale is made, and is used to identify the possible risk level to human rights through the potential misuse of our technology.

The process examines a country’s long-term commitment to upholding Human Rights, the intended use of the technology in question and the customer type, in order to identify potential risks early in the process and trigger the required HRDD investigation, and senior-level approval/denial review where needed. For country risk ratings, we use an external assessment provider. The HRDD triggers are a mandatory part of the sales approval process. Training, tracking results, communication of findings, checkpoints and triggers for the process are reviewed and, where needed, improved by the Head of Human Rights on an ongoing basis.

3.1 Outcomes

Of the HRDD cases investigated in 2022, 55% were resolved as “Go,” 31% as “Go with conditions” and 11% as “No go.”
4. Responsible Sourcing

4.1 Overview

4.1.1 Nokia supply chain profile

In 2022, we conducted business with around 11,000 suppliers, and 80% of our total supplier spend was with approximately 300 suppliers around the world. Our suppliers fall into six broad types:

- Final assembly suppliers,
- Hardware suppliers for product materials (e.g. standard components, optical components, semiconductors and, electromechanics),
- Market service suppliers who support the provision of services to our customers (e.g. in installation and construction),
- Managed services suppliers around the networks we sell,
- IT suppliers,
- Indirect sourcing suppliers for everyday goods and services we need to run our business (e.g. consulting, legal and marketing).

Our manufacturing (final assembly and hardware) suppliers are mainly based in Asia, whereas our service suppliers are located around the world. We continue to work with Verisk Maplecroft for an independent view of the potential risks of modern slavery globally. In 2022 we again published an updated supplier list including Nokia’s contract manufacturers, strategic original design manufacturers (ODMs) and component suppliers. The listed suppliers accounted for approximately 50% of our spend in 2022 for the manufacturing and/or production of our products. See the list here.

4.1.2 Purchasing practices

Our materiality analysis and enterprise risk management procedures help identify potential supply chain risks. We then carry out additional in-depth analyses to determine all supply chain risks via our dedicated Supplier Sustainability Risk dashboard. The outcomes are included in our purchasing category strategies related to the type and size of supplier, in addition to our monitoring- and performance- related requirements. We review category strategies annually with our purchasing category leads as well as supplier location and business context. This approach helps ensure responsible purchasing practices across the company. We conduct regular assessments with our supplier network to help them meet our ethical standards, and improve performance as needed. Our general audit covers the full set of supplier requirements, including corporate responsibility (CR) requirements, and is often used with new high-risk suppliers or suppliers where there has been significant change in business or location.

4.1.3 Zero tolerance for child and forced labor
We have a strict policy against using child labor, and zero tolerance for all forms of forced, bonded, or imprisoned labor in our own operations and our supply chain.

4.1.4 Freedom of association and collective bargaining

We respect the right to collective bargaining and freedom of association. Collective bargaining agreements are local, and in most countries where we have these, employees who have chosen not to be members of a union are also covered by similar terms. Employees can freely choose to join, not join, or leave unions and associations, and can select their representatives based on local and international practices.

We encourage active, open communication and dialog with employees and/or their representatives.

4.1.5 Human Resources Policy and other policies

As stated earlier, we have a strict policy against using child labor and zero tolerance for all forms of forced, bonded, or imprisoned labor. Where such a potential risk is identified, it is thoroughly investigated, and a remediation plan is put in place based on SA8000 recommendations. In our recruitment, retention, promotion and other employment activities, we are committed to complying with the applicable employment and labor laws and regulations wherever we do business, including wage and hours, privacy, immigration, compulsory and child labor, collective bargaining, anti-discrimination, working time and similar employment rules.

For Nokia, inclusion and diversity are a business imperative, as well as a platform for greater innovation, superior organizational performance, and excellent customer service. As a large multinational company, we naturally have a very diverse workforce. But diversity is of little value if we are not making use of it.

Our Human Rights Policy reflects our expanded portfolio and is available here. The policy addresses the impact of our products and services on free expression, access to information, exchange of ideas, and economic development. Policies related to other human rights, for example rights related to fair labor practices, modern slavery and human trafficking, environmental stewardship, and responsible minerals, are reflected in other company policies.

Nokia policies can be found here.

4.2 Due diligence

We require our suppliers to uphold Nokia’s policies and to share the overall values expressed in our Code of Conduct without any obstruction or discouragement. To demonstrate their commitment to respecting human rights and ethical business conduct, we expect our suppliers to have relevant management systems, resources, and a company code of conduct in place. We also expect our suppliers to apply the same standards to their own suppliers. We conduct regular, robust assessments with our suppliers...
supplier network to support them in meeting our ethical standards and improving performance where necessary.

We use a range of methods to monitor our suppliers. We have been a member of the Responsible Business Alliance (RBA) since 2020, and we have adopted the RBA Code of Conduct requirements for suppliers in addition to Nokia-specific supplier requirements. We also communicated the requirements to our suppliers. An overview of these requirements can be found on our website. We encourage our tier 1 suppliers (this includes both our final assembly suppliers, and our materials and services suppliers) to apply and cascade the same requirements to their own suppliers, which we aim to check through audits and EcoVadis online assessments. We require our suppliers to commit to these requirements as part of their contractual obligations. The requirements cover social, ethical, and environmental issues. Our supplier requirements are also regularly reviewed based on evolving industry standards such as SA8000, or in relation to the codes of organizations such as the RBA and the Joint Audit Cooperation (JAC).

We conduct in-depth CR audits covering labor conditions and environmental management for our existing suppliers. Implementation of these audits is aligned with the SA8000 methodology, and they cover document reviews, interviews with managers and employees, site visits, as well as inspections of facilities, production lines and warehouses. Our audits include tier 1 and tier 2 suppliers, and we expect and require our suppliers to audit their next-tier suppliers.

Nokia CR auditors are trained through the Social Accountability International (SAI) 5-day training course on the SA8000 standard which provides guidance on how to recognize issues. Experienced auditors further train new auditors and share knowledge and experience.

We use EcoVadis sustainability assessments with a tailored questionnaire and supporting document reviews to assess the environmental, labor, health, safety, ethics, and sustainable procurement management systems of our suppliers. Responses are scored by an independent analyst.

We continue to look closely at our top 20 final assembly factories through monthly monitoring on core labor KPIs: working hours, rest days and percentage of contracted labor.

In 2022, we conducted 479 (439 in 2021) supply chain audits and EcoVadis assessments. We carried out 67 in-depth CR audits (64 in 2021) at 41 supplier sites (28 in 2021). 379 (339 in 2021) suppliers were assessed using EcoVadis scorecards. There were 17 countries covered by these audits including China, India, Malaysia, Mexico, Morocco, The Philippines, Turkey, and Vietnam.

We report publicly on the types and numbers of findings from these audits in our annual People & Planet sustainability report.

We also continued monthly monitoring of the working hours, days-off and contractual labor usage on a factory level for our key final assembly suppliers. Our performance,
which we report annually against set KPIs, is detailed in our annual People & Planet sustainability report:

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4.3 Training

4.3.1 Driving improvement through training and capability building

While we conduct assessments to ensure compliance, we realize that assessments alone are not sufficient to drive continuous improvement and competence development on sustainability. By improving the competencies and transparency around labor conditions and workers’ rights, health and safety, carbon efficiency and conflict-free sourcing, we can better address the risks and facilitate the competence development of our suppliers.

In 2022, we continued to deliver supplier workshops online and were also able to conduct face-to-face workshops in our largest supplier markets including China and India after a pause of 2.5 years due to COVID restrictions. In total, we ran 11 supplier training workshops and webinars on subjects such as modern slavery, labor migration and ethical recruitment, inclusion and diversity, responsible minerals sourcing, climate change, circular practices and health and safety.

We build the required capacity by first training our own procurement teams who also participate in supplier trainings. We also conduct mandatory Ethical Business Training for all our employees and require them to acknowledge the Nokia Code of Conduct. In 2022, our Ethical Business Training was completed by 98% of our employees.

In addition to our own programs and assessments, we are part of industry coalitions such as RBA, and work to improve the CR of our global supply chains. We contribute to RBA workstreams focused on various supply chain topics.

4.3.2 In-depth training and guidance for on-site personnel

As a key component of our sustainability approach to our supply chain, we carefully track working conditions. We place special emphasis on health and safety as our supply chain includes equipment installation and maintenance contractors who spend much of their time working at height, in confined spaces and drive long distances.

Ensuring that everyone is authorized, competent and fit to work is a key control measure in making sure that on-site work can be done safely. This is supported by our health and safety control procedures which address the suppliers’ management capability upon initial engagement, enable reviews of procedures they have in place
when they start working on a project and monitor compliance through on-site inspections. We have a mature and established global reporting and investigation process for incidents which includes any suspected instances of child, forced, or bonded labor and other forms of modern slavery.

The risk of mistreatment of minorities and modern slavery Modern slavery and forced labor of all kinds remain a challenge for countries and supply chains. It is believed that the pandemic also worsened the issue as the vulnerable became even more so. In 2022, we also conducted an analysis of labor migration and its impacts on our supply chain.

We have robust supplier audit and assessment processes and procedures in place. We continue to raise awareness of modern slavery through workshops and training with suppliers on the topic of good labor practices, ethical recruitment and inclusion and diversity. Our work includes advocating for greater dialog on the non-discrimination of ethnic and other minorities.

We held further supplier training sessions in 2022 to communicate inclusion and diversity practices. We underscored our requirements concerning the treatment of ethnic groups or any other minorities. We also emphasized the appropriate actions to be taken by suppliers, and we monitor inclusion and diversity indicators in our EcoVadis due-diligence assessments with suppliers.
5. Grievance mechanism

We offer multiple channels for our internal and external stakeholders to report potential ethical concerns or violations of the stated policies. Our speak-up culture is designed to ensure that employees feel comfortable raising ethics and compliance concerns without fear of retaliation.

Nokia has zero tolerance for retaliation against any employee or contractor who, in good faith, raises a business, legal, or ethical concern, or cooperates with an investigation. The Nokia Ethics Helpline is operated by a third-party, i-Sight. Reports and conversations are confidential, and those reporting concerns can remain anonymous if they wish. In 2022, out of 1,033 concerns raised through the Nokia Business Ethics Helpline reporting channels, 79 concerned grievances relating to working with suppliers.

More information on grievances and the investigations carried out can be found on pages 59 through 60 in our annual People & Planet sustainability report.

Helpline information

Email: ethics@nokia.com
Phone: https://nokiacms.i-sight.com/portal/dailing-instructions
Website: https://nokiacms.i-sight.com/portal
6. Stakeholder engagement and continuous improvement

As part of our commitment to respecting human rights, we continue to be an active member of the multi-stakeholder Global Network Initiative (GNI). The GNI examines human rights in the ICT sector, covering our salient risk of the potential misuse of our technology, involving leading companies, investors, academics and civil society groups. Companies participating are independently assessed every two to three years on their GNI commitments. This independent assessment is carried out by a GNI-accredited external assessor. Nokia was the first telecommunications equipment vendor to successfully complete a GNI assessment in 2019. We completed our second independent assessment in early 2022 with Foley Hoag LLP as the assessor, and we are proud to report that in May 2022 the GNI Board found that we have made good faith efforts to implement the GNI Principles on freedom of expression and privacy with improvement over time.

In 2022, we continued our collaboration with a number of key organizations that focus on CR in global supply chains. As a member of the Responsible Business Alliance, we participated in workstreams covering labor rights and environmental issues.

We also continued our cooperation with the Joint Audit Cooperation (JAC). This is an association of telecom operators (our customers) that aims to verify, assess and develop CR implementation across the manufacturing centers of multinational suppliers of the information communication technology (ICT) industry. The membership of JAC increased in 2022 and now includes 26 of the world’s telecom operators. JAC members share resources and best practices to develop long-term sustainability and CR implementation in the different layers or tiers of the global ICT supply chain. In 2022 we conducted 100 supplier responsibility audits, 52 of which were conducted through either the RBA Validated Assessment Program Audits, or the JAC framework.

We aim to keep our robust systems, processes and procedures at the current high standard, while seeking to continually improve in ways of working and driving for increased vigilance. We will also continue to drive dialog on modern slavery and human rights in the supply chain and continue to encourage our main suppliers to recognize and act on the challenge of modern slavery.

This statement covers the financial year of 2022.