

Health, Safety & Child Labour Consequence Management Standard

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1 Introduction

Nokia Health, Safety & Child Labour Consequence Management is a standard for suppliers and Nokia Internal employees who do not meet our Health & Safety (H&S) and child labour related requirements. This policy makes it clear that anyone (Nokia employee or supplier) failing to follow [and enabling] Nokia Life Saving Rules, Nokia safety standards, Nokia non-negotiable safety requirements and/or using child labour while working for or on behalf of Nokia will face [adverse consequences to business relationship with Nokia and might lead to the supplier phase-out or employee dismissal OR simply 'significant consequences'].

Nokia has a zero tolerance approach to the use of child labor. "Nokia does not tolerate, in any context, the use of servitude, child labor, forced labor, human trafficking, or slavery in our operations in any region in which we operate or in any part of our global supply chain."

<https://www.nokia.com/about-us/company/leadership-and-governance/code-of-conduct/>

1.1 Aim

This policy aims to address serious or persistent non-compliance by Nokia employees or suppliers to H&S requirements[, H&S or child labour incidents, unsafe acts or conditions] and to provide a visible approach, through the use of internal and external consequence frameworks, to encourage and reinforce safe and ethical behavior among the supply chain and Nokia teams.

1.2 Scope

This document applies to the following:

- All Nokia employees
- All direct customer project suppliers performing high risk activities (such as Managed Services, Network Implementation Services, Network Implementation Materials, NPO)
- All indirect suppliers performing high risk activities (such as Travel & Fleet, Logistics Services and Facility Services).

2 Health & Safety Consequence Management Process

To ensure that consequences are proportional to a supplier or employee's H&S behavior / performance, Nokia created the Health & Safety and Child Labour Consequence Management standard.

2.1 Applicability Criteria

The following criteria trigger the consequence management process:

- Health & Safety or child labour incidents: Fatal, Critical or High Potential Incidents (HiPo)
- Failure to comply with H&S requirements or Life Saving Rules, leading to a fatal or disabling injury, or a major non-compliance with H&S contractual requirements.

2.1.1 **Supplier** Health & Safety consequence framework

The failings described in 2.1 may result in a warning to the supplier (yellow card being issued) or to termination of contract and phase-out (red card being issued).

Card	Description
Red Card	A H&S incident type where the supplier can be held primarily responsible for not having controls in place to prevent the incident. A child labour incident where children were proven to be working (conducting work-related tasks); and where the supplier can be held primarily responsible for not having controls in place to prevent the incident.
Yellow Card	A H&S incident type or failure to comply with a health and safety requirement, e.g one of our Nokia Health and Safety Standards or Life Saving Rules, and where the supplier can be held responsible for not having controls in place to prevent the incident. A child labour incident where child was found on site or suspected but not proven to be working; and where the supplier can be held responsible for not having controls in place to prevent child labour.
1 Yellow Card	Nokia will issue to the supplier a warning notification.
3 Yellow Cards	3 Yellow Cards are equivalent to a single Red Card.
1 Red Card	Full termination of current business and supplier phase-out.

Table 1 – Supplier consequence classification description

Note: When a supplier displays outstanding behavior, e.g. proactive near miss reporting that allows learning and implementation of further needed controls, through the incident investigation, Nokia will send a positive note to the supplier and record it as **green card** to the supplier in our systems (HSS Archer).

2.1.2 **Internal** Health & Safety consequence framework

The failings described in 2.1 may trigger an internal **education and reinforcement** action or trigger an **internal investigation by the BIG (Business Integrity Group)** that may result in a formal warning to the employee or a review of his/her employment status.

For level 3, 4 and 5 breaches (table 2), the BIG will carry out an independent investigation.

Breach Level		Consequence / Actions
Nokia employee unknowingly breaks H&S Rule	1	Educate: Verbal discussion with line manager to ensure the employee knows the LSR & H&S non-negotiables
A Nokia employee knowingly breaks a H&S Rule – they know about the rule but not “why” it is important	2	Reinforce: Verbal warning from line manager and a discussion to ensure the employees understand the “why” behind the rules
A Nokia employee consciously decides to break a rule / expects, allows or encourages someone to break a rule – that they understand	3	Warn: Formal, investigated and recorded disciplinary review - results in a written formal warning recorded and kept in the systems, valid for 2 years
A Nokia employee Ignores clear instruction, direction, training / conceals decision or action. A person Repeatedly breaks rules or deliberately puts profit before life	4	Final Warning: Formal, investigated and recorded disciplinary review resulting in a written warning (3 valid warnings - review employment status)
A Nokia employee Ignores final warning / Deliberately acts in a way that puts someone else at risk/Contravenes Nokia Code of Conduct	5	Review Employment Status / Dismiss: Gross misconduct – future employment with Nokia questioned. Action in line with country policy in relation to gross misconduct

Table 2 – Internal consequence classification description

2.2 Decision Making Process

2.2.1 Consequence Management Committee

Consequence Management Committee is a cross functional board of senior leaders that reviews cases, decides on consequence towards suppliers, and triggers internal investigations by BIG.

Objective: <ul style="list-style-type: none"> Review incidents / standout events that have completed investigations Decide on consequence levels towards suppliers Trigger Internal disciplinary formal investigations Review trends and key issues / actions Agree any additional plans that may be required 	Permanent participants:	People Safety & Security Lead CA ESG Sustainable Supply Chain BG representatives – procurement, business operations /delivery, quality Legal & Compliance representative
	Typical Agenda:	Incident analysis review and local feedback, by incident: <ul style="list-style-type: none"> Supplier Internal Outstanding actions Trend analysis / review
Trigger Events (Inputs): Fatal, Critical and High Potential Incidents Major H&S compliance failure or child labour incident	Frequency:	Every other month (6 per year)
	Logistics:	Incident investigations managed by People Safety & Security Local feedback gathered for Internal and Supplier Business impact / Supplier criticality
Pre-requisites: Completed investigation (signed off and actions agreed) ABC incident control analysis completed Local feedback gathered for Internal and Supplier	Follow-up:	Regular summary reporting to Group Leadership Team BG and Functional sub streams as needed
	Outputs:	Consequence actions towards suppliers (red card, yellow card) Trigger for internal disciplinary formal investigation

Table 3 – Consequence Management Committee

2.2.2 **Supplier** consequence decision

Consequence Management Committee has the final decision on the consequence applicable towards the supplier, in the issuing of a red or yellow card.

Prior to any decision to issue a card, Nokia will investigate the incident / failure to determine its immediate and root causes. The supplier will assist and provide access to information as is necessary to establish a classification.

The investigation will determine the degree of the supplier's responsibility / controls in place and what action will be taken.

Red Card or Yellow Card will only be issued if the supplier can NOT demonstrate compliance to H&S or Child Labour Requirements and does not have sufficient controls in place.

2.2.3 **Internal** consequence decision

Consequence Management Committee agrees and decides on any further action according to the level of breach.

Prior to any decision on the level of breach, Nokia will investigate the incident / failure to determine its immediate and root causes [and seek feedback from local teams].

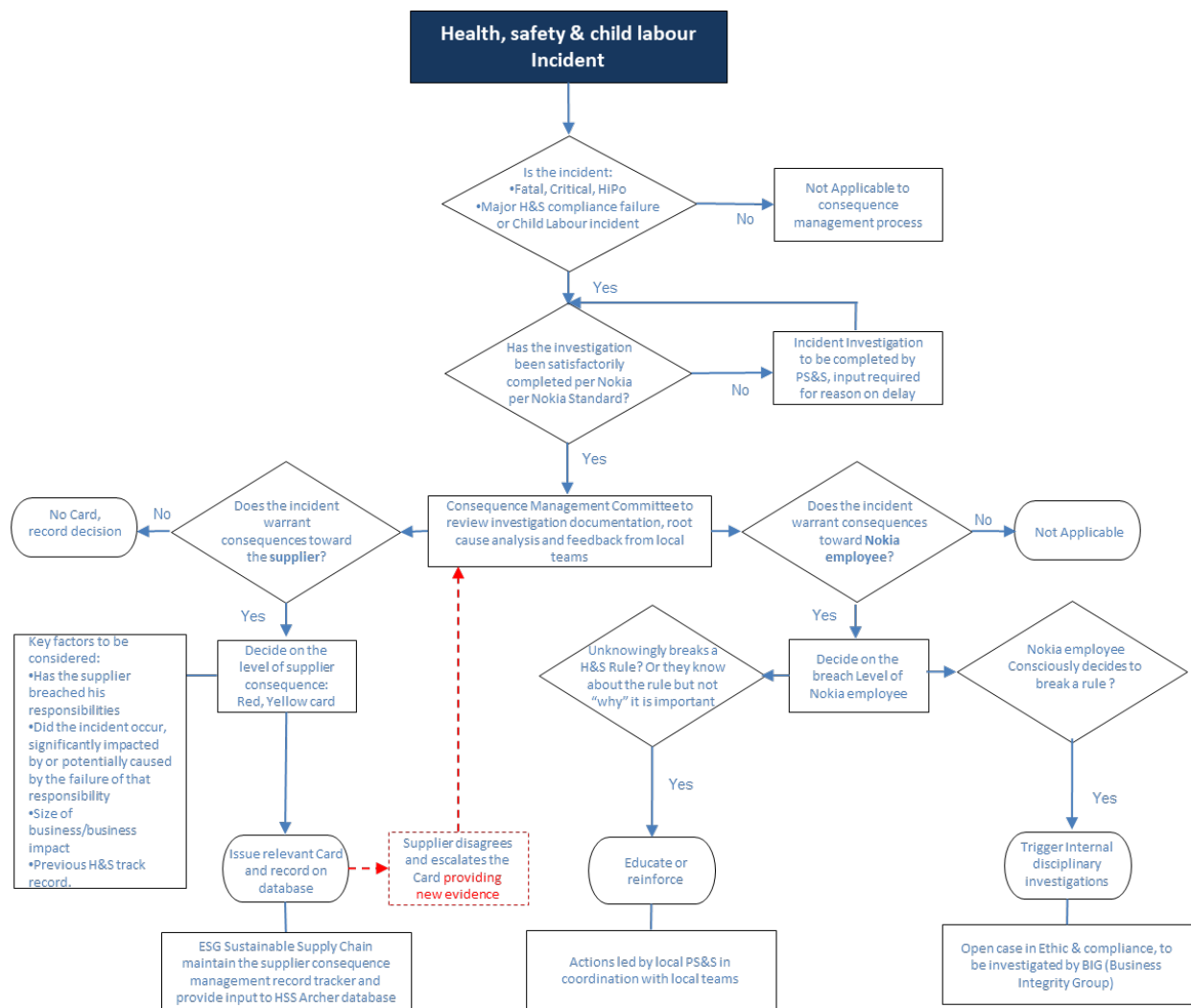
Cases where there are evidence or claims that a Nokia employee:

- Consciously decides to break a rule or expects, allows or encourages someone else to break a rule
- Ignores a clear instruction, direction training or policy or procedure (including the Code of Conduct), or conceals a decision or action.
- Repeatedly breaks rules or deliberately puts profit before life
- Deliberately acts in a way that puts someone else at risk

Will trigger internal disciplinary investigations by the Business Integrity Group within Ethics & Compliance to determine, in part, appropriate discipline.

2.2.4 Decision Making Process flowchart

Consequence management decision making process flowchart:



Graphic 1 - Decision Making Process flowchart

2.3 Supplier Card Validity, Scope and escalation process

2.3.1 Validity

Yellow cards will remain in force for 24 months.

Red cards remains in force for a minimum of 12 months. After this period a supplier may seek requalification.

2.3.2 Scope

The card applies globally (i.e., wherever the supplier operates) and to any local entities of the supplier.

When the supplier is working for Nokia in more than one country, any exceptions to the applicability of the card will be evaluated and decided by the Consequence Management Committee, taking into account the following:

- Supplier criticality / business impact
- Customer strategic supplier
- Senior management accountability and commitment for the improvement of the supplier

2.3.4 Escalation process

A supplier can ask for a card review if it disagrees with the decision and there is new evidence that was not available during the initial investigation.

The Consequence Management Committee will evaluate the new evidence.

3 H&S Consequence Management Responsibilities

3.1 Incident / failure investigation

- The incident will be investigated by the local PS&S Team – **only closed and approved investigations are taken to the committee.**
- The local Teams (PS&S, Procurement, Business) will recommend actions to the Consequence Management Committee .
- Consequence Management Committee coordinators will review incident findings and feedback obtained from local team (PS&S, Procurement, Business).
- Incident summary and local team recommendations will be presented in the Consequence Management Committee review meeting.

Investigation for all Health & Safety (including child labour) incidents is described in the Nokia Global H&S Standard on Incident Reporting and Investigation

[Global HSS Procedure_Incident Investigation.docx \(sharepoint.com\)](#)

For internal consequence the Consequence Management Committee will trigger, when required, Internal disciplinary investigations on Nokia's employees. This investigations will be carried out by BIG (business integrity Group) ensuring independency and consistency across Nokia.

Ethics Helpline

3.2 Decision outcome

Supplier

The Consequence Management Committee has the final decision on the appropriate action to be taken against the supplier (red card, yellow card, no consequence).

Internal

- The Consequence Management Committee decides if an internal disciplinary formal investigation of the Nokia employee is required.
- In case of internal disciplinary formal investigation is required, the consequence management coordinator will open the case in Ethics & Compliance, to be investigated by BIG (Business Integrity Group).
- A record of the internal investigation outcome will be maintained by Ethics & Compliance

3.3 Supplier Card Communication and Supplier's responsibilities

- The Supplier Manager is responsible for the management of the process and for the communication to the supplier of the issuing of yellow / red card.
- ESG Sustainable Supply Chain maintains a supplier consequence management record tracker, inputs details into the HSS Archer database, updates the Yellow/Red Flag list, and informs the Supplier Manager when a supplier has received 3 yellow cards within a 24 month period.
- Supplier's responsibilities are described in the supplier contractual agreements templates and H&S standards [Requirements & Guidance | Nokia](#)

4 Change History

Version	Status	Date	Author	Owner	Reviewed by	Reviewed date	Approver	Approval date	Description of changes
1.0	Approved	11-09-2013	Carla Ferreira	Thomas Kiefer	Elina Raask	23-09-2013	Luc Broussaud	27-09-2013	
2.0	Approved	11-09-2014	Carla Ferreira	Elina Raask	Elina Raask	20-10-2014	Leena Taimi (GPR LT)	27-11-2014	Extension of scope and changes in criteria and applicability of cards, Inclusion of child labour, Nokia Life Saving Rules and changes in the committee including senior leaders from Customer Operations Services and Global Procurement.
3.0	Approved	22-09-2015	Carla Ferreira	Elina Raask	Elina Raask	29-09-2015	Akin Akintola (GPR LT)	22-10-2015	
4.0	Aprproved	25-01-2018	James Mao	Elina Raask	Elina Raask	25-01-2018	Clinton Hoover	25-01-2018	Change Doc ID and format, Document immigration from ShareNet to SharePoint
5.0	Approved	11-09-2020	Carla Ferreira	Elina Raask	Elina Raask	13-09-2020	Clinton Hoover, Sanjay Mehta	13-09-2020	Revisit the scope: Adding exception criteri for Cross Borders Suppliers criteria
6.0	Approved	18-05-2023	Carla Ferreira Elina Raask	Paulo Conceição	Paul Goris, Goran Cangl, Francisco Costa, Joe Alesia	21-06-2023	Marcus Parry, Alexis Mendonza, Chris Gibson, Sanjay Mehta, Toni Wagner	10-10-2023	Include Internal consequence management process, change document ownership to match organizational structure

5 Appendix

Nokia Life Saving Rules

Life Saving Rules are our safety guidance to ensure everyone gets home safely, every day. The guidance includes six simple safety rules related to top three risk areas in Nokia.

Road Safety

Always wear a seatbelt in ANY vehicle. Required for everyone in the vehicle.



Do not drive distracted or tired. Take a break every two hours.



Always drive at a safe speed for road, traffic and weather conditions.



Working at Height

Always attach yourself and your equipment.



Always make sure that nobody enters the space below.



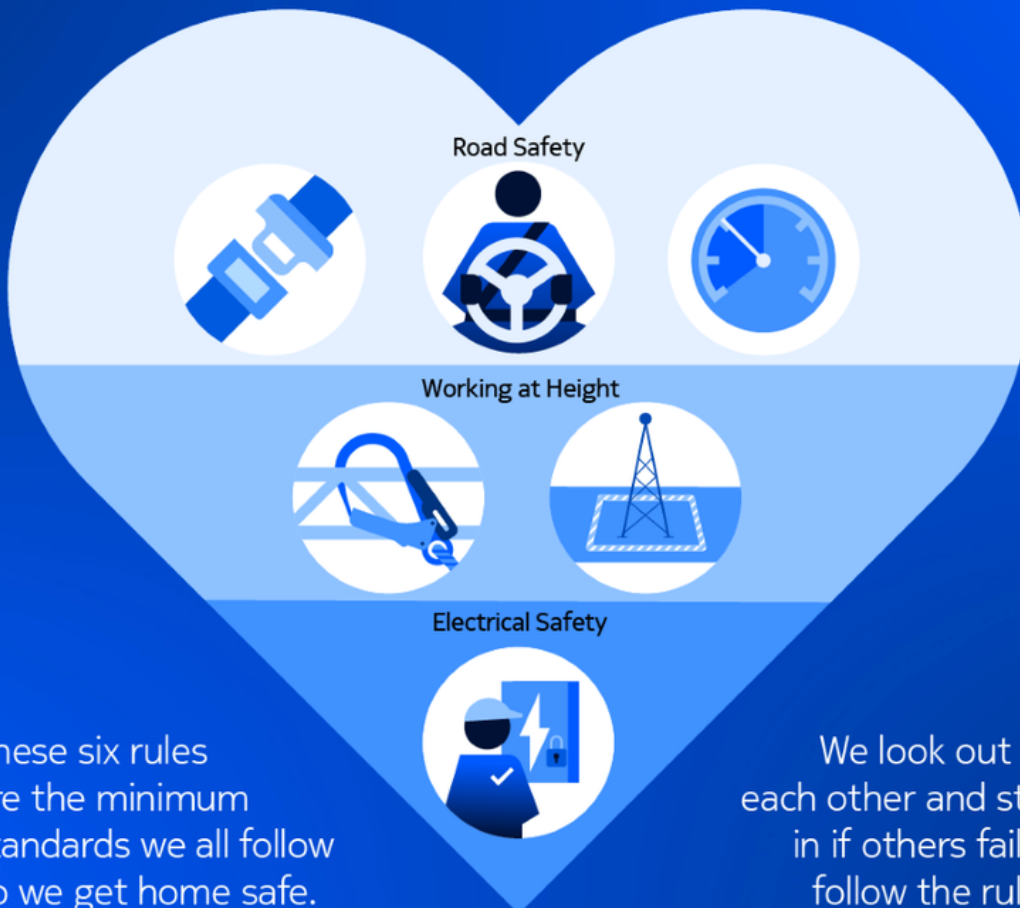
Electrical Safety

Do not work on any electrical system unless you are trained.



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Life Saving Rules



Follow them - or stop work and speak up