

07/5/2021

Beatriz Balbin

Chief
Special Procedures Branch
OHCHR
Palais des Nations
1211 Geneva 10
Switzerland

REFERENCE:
AL OTH 140/2021

Dear Ms Balbin,

Nokia is committed to respect and support the Human Rights principles and values laid out in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights and its related covenants), the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Organisation for the Economic Co-Operation and Development (OECD) guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

Please find attached our response to the questions posed in your letter to Nokia of 12 March 2021.

Yours Sincerely,

Melissa Schoeb

Melissa Schoeb (May 7, 2021 16:17 GMT+3)

Melissa Schoeb

Chief Corporate Affairs

melissa.schoeb@nokia.com

1. Please provide any additional information and/or comment(s) you may have on the above-mentioned allegations.

Nokia is committed to respecting and supporting the Human Rights principles and values laid out in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights and its related covenants), the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Organisation for the Economic Co-Operation and Development (OECD) guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

An ethical supply chain is a matter we take very seriously. We do not tolerate slavery, servitude, trafficking in persons, and forced or compulsory labor of any kind either in our own operations or in our supply chain. We have supplier assessment and tracking processes and procedures and conduct due diligence supplier audits and assessments on an ongoing basis, including in-depth onsite audits. Forced labour, discrimination and disciplinary practices are standard components of our due diligence activities.

Nokia is aware of a report by the Australian Strategic Policy Institute (ASPI), which appears to be the source of the allegations. As addressed below and in response to the allegations, we conducted further assessments of the relevant suppliers and confirmed that none of our manufacturing suppliers are based in or near the Xinjiang Autonomous Region. Further, we have found no evidence to substantiate the claims in relation to Nokia.

2. Please provide information as to whether your company has undertaken human rights due diligence steps, as set out in the United Nations Guiding Principles on Business and Human Rights, to identify, prevent, mitigate and account for human rights abuses caused by or contributed to through your own activities, or directly linked to your operations, products or services by your business relationships. This includes the exercise of adequate oversight and human rights due diligence across your supply chains in order to prevent and mitigate impact on the enjoyment of human rights of Uyghur and other minority workers, including their right to freedom of movement and protection from forced labour, trafficking in persons and other contemporary forms of slavery.

Nokia has undertaken human rights due diligence steps as set out in the UN Guiding Principles on Business and Human Rights, among other recognized guides. The steps we have taken are summarized and presented in the Nokia Modern Slavery Statement, the most recent version of which is available here: [Nokia_Modern-Slavery-Statement_2020.pdf](#).

We also refer you to the Nokia People & Planet Report available here: (https://www.nokia.com/sites/default/files/2021-04/Nokia_People_and_Planet_Report_2020.pdf) This provides more detail on Nokia's broader human rights due diligence programs.

Among the activities performed to provide oversight and due diligence across our supply chains, we start with policy requirements combined with assessments and grievance mechanisms as addressed in response to the questions below.

The Code of Conduct is our highest-level policy and covers our commitment to Human Rights in our own operations, supply chain and business relationships. All employees are expected to follow the Code and complete a mandatory annual training where they acknowledge acceptance of the Code. Please find our

Code of Conduct in multiple languages here: <https://www.nokia.com/about-us/company/leadership-and-governance/code-of-conduct>

Our Health, Safety and Labor Conditions policy and Human Resources Framework reflect these values and we have also adopted a Human Rights policy which covers our commitment to Human Rights related to use of our products and solutions. To ensure the technology we provide is not misused, we have a robust Human Rights Due Diligence pre-emptive process in place. Our Health, Safety & Labor Conditions Policy can be found here: [Health_safety_labour_conditions_policy.pdf \(nokia.com\)](#), and our HR Framework here: [HR_Framework_2020_0.pdf \(nokia.com\)](#). The Human Rights Policy can be found here: [Human_rights_policy.pdf \(nokia.com\)](#).

We have adopted the [RBA requirements](#) and incorporated those as part of [Nokia Supplier requirements](#) for our supply chain. We monitor our supply chain through online assessments such as EcoVadis and through onsite audits based on SA8000 methodology. More on our approach to supply chain and monitoring can be found here: [Responsible sourcing | Nokia](#)

In addition to the audits carried out and planned as described in response to question 3 below, we have conducted additional focused risk assessments across our operations and supply chains. We have also updated and carried out training sessions for our suppliers globally concentrating on modern slavery. We have enhanced our Corporate Responsibility auditing guidelines to communicate our requirements concerning the treatment of ethnic or any other minorities and appropriate actions to be taken. We have also set up related key performance indicators in our existing monitoring programs and will report our annual progress against these indicators.

3. Please explain what monitoring and evaluation systems your company has in place to ensure the effectiveness of human rights due diligence steps taken to mitigate and prevent human rights abuses, including forced labour, trafficking in persons and other contemporary forms of slavery as described in this letter and other related human rights violations, throughout your business operations. In particular, please provide information on whether your company has put in place “cascading” requirements that reach down to your suppliers, such as human rights risk assessments that would cover all tiers of suppliers as recommended in the 2018 report of the Working Group to the General Assembly.

Our due diligence consists of contractual requirements, onsite and online audits of suppliers and an awareness and capability-building program. While our own monitoring is concentrated around Tier 1 and Tier 2 suppliers, there is a contractual requirement that suppliers cascade the requirements to the next tier and conduct the related due diligence.

Our onsite audit program is aligned with SA8000 methodology and includes document reviews, interviews with managers and employees, site visits, inspections of facilities, production lines, and warehouses. 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. In addition, we conduct specific in-depth CR audits on our existing suppliers.

In 2020, we conducted 27 audits against our full set of supplier requirements and 24 in-depth CR audits. Two of these audits were conducted through our customers’ [Joint Audit Cooperation \(JAC\)](#) framework and

seven through Responsible Business Alliance (RBA) Validated Assessment Program (VAP) audits which we cross-recognize.

In 2020, audits were carried out in China, Mexico and Morocco and reached a total of around 30,050 supplier employees. All nonconformities were analyzed by the Nokia Sustainable Procurement Team. None were related to the allegations in this letter. Our conclusions were shared with the suppliers and we subsequently amended our training materials to address those concerns, and to improve based on what we learned. In 2020, online assessments of suppliers dramatically increased as a result of limitations on the conduct of physical audits due to the pandemic.

More detailed information on our process, activities and reporting is available in our latest People & Planet sustainability report published on 7 April 2021: https://www.nokia.com/sites/default/files/2021-04/Nokia_People_and_Planet_Report_2020.pdf

4. Please explain what measures have been adopted to ensure that staff of your company as well as your business partners have adequate awareness, knowledge and tools to identify and report human rights abuses, including those alleged in the present letter, throughout your operations.

The Ethical Business Training (EBT) module is one of three mandatory, web-based training courses for every Nokia employee in 2020. (The other modules are devoted to the important topics of quality and safety). EBT includes a review and acknowledgment of our Code of Conduct and the related 14 policy areas; a requirement to declare potential conflicts of interest; and, a review of key information related to our values and ethics in the workplace. Practical examples and information on policies and laws are included to guide employees through the process of considering potential risks and making ethical decisions. Additionally, line managers received further separate training focusing on the important role supervisors play in promoting a culture of integrity.

In addition to the mandatory annual EBT, we also conduct live training sessions and deploy several targeted web-based trainings. Topics included anti-bribery, competition law, conflicts of interest, privacy, hospitality, third parties, human rights, and sexual harassment. Our targeted training approach is intended to raise awareness on topics that are relative to a specific audience based on risk, function and location.

As noted above we have updated and carried out training sessions concentrating on modern slavery for our suppliers globally.

5. Please explain what concrete steps have been taken by your company to exercise leverage, in line with the UN Guiding Principles, in your business relationships to prevent and mitigate human rights abuses committed by businesses employing workers belonging to Uyghur and other minorities.

We conducted further risk assessment across our operations and supply chain, updated and carried out a training session concentrating on modern slavery for our suppliers globally, and strengthened our Corporate Responsibility auditing guidelines to communicate our requirements concerning the treatment of ethnic or other minorities and for appropriate actions to be taken. We also set up additional related key performance indicators in our existing monitoring programs such as EcoVadis.

We engage with our customers to share and drive improvements and knowledge in our common supply chain and collaborate where possible across the ICT industry for greater impact. We continued our collaboration with the Joint Audit Cooperation (JAC) initiative, an association of some of the world's largest telecom operators.

6. Please provide information of whether your company has reported any such alleged human rights abuses in the present letter to relevant authorities, including in countries where your company is incorporated or domiciled. Moreover, what steps has your company taken, or is considering to take, to avoid potential complicity in such alleged business related human rights abuses?

Our investigations have not substantiated the allegations with regard to the products and services provided to Nokia, thus we have not reported such alleged human rights abuses as set forth in your letter.

All of the actions described in response to your prior questions and described in more detail in Nokia's policies, People & Planet reports, and Modern Slavery Statements, are for the purpose of avoiding complicity in such alleged business-related human rights abuses.

7. Please advise how your company provides for, or cooperates in the remediation of adverse impact on human rights of Uyghur and other minority workers through legitimate processes if it has caused or contributed to such impact. This may include establishing or participating in effective operational-level grievance mechanisms.

Please provide specific information about any procedures in place to ensure participation of workers and their representatives in the establishment and operationalization of such mechanisms.

As noted above, Nokia has not caused or contributed to adverse impact on the human rights of Uyghur and other minority workers and has not substantiated any such claim. In accordance with Nokia's commitments described earlier in this letter, should such impacts be identified, Nokia would take steps necessary to provide or cooperate in the remediation of such adverse impact.

We offer multiple channels to report ethical concerns, including the ability for employees and contractors to contact our Legal and Compliance organization, a network of compliance leaders called the Ombuds Leaders, and our Human Resources organization, and to use a mobile app for reporting concerns. In addition, employees and anyone outside Nokia can use a dedicated email address, an online portal, and country-specific phone numbers to report concerns.

We respond to and investigate all concerns promptly and establish remediation plans as needed. A number of these programs are not limited to Legal and Compliance or Human Resources professionals. Our Ombuds program involves volunteers from throughout the company and its operations around the world to be available to address employee concerns (grievances).

We have a strict policy of non-retaliation against any person who in good faith makes a report of any concerns.

Examples and an overview of ethical concerns reported are provided on pages 65-66 of People & Planet report.

8. Please provide information, if any, on cooperation your company may have had with local civil society actors and/or relevant state authorities to ensure that your company's grievance mechanism are aligned with the national mechanism to address such business related human rights violations.

Nokia's grievance mechanisms have been in place for itself and its predecessor companies for many years. For this reason, we cannot state definitively whether such consultations have occurred in the past, but to our current knowledge, we have not engaged with local civil society actors or relevant state authorities regarding our grievance mechanisms.

Regarding the question of whether Nokia's grievance mechanisms are aligned with national or other sources that address business-related human rights violations; in response, the variety of mechanisms for employees, unaffiliated individuals, and other stakeholders to bring concerns to Nokia's attention align with the principles for grievance mechanisms, notably Principles 29 and 31 of the UN Guiding Principles on Business and Human Rights.