

Nokia Siemens Networks

2011 Sustainability  
report



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## Tell us what you think

We value our stakeholders' views and we would like your feedback on this report and our sustainability performance and activities. Please contact us at [sustainability.global@nsn.com](mailto:sustainability.global@nsn.com).

## About this report

This is our fifth annual sustainability report. It focuses on our performance on the ethical, social and environmental issues identified as most significant – or material – to our business and our stakeholders (see Managing Sustainability, page 5).

The report covers performance data and activities from all Nokia Siemens Networks operations globally for the 2011 calendar year. Unless otherwise stated, data includes former Motorola operations that became part of Nokia Siemens Networks following our acquisition of Motorola's wireless network business in April 2011.

For the first time the report has been assured to give users of the report

confidence that not only the data is accurate but also that the content reflects the most important issues Nokia Siemens Networks has to manage. We commissioned Two Tomorrows to undertake independent assurance using AccountAbility's AA1000 Assurance Standard (2008) which evaluates adherence to the principles of:

- Inclusivity – involving stakeholders in the development of the company's response to sustainability issues
- Materiality – the relevance and significance of an issue to the company and its stakeholders
- Responsiveness – communicating and responding to issues raised by stakeholders.

Selected data indicators are also included in this assurance. These are marked with a \*. See the Assurance Statement from Two Tomorrows on page 49.

We continue to report a series of key performance indicators that were identified in 2010 through an analysis of global sustainability reporting guidelines and customer requirements. An index of our conformance with the Global Reporting Initiative guidelines and reporting against the Global Compact principles, together with more information about our sustainability strategy, approach and policies is available online at [www.nsn.com/sustainability](http://www.nsn.com/sustainability).

# CEO foreword



Rajeev Suri  
Chief Executive Officer

2011 was a challenging year for Nokia Siemens Networks, but we made important progress towards our goal of achieving long-term competitiveness and profitability. We welcomed employees from Motorola following the acquisition of its wireless network infrastructure business and refocused our strategy on mobile broadband as the first important step in our company's restructuring process.

These developments focus the company on growth in our target markets and they mean that we will be able to succeed in the tough economic circumstances we face. This is the foundation of being a sustainable company.

The restructuring programme, which I announced in November 2011 is based on difficult choices. While we will continue to invest heavily in our business and its development, we will also see a significant reduction in headcount during 2012 and 2013. We plan to do only those things that are necessary to safeguard the future of Nokia Siemens Networks and to secure the employment of tens of thousands of people.

Uncertainty about the future of the company made 2011 a challenging year for employees. Now we have greater clarity about the future. I am pleased that our surveys show the vast majority of employees understand the need for action and want to actively contribute to the changes.

## Highlights

- 70% engagement score in our annual employee survey
- OHSAS 18001 safety certification achieved in four more countries, bringing the total to 14
- 90% of employees completed ethical business conduct training
- 5,647 employees trained on anti-corruption in face-to-face training sessions
- 76 suppliers trained on sustainability through workshops in five high-risk countries
- Implemented a human rights risk assessment and due diligence process in our sales process globally
- Initiated a joint industry dialog to develop common principles on privacy and freedom of expression
- Made energy efficiency savings of 9,450 MWh
- Supported low-carbon energy with our award-winning software-based services, including the first off-grid base station in Germany with zero operating emissions

"Focus" is one of the key themes of our restructuring programme and this also applies to sustainability. We are focusing on effective systems and processes that ensure compliance and help us meet stakeholder expectations in key areas. We remain as committed as ever to sustainability, even if we must narrow our scope of activities during these challenging times. Our commitment to the values embodied in the UN Global Compact is demonstrated by our continued action on issues such as human rights and anti-corruption, that are highlighted in this report.

We made good progress in 2011 in key areas that include improving supplier capability and managing the environmental impacts of our operations. NSN became the first telecoms company to introduce a human rights risk assessment and due diligence system as part of our sales process, and we jointly initiated a dialogue with others in our industry to develop common principles on privacy and freedom of expression.

We maintained our strong focus on improving safety in our Global Services business, including extensive training and audits of contractors. Safety will remain a high priority in 2012.

We remain committed to transparency and in this report we outline both our achievements and key challenges. For the first time the report has been compiled according to the international AA1000 AS (2008) standard, ensuring that the content responds to stakeholders' needs.

This has been a transformational year for our sustainability strategy as well as our corporate strategy, and 2012 will be a year of fundamental change for Nokia Siemens Networks and for our industry as a whole. I look forward to positive developments for both in 2012 and beyond.



Rajeev Suri, Chief Executive Officer,  
Nokia Siemens Networks

# Who we are and what we do

Nokia Siemens Networks is a leading specialist in mobile broadband, providing mobile networks and the intelligence and services to maximize their value. We are one of the largest telecommunications hardware, software and professional services companies in the world, operating in 150 countries with headquarters in Finland.

## Our values

- Focus on the customer
- Communicate openly
- Win together
- Inspire
- Innovate

Our mission is to help operators to build more valuable relationships by improving efficiency and customer experience. Our customers are telecommunications network operators and service providers. A very small part of our business (approximately 0.4% of sales) is to military and civil defence organizations in selected countries where we supply communications equipment for administrative purposes.

During 2011 (the period covered by this report), we operated in three core areas:

- Network Systems: developing and producing network infrastructure products, including our Flexi base stations and broadband access equipment
- Global Services: implementing networks, and managing networks on behalf of customers
- Business Solutions: helping customers provide services to improve the end user experience.

In 2011, we announced a two-year restructuring process that will reshape the company to improve long-term competitiveness and profitability. It will put mobile broadband and services at the heart of what we do. Our goal is to provide the world's most efficient mobile networks along with the intelligence to maximize their value and the services to make this work seamlessly.

The mobile broadband and services market is valued at almost €70 billion and we hold a strong second position. We will compete in this market by building on our existing success in mobile broadband and customer experience management. Our services organization will continue to provide efficient global delivery. Quality and innovation will remain priorities and we will maintain high levels of investment in research and development.

The restructuring will result in some business areas being divested or managed for value and a significant reduction in our global workforce (see page 36 for more workforce information). The planned reductions will align the workforce with our new strategy and improve productivity and efficiency. We expect to streamline the organizational structure, consolidate sites and activities, and simplify processes.

These plans follow our acquisition of certain assets of Motorola's wireless network infrastructure business in April 2011 which reinforced our position in the market and boosted our research and development capabilities.

Our Code of Conduct continues to govern everything we do and our commitment to corporate responsibility that the Code embodies is unwavering. See Managing Sustainability (page 5) for more details.

# Managing sustainability

Our business is changing and we have revised the way we govern and manage sustainability to ensure an effective approach to environmental and social matters.

## Governance

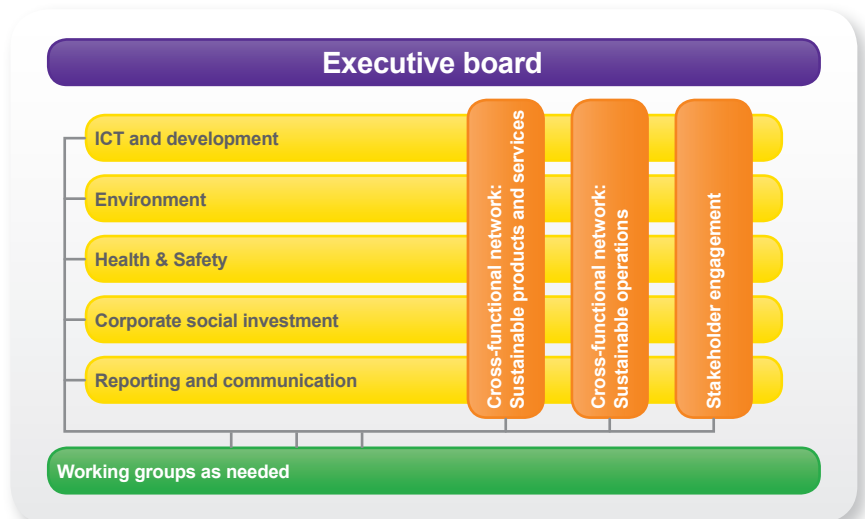
In 2011 we simplified our approach to sustainability governance. Instead of a separate Corporate Responsibility Steering Group, the Executive Board now acts as a Steering Group for sustainability matters. Board members are responsible for leading the business through the transformation announced in November 2011 (see page 4 [Who We Are & What We Do]) and their continued senior oversight confirms the role of sustainability in our company.

The Executive Board reviews sustainability performance at least once a year, and provides guidance. The Head of Marketing and Corporate Affairs is the board member directly responsible for sustainability.

Simplification also means we decided not to set up an external advisory network for stakeholder engagement. Instead, we will engage directly with relevant stakeholders on critical issues. For instance, in 2011 we focused on working with stakeholders to find a common approach to human rights in our sector. Working with a number of telecommunications operators, we initiated an industry wide dialog to develop common principles and tools for respecting freedom of expression and privacy (see page 23).

## Management

In 2011 we developed a new management structure for sustainability to improve the efficiency and communication of existing networks and working groups for environment, health and safety and ethics. The emphasis is on operating effective management systems which support the business, meet regulatory requirements and stakeholder needs. Two cross-functional forums co-ordinate sustainability activities



across the company – one for Sustainable Products and Services and another for Sustainable Operations. They bring together sustainability experts, business units and functions such as HR and IT from each region to develop and implement our sustainability strategy. Through these forums, we will listen and respond to the needs of our stakeholders, define sustainability

goals and key performance indicators and continue to implement global management systems.

In 2012, the two forums will be supported by working groups formed of sustainability experts from within the business.

## Case study

### Employee network champions sustainability

A network of 76 Culture Champions, established in 2011, spreads knowledge and enthusiasm for Nokia Siemens Networks' values, ethics and compliance objectives and sustainability themes. Based in our regional offices, Culture Champions are local role models who foster a sense of pride in the company values and provide information on company culture issues including environmental and ethical topics. Employees volunteered to take on the role in addition to their existing jobs and were appointed in September 2011. The Culture Champions participated in a program of online training sessions. They can interact with each other online and build their own knowledge of sustainability, the Code of Conduct and the importance of collaboration with colleagues. They will stimulate sustainability thinking and behavior change among colleagues locally, promoting employee wellbeing and knowledge sharing. They will also help colleagues understand the company's Code of Conduct and promote compliance.

## Stakeholder engagement

We communicate on sustainability to stakeholders including customers, employees, NGOs and suppliers. We listen to their perspectives to improve our understanding and we explain our position and ambitions.

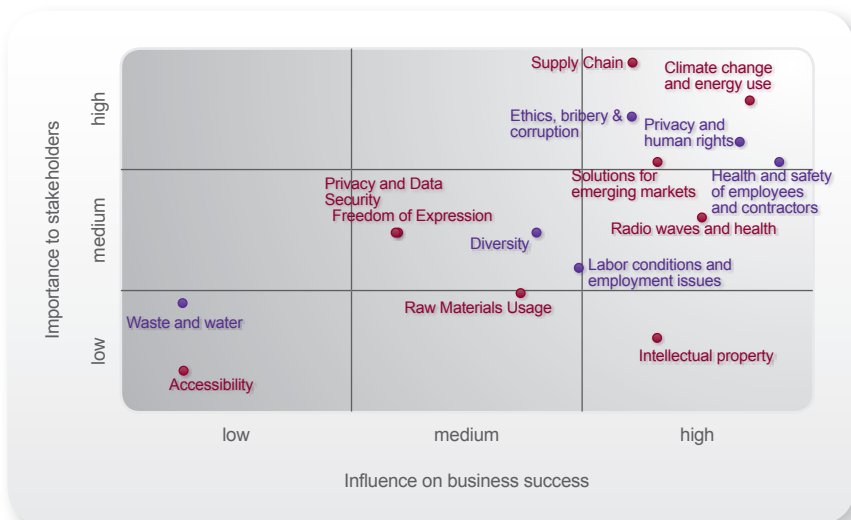
In 2011 we communicated with customers about sustainability through customer magazines circulated in each region. Through our partnership with WWF, we held a 'One Planet Leaders' workshop in Croatia in 2011 with key customers. Run in co-operation with the International Institute for Management Development (IMD), the workshop aimed to develop a shared understanding of how sustainability can be embedded into business operations.

We continued to be particularly active on human rights, meeting regularly with NGOs and government representatives in several countries. We initiated an industry wide dialog on human rights with other companies in our sector (see page 23).

Formal dialog with employees includes an annual employee survey, ethics training and communication campaigns on specific themes such as career development. Informal employee engagement activities include face-to-face "town hall sessions" with Executive Board members. Company-wide online communication tools include a blog, an employee video channel (NSNtube) and a social media channel for employees to connect with each other (MySite).

Specific engagement activities in 2011 included:

- Joining the Green Grid, a non-profit consortium of ICT end-users, policy-makers, technology providers and utility companies collaborating to improve the efficiency of data centres. By joining this network of more than 175 companies, we are contributing to industry-wide recommendations and sharing best practice for improving data centre efficiency.



- Supporting the launch of a Green IT website in Germany that promotes the environmental and cost benefits of green IT, particularly aimed at medium sized businesses. We supported the German Ministry for Economics and Technology and BITKOM, a membership network for the ICT industry, in setting up this resource by providing content for the website.
- Participating in the European Telecommunications Network Operators' Association (ETNO) to develop best practices on environmental protection, resource management and sustainability policies with peer companies and policymakers in Europe. We hosted the plenary meeting of the ETNO Sustainability Working Group in Spring 2011, focusing on child protection, Green IT and smart grids.
- Continuing our membership of the Global e-Sustainability Initiative (GeSI) and engaging with members on supply chain transparency, conflict minerals and climate change.
- Contributing to the Environmental Policy Working Group of Digital Europe. We support the working group in areas such as energy management and chemicals.
- Using our Connectivity Scorecard to promote the positive role of ICT in development. We used the scorecard in meetings with governments, industry groups and economic experts to raise awareness among stakeholders of the importance of "useful connectivity" (see page 7).

## Materiality

We identified the issues most relevant to our stakeholders and to our business in 2011 using a tool developed by GeSI. Designed to assess which issues are material for businesses in our sector, the tool generates a materiality 'matrix' (see chart) showing the relative significance of each issue. Building on an analysis of stakeholder feedback and customer requirements conducted in 2010, we reassessed the significance of each issue this year through interviews with internal content experts and a high level review of external inputs such as media tracking. As a result of this analysis, we have adjusted the matrix to reflect the continued rise in the significance of privacy and human rights in 2011. In 2012 we plan to refine our assessment methodology and conduct a more detailed reassessment.

# Connectivity

Information and Communications Technologies (ICT) provide connections, but “useful connectivity” is essential to maximize social and economic benefits.



Information and Communication Technologies (ICT) can drive social and economic progress while helping to reduce the environmental impacts of many industries and human activities. Bringing broadband connections to remote or poor areas can create new opportunities, while advanced applications such as cloud technology, machine-to-machine connections and social media can enable and transform new services.

While connectivity is beneficial, we promote “useful connectivity”, which provides a greater stimulus. We define “useful connectivity” as the bundle of ICT hardware and complementary software, skills and informed use that realizes the full potential of ICT to drive social and economic growth and sustainable development.

There are many aspects of ICT deployment which determine the extent to which people use the infrastructure to unlock and maximize its benefits. The first requirement for “useful connectivity” is access to high performance, high capacity broadband networks, whether fixed, mobile or both. Coverage and access should be widely available and affordable. End users must also be aware, able and motivated to use network services, which should be easy to use, secure, reliable and always available.

A favorable regulatory and fiscal framework, including the availability of spectrum for mobile broadband services, will enable service providers to offer cost-effective broadband services and promote the expansion of ICT infrastructure and adoption of services.

## Connectivity Scorecard

We developed the Connectivity Scorecard to promote these messages and demonstrate the progress countries are making. This unique global ICT index ranks countries according to how advanced their communications networks are in promoting productivity and economic growth. The Connectivity Scorecard incorporates more than 40 indicators of infrastructure, usage and skills. The results show that leading countries combine infrastructure investment with investments in human capital such as education and training in the consumer, business and public sectors to unlock the full potential of ICT.

We have presented the Connectivity Scorecard concept and results at meetings with governments, industry groups, economic experts and our customers around the world, raising awareness of the importance of the many factors contributing to “useful connectivity”.

The 2011 Connectivity Scorecard expanded the range of indicators to include new trends such as mobile data uptake and cloud computing. The table to the right shows that Sweden and the US are in a virtual tie for first place amongst the Innovation-driven economies. But with scores of less than eight out of 10, both countries could still improve. Among the economies we characterize as Resource and Efficiency-driven there are only a handful of strong performers such as Malaysia and Chile, with a large tail of weak performers. Developing countries can clearly benefit enormously from broadband access but many are struggling to create the right environment for ICT deployment and widespread adoption.

During 2011, Nokia Siemens Networks announced almost 200 ICT references, including many that will expand availability of fixed and mobile broadband networks, using 3G, 4G LTE, Flexi Multiradio, and Liquid Networks; and others that promote usage and skills.

Rank [*]	Country	Connectivity score
1 [1]	Sweden	7.84
2 [2]	United States	7.82
3 [4]	Denmark	7.47
4 [5]	Netherlands	7.45
5 [3]	Norway	7.09
6 [8]	United Kingdom	7.06
7 [7]	Australia	6.93
8 [9]	Canada	6.88
9 [6]	Finland	6.78
10 [11]	Singapore	6.40
11 [15]	Belgium	6.31
12 [n/a]	Austria	6.27
13 [17]	Germany	6.27
14 [12]	Ireland	6.08
15 [18]	France	6.06
16 [10]	Japan	5.89
17 [16]	New Zealand	5.84
18 [13]	Korea	5.80
19 [20]	Spain	5.09
20 [19]	Czech Republic	4.93
21 [21]	Portugal	4.80
22 [22]	Italy	4.79
23 [23]	Hungary	4.50
24 [24]	Poland	4.26
25 [25]	Greece	4.22

\* last year's rank in parenthesis

Table 1: Connectivity Scorecard 2011  
Results – Innovation-driven Economies

Rank [*]	Country	Connectivity score
1 [1]	Malaysia	6.61
2 [3]	Chile	6.21
3 [5]	Russia	5.68
4 [7]	Turkey	5.51
5 [4]	Argentina	5.46
6 [6]	Brazil	5.14
7 [8]	Mexico	4.87
8 [10]	Ukraine	4.81
9 [2]	South Africa	4.68
10 [9]	Colombia	4.06
11 [12]	Thailand	3.68
12 [13]	Tunisia	2.79
13 [15]	Vietnam	2.73
14 [17]	China	2.72
15 [14]	Iran	2.41
16 [19]	Philippines	2.15
17 [n/a]	Syria	2.11
18 [20]	Indonesia	2.01
19 [16]	Sri Lanka	2.01
20 [18]	Egypt	1.89
21 [21]	India	1.25
22 [25]	Pakistan	1.14
23 [23]	Nigeria	1.09
24 [22]	Kenya	0.95
25 [24]	Bangladesh	0.90

\* last year's rank in parenthesis

Table 2: Connectivity Scorecard 2011  
Results – Resource & Efficiency-driven Economies

See [www.nokiasiemensnetworks.com/  
portfolio](http://www.nokiasiemensnetworks.com/portfolio).



# Environmental impacts of our products and services

Our products and services help customers meet their environmental targets by improving energy efficiency and minimizing resource use. We are also developing smart applications which will help to manage the distribution and use of energy more effectively.

## 2011 Highlights

- Launched Liquid Net to help networks cope with variable demand efficiently
- Extended Managed Energy Services to support network operators' energy efficiency
- Developed the first off-grid base station in Germany with zero operating emissions
- Introduced smart grid products to support the development of distributed energy grids

## Progress against targets

Target	Progress in 2011	Status
Improve the efficiency of GSM/EDGE and WDCMA/HSPA base station products by up to 40 percent compared to 2007 performance by end of 2012	On track to meet this target	Ongoing
Achieve full material content data collection for 90% of components in use at Nokia Siemens Networks by end of 2012	On track to meet this target	Ongoing
100% coverage for environmental data of packaging materials in corporate level IT system and environmental reporting system by 2013	Progress continued in 2011 but not fast enough to meet the target. Additional resources are being applied but the scope of this task remains unclear. We are therefore unable to specify a new target date.	Not achievable – target abandoned

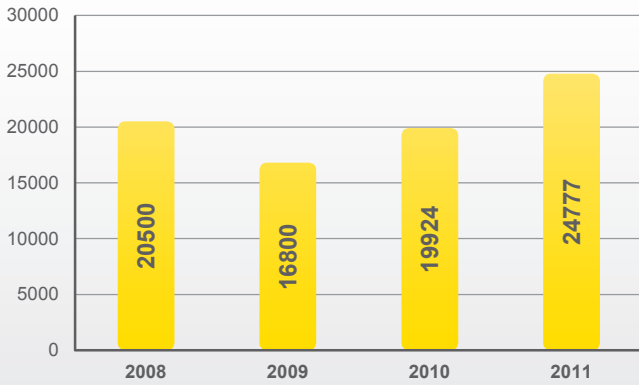
## Future targets

Target	Target date
Improve the efficiency of GSM/EDGE and WDCMA/HSPA base station products by up to 40 percent compared to 2007 performance	End 2012
Achieve full material content data collection for 90% of components in use at Nokia Siemens Networks	End 2012
Increase the average energy efficiency of the product portfolio by 5% per year on average	Ongoing

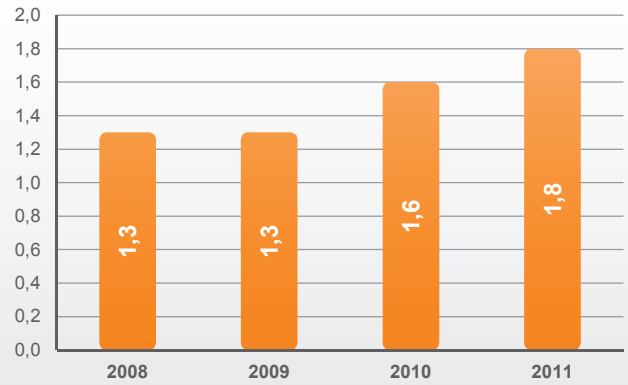
## Performance in 2011

### Energy

Product lifetime energy consumption (GWh)



Product lifetime energy consumption vs. sales (kWh/€)

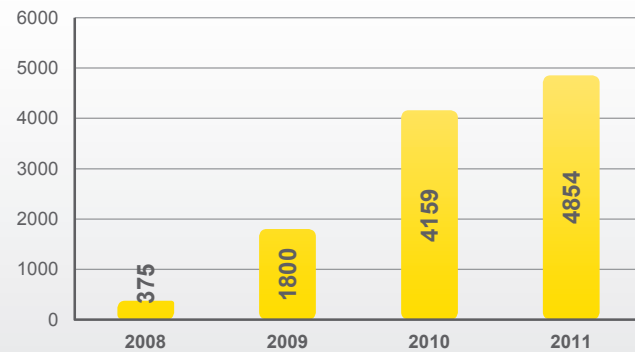


Lifetime energy consumption of our products in use has risen in the past two years as a result of growing sales volumes. Energy per Euro of sales has also risen due to changes in product mix and pricing.

We continued to increase the amount of equipment taken back from customers at the end of its use. The proportion sent to landfill was even smaller in 2011 than in previous years as contractors incinerated slightly more material. Sustained efforts to increase the reuse of packaging in our distribution hubs also succeeded in continuing the upward trend.

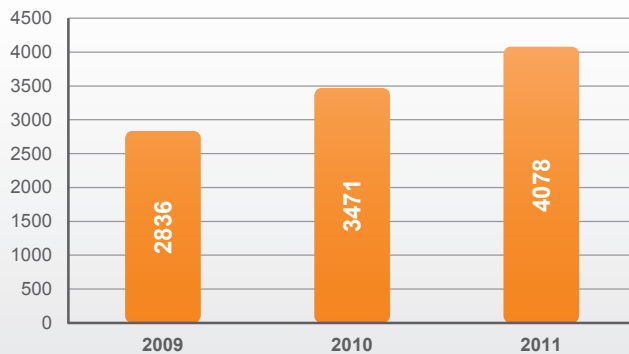
### Take-back

Equipment returned from customers (tonnes)

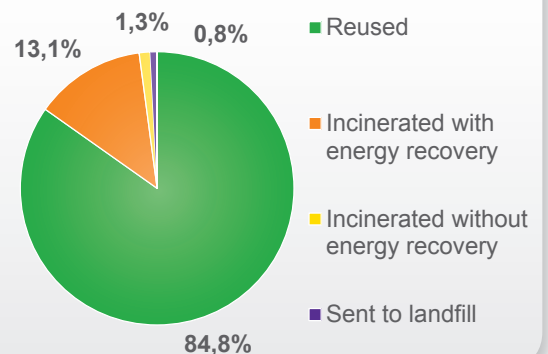


### Packaging

Packaging reused in distribution hubs (tonnes)



Destination of returned base stations in 2011 (%)



## Strategy

We aim to minimize the environmental impacts of our products and our customers' networks by developing hardware which uses energy and materials efficiently, and providing innovative services that maximize the efficiency of the network. Our longer term objective is to help realize the potential of mobile broadband to contribute to a sustainable global economy.

## Activity in 2011

The main focus of our environmental activity continues to be on reducing energy use and related carbon dioxide (CO<sub>2</sub>) emissions. This is the most significant impact of our products and where we can make the most difference. We provide low-energy products and services for the ICT industry and we are developing services to help customers reduce emissions by improving energy management. While energy is the priority, we also continue to manage other environmental issues associated with our products, including hazardous substances and the use of materials.

## Energy-efficient hardware

Energy-efficient base stations are the foundation of low-carbon mobile communications. Our Flexi products operate with energy-saving software that cuts power consumption to less than many domestic appliances.

## Awards

Our Field Service Management system and our cloud-based communication and messaging platform won Global Telecoms Business Innovation Awards in 2011. Both services use software to provide services that would otherwise require more physical and energy resources.

We work with others in our industry to identify energy-saving opportunities. For example, Nokia Siemens Networks was one of 10 partners participating in the three-year Opera-net study examining energy-efficiency across the network infrastructure. Completed in 2011, the study concluded that emerging technologies offer several opportunities to achieve step-change reductions in network energy use. In February 2012, OPERA-net received the silver award for one of the most successful projects in the EU's CELTIC research program.

Results from OPERA have been implemented in new software features to increase efficiency of installed base stations and are used in developing new products. Our customer and project partner Orange is improving energy efficiency of its network with OPERA learning. We continue to be involved in OPERA2, which is building on the first project.

Customers need to be able to compare products' environmental characteristics easily to choose the most sustainable option. We are active in several international standardization bodies such as ITU-T, ETSI-EE to develop environmental standards footprint methodologies for the telecoms sector, as well as European Commission projects. For example, we supported the development of the second edition of the ETSI technical specification, introduced in 2011, for comparing energy efficiency of mobile network equipment based on realistic usage patterns. We carried out pilot studies arranged by the European Commission to test the applicability of environmental reporting standards. We tested standards and methodologies for corporate and product/service impact from ITU-T, GHG protocol, ETSI and the European Research Center JRC.

## Software and services for energy-efficient networks

While technical developments achieve step-changes in hardware energy efficiency from time to time, innovative software can cut energy consumption and emissions significantly by reducing the amount of hardware required.

We launched Liquid Net in 2011 to help networks cope with highly variable demand at different times of the day and at different locations. This is particularly important because we estimate that smartphones and new applications will result in up to 100 times higher traffic per user and volatile demand patterns. Liquid net shares resources, releasing unused capacity and allowing networks to adapt to meet capacity and coverage requirements based on demand. We estimate that sharing resources in this way can save 40% of energy required using conventional, dedicated resources.

We are investing in remote services which reduce emissions by replacing physical travel to network sites by our employees, sub-contractors or the network operators' personnel. Our Global Service Delivery center already remotely manages 1.1 million network elements and over 200 million subscribers on 450 customers' networks – more than half of all customer sites. More than a third of our Consulting and Systems Integration projects use remote delivery capabilities.

Our customer proposition is expected to include environmental benefits from the earliest phase of development.

## Energy management solutions

Our energy services help network operators meet their greenhouse gas emissions targets as well as saving energy costs, which are particularly significant in the fast-growing emerging markets. In 2011 we extended our portfolio to include Managed Energy Services. These help operators reduce operating costs and their carbon footprint, addressing concerns including rural and remote areas with inadequate or no electricity grid.

Managed Energy Services cover:

- Products, solutions and services that can help optimize the energy consumption on the site or at the network level.
- Operational Services to manage customers' entire "Energy Estate". By closely monitoring all power sources, we help to manage and reduce overheads associated with energy throughout customers' operations. Smart Energy procurement considers the entire energy procurement chain, from selecting a provider to paying the utility company. Our solutions help to identify the most economical tariff as well as managing energy use effectively.
- Green Incentives: we help customers make the most of incentives that subsidize energy efficiency and renewable supplies in specific markets. We identify national or regional tax incentives, feed-in tariffs, grants or preferential interest rates, and help customers obtain the best deal.

These new services complement our Energy Solutions portfolio through which we manage network energy. Energy Solutions includes optimizing equipment and site design, remote monitoring, field maintenance and provision of renewable energy supplies.

Renewable energy sources can replace grid power in developed markets as well as providing power to connect rural and remote areas with no grid electricity. (See case study below.) These off-grid solutions replace diesel generators, which are costly and add significant CO<sub>2</sub> emissions. Customers in emerging markets are already cutting generator runtime by up to 90%.

In 2011, we applied energy efficiency measures to more than 2,000 legacy radio mobile broadband sites around the world. These solutions have successfully generated energy cost savings in the form of reduced consumption from the electricity grid and lower fuel consumption. Emerging markets have demonstrated a wide range of energy savings, from 35% to 80% and in some cases completely eliminated the use of generators.

## Smart applications

Our hardware, software and services help to cut the power needs of mobile networks and Energy Solutions help operators manage their energy needs effectively. But the greatest contribution mobile technology can make to curbing energy and emissions is to provide remote communications that improve productivity and efficiency in activities beyond the ICT sector. This can save energy directly by avoiding transport, for example, and can bring additional benefits through dematerialization – replacing physical goods with electronics – which saves material resources as well as the energy needed to manufacture them.

### Energy, the Nokia Siemens Networks way



3000+ credentials globally



Network of global experts



Achieved savings

#### Focus:

- Assessing energy estate: business case, technical aspects, operational aspects
- Full range of solutions for new and existing sites
- Turnkey approach: design, delivery, implementation, care, operation, training, consultancy



#### Quality:

- Rigorous product homologation and complete system verification
- Applying Nokia Siemens Networks top quality services processes and practices

#### Innovation:

- Engineering innovative solutions for Operators' needs
- Continually scouting for best in class products

### Case study

#### Renewable power for E-plus

In 2011, Nokia Siemens Networks and our customer E-Plus created the first off-grid base station in Germany with zero operating emissions. In the initial six months of operation, the site in Versmold in rural Germany avoided more than 4.6 tonnes of CO<sub>2</sub> emissions.

This is the first of 13 such base stations planned at sites across the country, supporting the operator's environmental objectives. The solution combines renewable energy generation, low power consumption and remote energy management. Off-grid power is provided by a combination of solar and wind, supported by fuel cell and battery technology.

Successful operation relies on our integration and control technology, including the Green Energy Controller which manages the different power sources. Using our SiteStar cabinet significantly reduces operating costs by keeping the batteries at stable temperatures. It requires up to 95% less energy compared with conventional cooling systems.

We have concentrated on energy applications, including “smart grid” concepts that will enable distributed energy management. The main activities in 2011 were:

- Demand Response for eEnergy: a consortium including Nokia Siemens Networks proved the concept of creating tradable energy capacity by shifting consumption to times when electricity is cheaper and/or comes from greener sources. We demonstrated the concept using our Cumulocity machine-to-machine (M2M) platform for Helsinki Energy in Finland.
- MicroGrid management: we developed our Green Energy Controller to manage distributed energy from community level microgrids and offer a brokerage service to energy aggregators.
- Smart Grid Connectivity: we are researching optimal connectivity for eEnergy applications based on mobile broadband solutions. Our Smart Grid Connectivity lab became operational in 2011.
- eMobility (EMO): we have been researching solutions allowing users to charge electric vehicles at any charging points and pay conveniently using proven mobile technologies. EMO won the 2011 WWF award at our quality awards in 2011.
- Internet of Energy: we participated in this three-year project which began in 2011 to develop hardware, software and “middleware” to connect the Internet with energy grids and create an infrastructure for electrical vehicles.
- FINSENY: we started working with partners from the ICT and energy sectors in 2011 to identify the ICT requirements of Smart Energy Systems, and define new solutions and standards for a large scale pan-European Smart Energy trial.

## Other environmental product impacts

Our product and service development processes include requirements to consider environmental factors and minimize resource use.

The Nokia Siemens Networks Substance List helps to manage materials used in our products, identifying banned and restricted substances. It is regularly updated and in 2011 we integrated the acquired Motorola substance list.

The Substance List is communicated to suppliers and we encourage them to phase-out substances which are classified as “Monitored”. Arsenic is one example, which is currently present in semiconductor products. We have made Arsenic a “restricted” substance, and our system will warn if the arsenic content exceeds 1000 parts per million in homogenous material.

We comply with the EU Restriction of Hazardous Substances (RoHS) Directive and Registration, Evaluation, Authorisation and restriction of

Chemicals (REACH) regulations. Our ongoing work to gather material data for components enables us to know if a REACH Substance of Very High Concern (SVHC) is present in a component. We will be able to track those components if such a substance becomes restricted or banned.

We aim to minimize material use, especially rare minerals that are in short supply but are critical for ICT products. Our Flexi 2 RF Module uses approximately two-thirds of the material of Flexi 1 because it integrates three transceivers in a single system module.

Our approach is to incorporate material efficiency in product design and development, aiming to:

- Reduce material volumes for both product and packaging
- Re-use material that has been recycled and use material that is easily recyclable
- Recycle, based on End of Life management practices that encourage recycling.

## Radio waves and health

Electromagnetic fields (EMF) are all around us. They are emitted from a wide range of sources, some natural and others manmade – such as radio waves from mobile phones, wireless devices, radar, radio and television broadcasts.

Extensive scientific research has investigated the possible health effects of radio waves. Based on this catalogue of research, the World Health Organization (WHO) stated in its latest fact sheet in June 2011 that *“no adverse health effects have been established as being caused by mobile phone use”*.

Wireless communications technologies operate well within the limits recommended by the International Commission on Non-Ionizing Radiation Protection and endorsed by the WHO, and we work to ensure continued compliance of our products with these requirements.

We understand that some people remain concerned and aim to respond to these concerns by monitoring ongoing research related to radio waves and providing links to research reviews from independent experts on our website. In 2012, we will also enhance our communications to enable us to better respond to enquiries with clear fact-based information from reputable independent sources.

Packaging is an area where we continually look for reductions to save money and reduce waste. Two projects in 2011 highlight the potential:

- We created a new type of design for relatively light-weight cabinets, replacing a traditional wooden pallet with recycled fibre-based material and reusing cardboard. As a result we reduced the weight of materials by approximately 1,400 tonnes, saving around 650 tonnes of CO<sub>2</sub> emissions. This project was a runner-up in our internal quality awards in 2011 in the corporate responsibility category.
- In a new approach to packaging for deliveries from factories to our distribution hubs we piloted a lighter box-on-a-pallet concept which significantly reduces the volume of packaging material as well as the cost of materials and transport. We were able to increase packaging density by 16% and reduce the volume of packaging material by one third. We will further develop this concept in 2012.

We have steadily increased the volume of equipment we take back each year, avoiding potentially hazardous disposal and conserving materials. In 2011 we widened our scope to include other manufacturers' equipment.

We use a small number of reputable and professional recycling companies which can dismantle equipment and are able to treat from component level to entire products in their own recycling

facilities, handling hazardous waste responsibly. We also require these suppliers to have good reporting systems to provide transparency and allow us to meet our reporting needs.

In 2011 we carried out system audits at four of our six main recycling companies, including two site audits in India. The audits confirmed these companies have strong processes and identified some areas for improvement.



# Environmental impact of operations

Our operations must be efficient in the use of energy and other resources. We aim to continually improve energy efficiency in our buildings, data centers and other operational areas, and incorporate sustainability principals during design and construction of sites. We also save energy and other resources by minimizing waste.

## 2011 Highlights

- Included energy, waste and water data from 43 acquired Motorola sites and accompanying 7,000 employees
- Achieved company-wide ISO 14001 certification
- Made energy efficiency savings of 9,450 MWh
- Diverted 82% of waste from landfill
- More than 40 energy efficiency studies identified substantial energy saving potential

## Progress against targets

Target	Progress in 2011	Status
Achieve ISO 14001 certification for Nokia Siemens Networks' environmental management system	Certification achieved in August 2011	Achieved
Reduce emissions for new cars in the Europe service fleet to 120g/km	Achieved for Finland but not for Germany due to related diesel particulates	Partly achieved
Reduce CO <sub>2</sub> emissions from buildings by 30% by end 2012 from the 2007 baseline	Despite a 0.4% increase in 2011, emissions from buildings are 31% lower than 2007 (excluding former Motorola sites).	Ongoing
Improve the energy efficiency of buildings to reduce associated energy use by 34,300 MWh by end 2012	Energy efficiency savings in 2011 were 9,450 MWh including those implemented at acquired Motorola sites. Total savings since 2007 are 24,078 MWh.	Ongoing
Reduce CO <sub>2</sub> emissions from IT operations and use of IT products by 20% by 2015 from the 2008 baseline	Emissions (excluding Motorola) were 4.5% below the baseline in 2011	Ongoing
Improve data center infrastructure efficiency (DCiE) to an average of 0.5 by 2015	Achieved a DCiE of 0.52 in 2011	Achieved

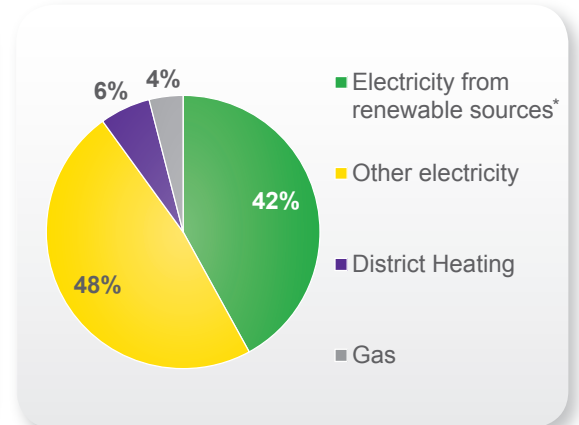
<sup>1</sup> Site data from 2011 were not available for Motorola sites at the time of reporting

## Future targets

Target	Target date
Average 5% reduction year on year for energy consumption of own operations.	Ongoing
Reduce CO <sub>2</sub> emissions from buildings by 30% from 2007 baseline	End 2012
Improve the energy efficiency of buildings to reduce associated energy use by 34,300 MWh	End 2012
Reduce CO <sub>2</sub> emissions from IT operations and use of IT products by 20% (from the 2008 baseline)	End 2015

## Performance in 2011<sup>2</sup>

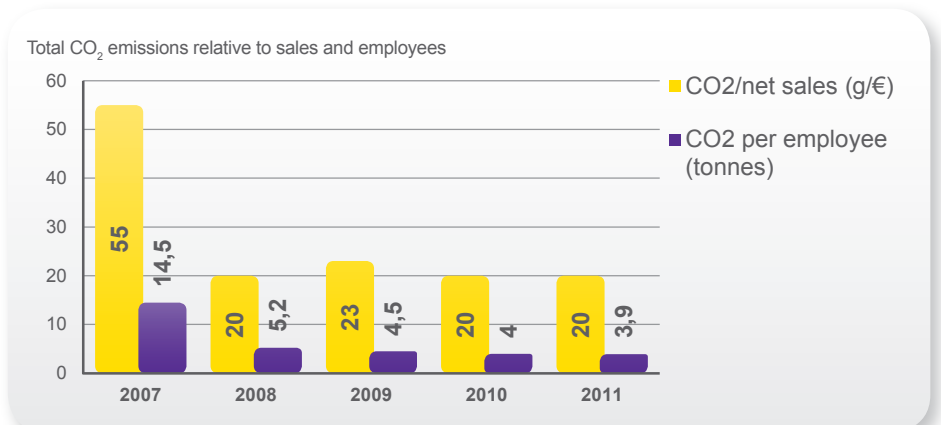
### Energy



<sup>2</sup> Note that figures for 2011 include the Motorola acquisition unless otherwise specified

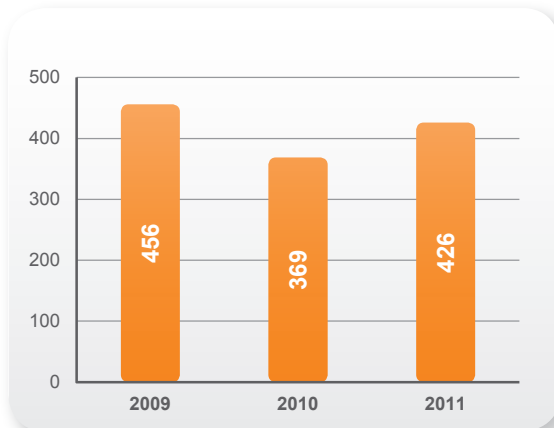
<sup>3</sup> Total Energy use data and associated carbon emission figures account for consumption of buildings larger than 3,000m<sup>2</sup>, representing 80% of Nokia Siemens Network's RE portfolio.

### Carbon footprint



Note: 2010 figures have been restated due to previous calculation error

### Emissions from operations (Thousand tonnes CO<sub>2</sub>)



	2009	2010	2011
Buildings energy use	243	239	269
Less Green Electricity	-38	-67	-60
External data centers	3	3.5	2.2
Logistics (outbound)	169	110	135
Air travel*	78	83	80
<b>Total</b>	<b>456</b>	<b>368.5</b>	<b>426</b>

Total emissions have increased due to the Motorola acquisition and a higher proportion of electricity in regions where we do not buy renewable energy. Despite these factors, emissions are lower than 2009 due to the increase in green electricity since then.



**Total greenhouse gas emissions from buildings (tonnes CO<sub>2</sub> equivalent unless specified)**

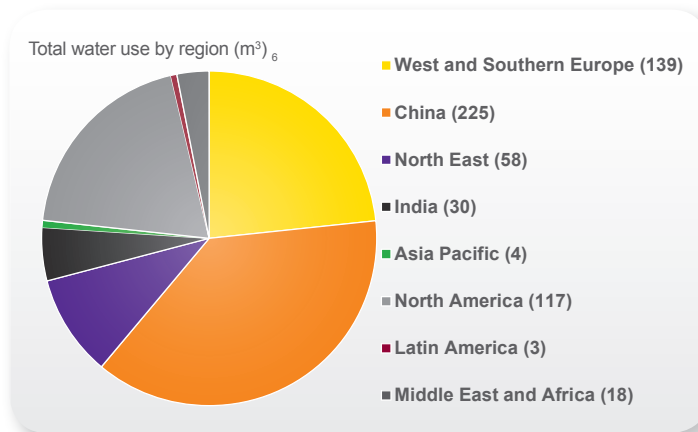
	2008	2009	2010	Excluding Motorola 2011	Including Motorola
Total emissions	217,000	206,000	172,476	173,213*	208,421**
Indirect emissions from purchased electricity and district heating	209,000	203,000	169,609	169,546*	204,646
Direct emissions from gas and oil used in our facilities, methane and nitrous oxide from heating	7,600	3,000	2,867	3,667*	3,776
Ozone depleting substances (kg) <sup>5</sup>	0.12	20	26	37	39
HFC from refrigerants	283	997	1,616	2607	2,670

<sup>4</sup> This data supercedes the data point published for Nokia's 20-F submission, as the figure was updated to reflect the actual electricity consumption for November and December.

<sup>5</sup> 2010 figures cover data from all regions, previous years only Finland and China

Emissions from existing buildings were virtually the same as in 2010 despite lower energy consumption. This is because a higher proportion of electricity consumption was in regions with no renewables purchases and higher CO<sub>2</sub> emissions factors.

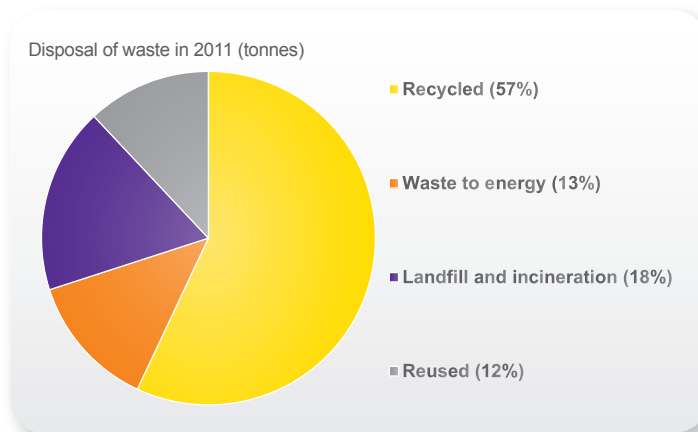
**Water\***



<sup>6</sup> Total water usage differs from what was reported by Nokia Siemens Networks earlier in the year, on account of actual figures from some sites for the last two months of the year and a corrected figure from one site in China.

We used a total of 597 m<sup>3</sup> of water in 2011. Water consumption was 22% lower than in 2010, with a major reduction in west and southern Europe offset by a significant increase in China.

**Waste**



We generated a total of 8,150.05 tonnes of waste in 2011. Waste data is not comparable with previous years. We collected waste data from 103 sites in 2011 compared to 69 previously, which results in a 24% increase in the reported figure. The proportion of waste not reused, recycled or used to generate energy remained less than a fifth of the total.

**Award for Chennai site**

The Electronics Industries Association of India (ELCINA) and Electronics For You magazine awarded our Chennai factory second place in its annual awards for Excellence in Electronics Hardware Manufacturing and Services. The award recognized outstanding Environment Management based on mature processes, systems and commitment.

## Strategy

We aim to minimize energy use and greenhouse gas emissions from our buildings and IT operations through efficiency measures and the use of renewable energy sources.

Encouraging employees to travel less and choose lower-carbon options also contributes to meeting our targets, and we aim to achieve improvements in emissions from logistics. A robust, certified management system underpins our efforts to reduce environmental impacts in all areas.

## Activity in 2011

As well as making progress towards energy reduction targets, we achieved company-wide certification for our environmental management system (EMS) under the international standard ISO 14001. Certification extended the previous coverage of our manufacturing operations which has been in place for several years. It now extends to every part of our business and confirms that we have a sound understanding of all our environmental impacts as well as an effective EMS and plans for continual improvement. The certification process involved audits throughout the business and sought to verify the implementation of the environmental management processes. Certification requires all areas of the business to consider their environmental impacts and develop plans to reduce them.

The acquisition of part of Motorola's wireless network infrastructure business has affected the trends in our environmental data in 2011. As a result, we have reported our total data both including and excluding former Motorola operations. These will be fully integrated into our environmental reporting in 2012.

## Energy-efficient buildings

Since the launch of our energy efficiency program in 2009, we have implemented approximately 200 energy conservation measures at our factories, test labs and office buildings. In 2011, we conducted 24 site assessments and implemented over 50 new energy savings projects, taking total savings to 25,314 MWh.

Investment criteria limited projects to those with a payback of less than a year. Examples include harnessing "free cooling" for the ventilation system at Suzhou and Shanghai in China, reducing energy consumption during lunch hours at production centers, upgrading the lighting system in Shanghai and Oulu (Finland), and changing humidity settings at Chennai (India).

Our test labs are our most energy-intensive buildings, accounting for approximately 40% of total energy consumption. For example, auditing the Tampere campus in Finland found potential savings of 2,850 MWh a year – approximately 10% of the site's electricity consumption in 2010.

The biggest savings will come from using more efficient test equipment and introducing raised flooring to improve cooling efficiency. We also found several opportunities to cut electricity consumption by relatively simple and cost-effective changes to the cooling and ventilation.

These include increasing chiller water temperatures, changing temperature and humidity settings, and automating measurement of energy consumption.

We have contracted a specialist Environment Health & Safety provider, Ch2M Hill, to supply energy management and environment, health and safety assessment services for our buildings to enable us to achieve a higher level of sustainable operations, supported by data and external audits. In 2011 Ch2M Hill conducted two energy audits – at our production site in Oulu, Finland and a large R&D site in Irving, Texas. These audits identified an estimated energy saving potential of 8-12% of the 2010 consumption levels of these sites, double the typical savings from our existing energy program. These savings will be implemented in 2012.

Renewable energy further reduces the emissions from our operations. More than 40% of our electricity supplies were from renewable sources in 2011, with certified renewable energy purchased in Germany, Finland, and the UK. We have further increased these carbon-free sources with a commitment to purchase an estimated 7,000 to 8,000 MWh of certified e-GREEN energy in the US.

We aim to reduce the environmental impacts of our buildings through, for example, planning and allocating space more efficiently and setting higher standards of environmental performance when selecting, designing, and building out Nokia Siemens Networks facilities. A study in 2011 demonstrated the business case for applying this approach to all our buildings. For example, we have applied for the LEED (Leadership in Energy and Environmental Design) Gold certification for our new global network operations center in Chennai.

## Green IT

Data centers are high energy users and account for most of our IT energy consumption. In 2011 we piloted the use of smart meters to manage energy more effectively. The meters provide real-time information on energy consumption, identifying the components using the most energy. This means we can set more precise limits and take action to adjust power needs in real time rather than acting on historic information.



We commissioned an energy audit of the Helsinki data center in Finland in 2011 to identify further improvements. The audit compared our performance against the EU Code of Conduct on data centers. It identified several areas for improvement, including regularly decommissioning hardware that is no longer required, physical changes to the structure to improve air flow, and setting an optimal target temperature.

In 2011 Nokia Siemens Networks joined the Green Grid Association, a global organization of IT providers and users committed to realizing resource efficient business computing, with a particular focus on data centers. Membership provides an opportunity to share ideas and identify new approaches.

## Travel and logistics

Our strategy to deliver network services remotely where possible is reducing service-based travel. Increasingly, we use software to monitor network performance and carry out maintenance instead of service personnel travelling to sites, which are often remote (see Environmental impacts of our products, page 9).

Changes to service operations mean we now use more cars than vans. We require all vehicles in our fleet to meet high environmental standards, including average tailpipe emissions of less than 120g CO<sub>2</sub>/km in Europe. We have tested hybrid electric cars but have been unable to use them extensively because we do not have a global supply agreement with the main manufacturers. This is likely to change as further manufacturers introduce hybrid models.

There is also potential to save energy and emissions in our logistics operations, mainly by switching from air freight which produces 95% of logistics CO<sub>2</sub>. We have reduced the amount of airfreight to 28% of the total and are continuing to reduce this proportion.

Restrictions on business travel which have been in force since 2009 have now become permanent – non-essential business travel is ruled out, especially for internal meetings. Instead, employees use teleconferences and our 36 HALO video conference facilities for virtual face-to-face sessions. In Germany, our business rail travel is covered by the operator's renewable energy contract, avoiding nearly 100 tonnes of CO<sub>2</sub> emissions in 2011.

When employees do have to fly on business we provide airport transfer shuttle buses in more than 90 cities and over 30 countries. The buses cause lower emissions than if people made their own way to their hotels, and are very widely used. For example, in China almost 2,000 employees use the shuttles in Shanghai, Chengdu, Suzhou and Hangzhou.

We also consider the environmental performance of the hotels employees use. In 2011 we developed environmental selection criteria for hotels in seven cities in Finland based on an analysis showing a wide range of CO<sub>2</sub> emissions. For example, emissions for hotels in Helsinki range from 3kg/guest night to almost 11kg. Employees are encouraged to use hotels with below average emissions when financial considerations are equal.

## Waste

We aim to minimize waste and send as little as possible to landfill. In many cases we can make a big difference by implementing relatively simple improvements. For example, the Oulu site in Finland diverted 96% of its waste from landfill in 2011 – well above the 75% target. The site achieved this result by raising awareness among employees and providing bins for each kind of waste. Separate waste streams include "energy waste", which includes items that can be burned for energy, such as foam rubber, plastic packaging and paper or cardboard that is too dirty to be recycled.

## Raising environmental awareness

The environmental performance of our operations depends on the commitment of our employees. We communicate frequently on environmental issues through our wide range of communication channels and raise the profile of specific issues through internal awards. For example, a packaging concept was featured in the quality awards in 2011 (see Environmental impact of our products, page 9).

The monthly IT newsletter to all employees includes frequent coverage of environmental aspects to broaden users' knowledge of the impact they can have on energy consumption by taking simple steps, such as turning off computers when they are not in use.

## Data collection

Reducing the impact of our operations depends on consistent and reliable data on our main impacts, which are direct and indirect forms of energy use, hazardous and non-hazardous waste, and water.

In 2011, we expanded the scope of data collection to gather energy, waste, water and refrigerant data from more sites. We also put in place processes and controls to gather data more consistently and we implemented data integrity checks across all regions to improve data quality.

We now collect data on electricity consumption from more than 133 sites, renewable energy from three countries, water consumption from 98 sites and waste from 103.

In 2011, we began a pilot project to develop sub metering of building energy which will help to reduce consumption by providing more detailed information.

# Ethics and compliance

Our Code of Conduct sets out our commitment to uphold high ethical standards wherever we operate. We train our employees on ethical business conduct every year and we expect them to follow the Code. Any reported ethical concerns are investigated thoroughly by our Ethics and Compliance Office.

## 2011 Highlights

- 90% of employees completed ethical business conduct training
- 5,647 employees were trained on anti-corruption in face-to-face training sessions
- New conflict of interest policy developed

## Progress against targets

Target	Progress in 2011	Status
Ensure all employees complete annual ethical business training by the end of 2011	90% of employees completed ethical business training in 2011	Partially achieved
Conduct a further 200 anti-corruption training sessions by the end of 2011	184 face-to-face sessions held on anti-corruption, training 5,647 employees; although we held fewer sessions than planned, we have trained significantly more employees	Partially achieved
Review anti-corruption training materials to help employees understand the information more easily by the end of 2011	Anti-corruption training materials reviewed in November 2011	Achieved
Establish a 24-hour telephone ethics reporting system available in key countries where we operate by the end of 2011	Terms for telephone helpline agreed with vendor and expected to open in 2012	Partially achieved

## Future targets

Target	Target date
Ensure all employees complete annual ethical business training	End 2012
Roll out online anti-corruption training for all employees	End 2012
Establish a 24-hour telephone ethics reporting system available in key countries where we operate.	End 2012

## Performance in 2011

### Ethics survey

**75%** of employees believe Nokia Siemens Networks behaves with integrity in its external dealings (for example, with customers and the general public) according to our Pulse Survey of employees in April 2011, representing 47% of staff (see Employees, page 36). This is a slight decline from the 78% positive response rate in the full 2010 Employee Engagement Survey.

Completion Data on the number of employees that completed ethical business conduct training in 2011 includes, for the first time, both online and face-to-face training for all employees. The majority of ethical business conduct training was carried out online, but more than 5,000 workers that do not have everyday access to the internet were trained

face-to-face. This means the figure has fallen slightly from the 92% reported in 2010, which only covered employees with everyday access to the internet. Overall, more employees were trained on ethical business than ever before. In addition to ethical business training, Ethics and Compliance Officers provided face-to-face training sessions on anti-corruption.

### Training in 2011

Percentage of employees completing ethical business conduct training	90%*
Number of employees completed additional anti-corruption training	5,647

## Ethics enquiries

### Enquiries made via the ethics email reporting channel

	2010	2011
Anti-Corruption	7	15
Conflict of Interest	13	18
Gifts & hospitality	16	36
Code of conduct	12	26
Human resources (fairness)	25	21
Labor conditions & supply chain	5	3
Legal & compliance	29	13
Workplace practices	9	20
General guidance & advice	43	125
Human rights	0	10
Customer policy	0	7
Privacy	0	8
<b>Total</b>	<b>175</b>	<b>302</b>

The Ethics & Compliance Office received 302 enquiries in 2011 (compared with 175 the previous year) via email and via the anonymous hotline on our website. Enquiries were received relating to human rights, customer policy and privacy for the first time. We expect the number of enquiries to increase each year as employees become more aware of reporting channels.

## Investigations

Investigations and resulting disciplinary action in 2011		
Investigations by our Ethics & Compliance Office	Employees dismissed on grounds of violation of Code of Conduct	Employees given a written warning
112	40	30

The Ethics & Compliance Office initiated 112 investigations concerning alleged violations of the Nokia Siemens Networks Code of Conduct in 2011, compared with 148 investigations in 2010. The majority of these related to theft, fraud, embezzlement of funds, conflict of interest, corruption and

internal policy violations. These investigations resulted in the termination of employment of 40 employees for violating our Code of Conduct, including theft, fraud, conflict of interest and sharing of confidential company information. A further 30 employees received a written warning.

## Examples of ethical issues encountered by employees in 2011

Issue raised	Our guidance	Action taken
Two employees reported that the HR Public Relations Office was demanding bribes for processing work permits, family visas and other services.	Our Code of Conduct clearly states that bribery has no place in Nokia Siemens Networks and all employees are prohibited from giving or receiving bribes. This is reinforced by guidance in our Anti-Corruption Employee Handbook.	The allegations were substantiated following an investigation by the Ethics & Compliance Office and Human Resources function. An employee was dismissed for breaching the Code of Conduct.
An anonymous email reported that a Nokia Siemens Networks employee favored a particular sub-contractor for projects and was receiving favors and payments from the sub-contractor in return.	Our zero tolerance policy on bribery is set out in our Code of Conduct and Anti-Corruption Employee Handbook. Nokia Siemens Networks is committed to contract only with partners who adhere to a similar strict ethical code.	The Ethics & Compliance Office investigated the allegation and it was substantiated. An employee was dismissed and the sub-contractor's contract was terminated for breaching the Code of Conduct.
The Ethics & Compliance Office was notified that employees were submitting false claims for expenses, stating they were for food and drinks to entertain customers.	Nokia Siemens Networks does not tolerate fraud and our Anti-Corruption Employee Handbook states that customer entertainment can only be charged to the company if the customer is present at the time. The handbook also states that customer entertainment must not be extravagant.	The employees concerned admitted submitting false expense claims following an investigation by the Ethics & Compliance Office. They received a verbal warning. In addition, the Region Head advised all Customer Team Heads against extravagant customer entertainment and reiterated the guidelines that the customer must be present.

## Strategy

Our Code of Conduct clearly sets out the behavior we expect from our employees, suppliers and business partners. We train employees to help them understand and adhere to our ethical standards, and to ensure they know how to report concerns about unethical behavior. Employees in Nokia Siemens Networks' procurement team are given additional training and we work with our suppliers and business partners to ensure they meet our standards. Our robust policies and procedures for tackling unethical behavior and corruption are important to ensure our customers can trust the integrity of our business.

## Activity in 2011

We have focused on embedding and extending our compliance policies and procedures, as well as continuing to make sure all employees understand what it means to be an ethical company. The number of ethics enquiries from employees increased following our annual refresher training in ethical business conduct in November and December 2011. This demonstrates how important regular training is to raise and maintain employee awareness about our policies and procedures for reporting concerns.

## Training and awareness

Every year employees are required to complete training on ethical business conduct. The training presents real-life situations, renewed each year, highlighting aspects of the company's Code of Conduct such as privacy, human rights, conflict of interest and

netiquette (good conduct online). It is designed to help employees understand how to deal with ethical dilemmas they may face in their day-to-day work lives and make them aware of the helpline. It highlights the support available to them to prevent unethical conduct and explains how they can report concerns.

Most employees completed the training online and more than 5,000 factory workers who do not have everyday internet access were trained through face-to-face sessions. In addition, Ethics & Compliance Officers led face-to-face training sessions on anti-corruption for those in high-risk roles such as sales. Former Motorola employees were also given this training.

We required all those joining Nokia Siemens Networks from Motorola to complete our online ethical business conduct training and provided a link to the training on the intranet page created for new joiners. Information on the Code of Conduct was also included in their welcome packs and the Head of Legal Counsel highlighted the importance of understanding and complying with the Code during town hall meetings for former Motorola employees.

We also consolidated various sources of information about ethical behavior and reporting concerns in 2011 to create a new intranet page for all employees, designed to help them find information and support more easily.

## Reporting concerns

Employees and people outside the company can ask for guidance on ethical issues relating to our business or report ethical concerns by emailing [ethics@nsn.com](mailto:ethics@nsn.com). Concerns can also be reported anonymously through the ethics hotline on our website. In 2011, we did not introduce a 24-hour telephone helpline as planned but this will be available in early 2012. All reports of ethical misconduct are taken seriously and investigated by the Ethics & Compliance Office.

## Anti-corruption: prevention and detection

Preventing and detecting potential conflicts of interest is an ethical business priority. Our anti-corruption program focuses on training to prevent corrupt behavior and on encouraging people to report concerns.

In 2011 our legal, compliance and human resources teams worked together to clarify our guidance on conflicts of interest and established a new conflict of interest policy. The Ethics and Compliance Office trained 5,647 employees in high risk roles face-to-face, and developed an online anti-corruption training course to help Nokia Siemens Networks employees recognize potential conflicts of interest and corrupt behavior. This anti-corruption online training is mandatory for all employees who deal with customers, vendors, subcontractors and government officials. The training is scenario-based and it will be rolled out in the first half of 2012.

We have introduced a tool to detect excessive gifts and hospitality that could lead to conflicts of interest in the countries where our employees are most likely to encounter corruption. First introduced in China and India in 2011, we have now rolled the tool out in Japan and the Asia Pacific region. Strong due diligence procedures remain in place for the appointment and extension of any contracts with third parties used in sales and promotion roles, which are subject to approval by the Chief Compliance Officer. We have also introduced a system in India and the Asia Pacific region that enables regional Compliance teams to monitor employees' expense claims including those for gifts, entertainment, hospitality and travel. The system will be extended to all regions in 2012.

### Report a concern

Employees and external parties can report ethical concerns:

- By email at [ethics@nsn.com](mailto:ethics@nsn.com)
- Via our online hotline:  
<http://www.nokiasiemensnetworks.com/about-us/sustainability/ethics-and-compliance-hotline>

# Human rights

We recognize our responsibility to help ensure that the communications technologies we provide are used to respect, and not infringe, human rights. Our Code of Conduct spells out our zero tolerance for the violation of human rights. This commitment is reinforced in our human rights policy, which establishes due diligence processes to identify and address relevant human rights risks across our global operations.

## 2011 Highlights

- Implemented risk assessment and due diligence process in our sales process globally
- Jointly initiated an industry dialog to develop common principles and due diligence mechanisms on privacy and freedom of expression

## Progress against targets

Target	Progress in 2011	Status
Implement human rights due diligence process in line with the human rights policy by the end of 2011	Due diligence process rolled out globally	Achieved
Train our sales, legal, procurement and R&D teams on the human rights policy by the end of 2011	Staff in relevant roles in the Middle East and Africa were trained face-to-face or via teleconference.	Ongoing

## Future targets

Target	Target date
Contribute to the development of common industry guidance and tools on human rights, freedom of expression and privacy through the industry dialog established in 2011	End 2012
Train our sales, legal, procurement and R&D teams globally on the human rights policy	End 2012

## Performance in 2011

### Training in 2011

**90%** of employees trained on human rights issues<sup>1</sup>

<sup>1</sup> Human rights is covered in our ethical business conduct training

### Risk assessment and due diligence

Number of potential sales identified as high risk for human rights	10
Number of sale offers declined following due diligence	3

Ten potential sales opportunities were identified through our new due diligence process as high risk for human rights. We were able to address these risks for seven of these opportunities, but chose not to pursue the remaining three as a result of these findings.

*“Technology has turned our world into one interconnected neighborhood. What happens in one place is seen in every corner, and there has been no better time for the spread of peace, democracy and their attending social justice and fairness for all.”*

Ellen Johnson Sirleaf,  
President of Liberia

### Due diligence process: Key steps and responsibilities

- Sales team: provides background on proposed sale and customer
- Legal team: considers possible mitigation measures, and evaluates export control restrictions and specific license requirements
- Product managers: advise on technical features to prevent human rights abuses
- Government relations: provides information on international relations issues
- Marketing and communications: undertakes a reputational risk analysis

### Strategy

Nokia Siemens Networks is committed to supporting human rights, including free expression, privacy, and access to information. In line with our human rights policy, we carry out extensive risk assessments and due diligence internally. We are also working with others to ensure respect for human rights across the industry.

We strongly believe that communication networks have an important role in promoting human rights by enabling free expression, access to information, exchange of ideas and economic development. Use of telecommunications during the ‘Arab Spring’ demonstrations in 2011 showcased the positive role that these technologies can play. But the same event also demonstrated how repressive regimes can misuse these same communications technologies (see box on Bahrain, page 25). We condemn any abuse of telecommunications networks to limit human rights.

### Activity in 2011

We took significant steps to embed our human rights policy in our daily operations by integrating a due diligence process into our global sales platform to help us identify and assess potential risks. We also opened an industry dialog with peer companies to develop a joint approach to decision-making on human rights issues. These measures will help us implement the new UN Guiding Principles on Business and Human Rights which we endorsed in June 2011.

### Due diligence

As a supplier to telecommunications operators, Nokia Siemens Networks has very limited influence on the use of our products after their sale so we are concentrating our efforts on the pre-sale process.

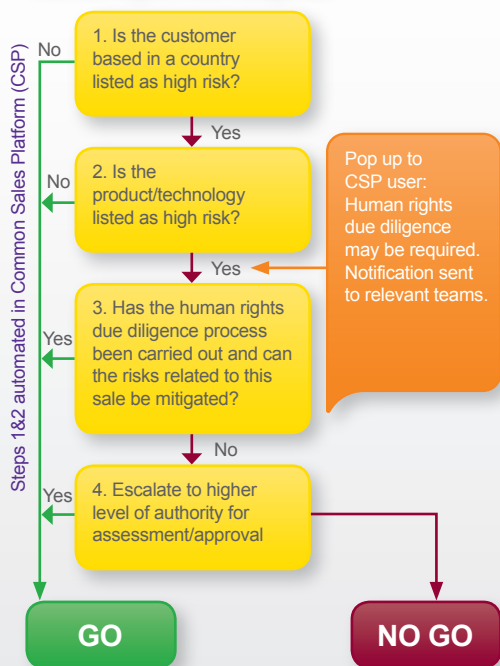
In 2011, we strengthened our internal processes for identifying and assessing potential risks of our products being misused to infringe human rights. Central to this effort was the global rollout of an impact assessment and due diligence process to enable us to make an informed decision on whether to proceed with a sale or not. We believe this goes further than any other telecommunications company.

Our approach starts with our sales agents (see box on key steps and responsibilities in the due diligence process). They feed information about any potential deal into our global sales platform, which includes an automated system to assess the potential for misuse of our technology (see decision map chart). Depending on the type of technology for sale and the human rights record of the purchasing country, a warning flag will be issued for high risk cases which initiates a review process. This involves a detailed analysis and risk assessment of the sale in question.

We believe it is important for accountability on human rights to be at a regional level because this is where our sales take place. The due diligence process is overseen by our government relations team within each region. Recommendations made by a committee comprising representatives from regional government relations, sales, legal and compliance, product management, solutions management and communications teams are then passed to the head of sales in the region. If there is any remaining doubt, the case is escalated to a group within the Nokia Siemens Networks Executive Board for a final decision. If we judge that the risk of potential product misuse is too high, we will decline the opportunity of a sale. In 2011, we decline three potential sales as a result of the due diligence process.



### Decision map: When do cases require human rights due diligence



### Working with others

Engaging with stakeholders about human rights helps us understand their perspectives and keep up-to-date about current best practice. This also feeds into the development of our own policies and practices.

Collaboration with others in our sector is critical. We believe that Nokia Siemens Networks is currently the only supplier of telecommunications equipment that is restricting sales based on human rights impact assessments. We would like others to follow suit. In 2011, we jointly initiated an industry dialog on human rights with other companies to work together with other stakeholders to develop common principles, tools and due diligence mechanisms to ensure the respect for privacy and freedom of expression across the industry.

Open dialog with governments about human rights has also been a key focus in 2011. We presented our human rights policy to policymakers in Finland and at European Union level, emphasizing that we are going beyond our legal requirements in this area.

### Privacy

We understand that people are increasingly concerned about the potential of telecommunications to infringe their privacy. Our aim is to be a privacy-aware company that adheres to strict standards and provides solutions that help our customers better protect consumer privacy.

In 2010, we established a Privacy Practitioners Network comprised of a group of privacy experts from across the company to share best practice. Following the development of our Product Privacy Policy in 2011, we trialed the new process to ensure privacy considerations are integrated into the design of our products working on the pilot product line. This work has led to the group revising their product privacy guidelines, an effort that is still ongoing.

Nokia Siemens Networks continues to engage with industry and regulators on privacy and security issues through, for example, the Internet Engineering Task Force (IETF), the Internet Architecture Board (IAB), and the Privacy and Security Working Group of the Massachusetts Institute of Technology (MIT). In 2011, we organized a meeting with other telecommunications companies on Privacy 2.0 in partnership with MIT, and a week-long workshop on online privacy with the Schloss Dagstuhl – Leibniz Center for Informatics in Germany. We co-chair the MIT Privacy and Security working group and regularly participate at the meetings of the International Working Group on Data Protection in Telecommunications.

### Case study

#### Bahrain

Press reports in August 2011 linked Nokia Siemens Networks with human rights abuses in Bahrain during the 'Arab Spring'. The allegations focus on the misuse of a monitoring center supplied by a Siemens business. According to the news agency Bloomberg, the center was used to intercept mobile phone messages from anti-government activists. We have stated clearly that such abuse, if it has occurred, is wrong and is contrary to accepted international norms and our Code of Conduct.

The business responsible for the sale of the monitoring center became part of Nokia Siemens Networks when the company was formed in 2007. However, we divested this business in March 2009 – more than two years before the alleged incident. Nokia Siemens Networks no longer provides this technology in any country.

# Suppliers

We set high standards for our suppliers on sustainability issues. Health and safety, labor conditions and environmental management are key focus areas for our supplier audits and training, and we collaborate with others in our industry to improve sustainability performance throughout the supply chain.

## 2011 Highlights

- 17 in-depth supplier audits, up from 13 in 2010
- Seven sustainability workshops, training 76 suppliers in five high-risk countries
- 72% of procurement staff trained in sustainability
- 100% Global Services procurement staff trained in health and safety
- 54 key suppliers reported greenhouse gas emissions through the Carbon Disclosure Project
- Launch of Occupational Health and Safety Supplier Requirement in August 2011 as part of all the contract agreements with our services suppliers.

## Progress against targets

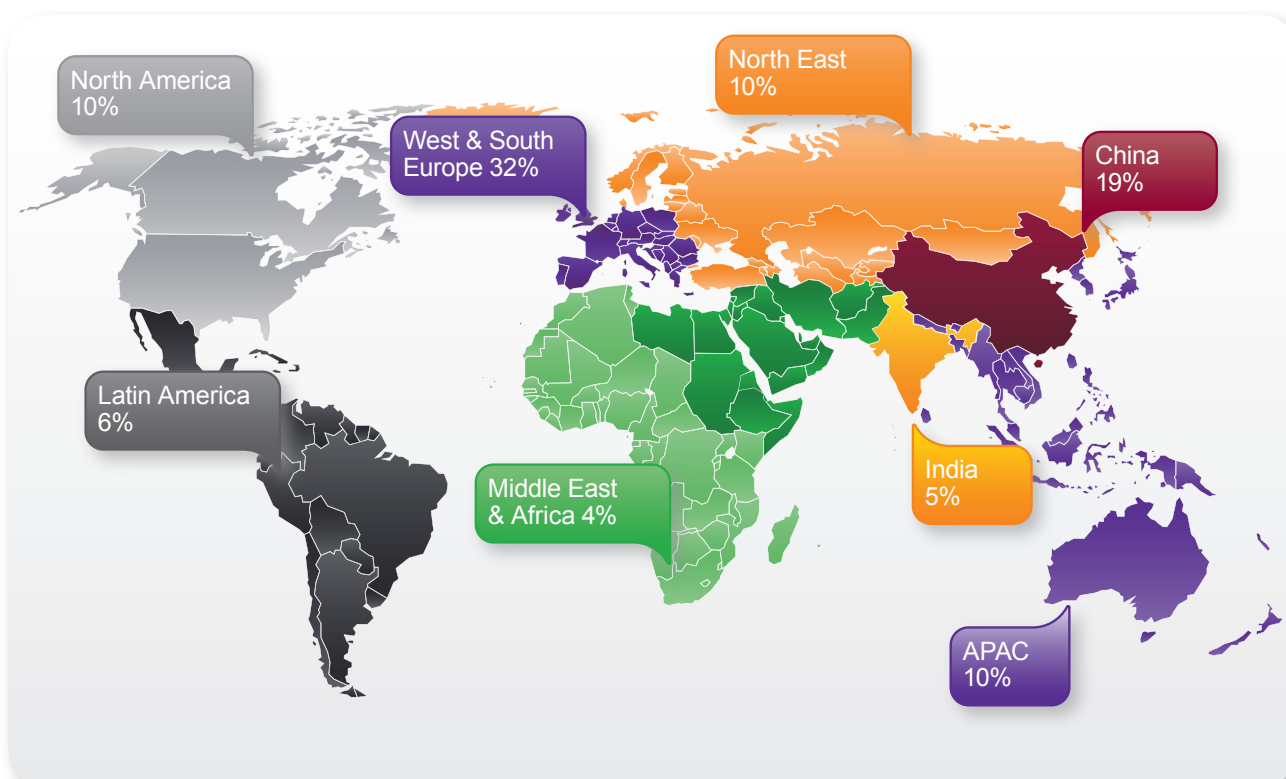
Target	Progress in 2011	Status
Conduct in-depth audits on labor conditions and environmental management of 16 suppliers by end 2011	17 in-depth supplier audits conducted	Achieved
Increase the number of auditors qualified to conduct in-depth audits to eight by end 2011	No further auditors trained in 2011. This target will not be continued for 2012, due to changes in the business. Despite the auditor numbers not going up, the number of audits increased.	Not achieved
Roll-out industry training to suppliers on worker-management communication and occupational health and safety (OHS) in high-risk regions by end 2011	Worker-management communication training piloted with suppliers in Malaysia; industry training on health and safety has not been rolled out further but this issue continued to be a key focus in our own supplier workshops. We continued integrating OHS into our own supplier workshops as well as OHS training centers. We shared our own training materials with the industry group, and contributed intensively in creating the industry wide training material with peer groups. The industry training was not launched, for reasons which were out of Nokia Siemens Networks' control.	Partially achieved
Conduct at least six supplier workshops in high-risk countries by end 2011	Seven supplier workshops held in five high-risk countries	Achieved
Roll out Carbon Disclosure Project (CDP) tool to track suppliers' progress on energy efficiency by end 2011	92 key suppliers invited to report energy use and carbon emissions via the CDP - 54 have done so	Achieved
Develop our internal process for reporting supplier audit findings on a regional and global level by end 2011	Progress made in some regions to align regional health and safety audits with our global audit framework. Escalation of audit findings from the regional team to the Global Procurement through much strengthened communication and cooperation with Global Services Health & Safety.	Partially achieved
Ensure that 80% of employees in our Global Procurement organization have received training on sustainability by end 2011	72% of Global Procurement employees trained on sustainability; training continued in 2011 but we have not met the target due to changes in personnel, with new employees joining as a result of the acquisition of Motorola's network solutions business.	Not achieved
Ensure that suppliers representing at least 20% of our procurement spend have joined E-TASC by end 2011	Suppliers representing 17% of procurement spend have now joined E-TASC; progress limited due to problems with the launch of the updated tool	Not achieved

## Future targets

Target	Target date
Roll out our revised Supplier Requirements in all new contracts and begin a phased upgrade of existing contracts	End 2012
Work with suppliers to ensure all open audit findings are addressed	End 2012
Invite a further 50 suppliers to report their energy use and greenhouse emissions via the CDP	End 2012
Pilot a web-based workshop for suppliers	End 2012
Continue to train procurement staff on sustainability	End 2012
Roll out industry due diligence process on conflict minerals, initially focusing on suppliers using tantalum	End 2012

## Performance in 2011

### Supplier spend by region<sup>1</sup>



<sup>1</sup> Calculated based on which country the ordered service of product is provided from. The total does not add up to 100% as around 4% of our purchasing spend is not assigned to a particular region

## Supplier audits

### Supplier audits conducted by Nokia Siemens Networks

	2007 (April-December) <sup>2</sup>	2008	2009	2010	2011	Total to date
In-depth audits focused on labor conditions and environment	5	7	6	13	17*	48
Occupational health and safety audits for services suppliers	N/A	N/A	N/A	51	45	96
On-site system audits against our supplier requirements	37	103	147	108	121*	516

<sup>2</sup> Nokia Siemens Networks was established in April 2007

## Findings of in-depth audits on labor conditions and environmental management in 2011

Category	Number of non-conformities identified	Number of potential risk areas identified	Total number of recommendations for improvement
Child labor (proof of age documents missing)	3	1	4
Forced labor	1	0	1
Health and safety	74	43	117
Freedom of association and right to collective bargaining	1	4	5
Discrimination	0	1	1
Disciplinary practices	3	5	8
Working hours	8	5	13
Remuneration	22	4	26
Management systems	69	27	96
Environmental management system	23	6	29
<b>Total</b>	<b>204</b>	<b>96</b>	<b>300</b>

In 2011, our audits found an increasing number of issues related to migrant workers' rights, particularly in the Middle East and Asia. Examples include:

Non-conformities identified	Recommendation for improvement
Supplier retains foreign workers' passports to keep them secure in their custody. There is no strong procedure for immediate and easy access to passports in case of an emergency that may prompt immediate return to the home country.	Supplier must establish a strong procedure to ensure speedy handover of passports whenever required by employees, and communicate this procedure to all employees. Supplier must provide a secure place for employees to store their passports and other important documents.
Foreign workers have two different contracts: the agreement signed in the home country includes free food and accommodation; the agreement signed in the country of employment (the one used in practice) states that a significant portion of the worker's monthly pay will be deducted for food and accommodation.	Supplier must ensure that terms and conditions are consistent in contracts signed in the home country and country of employment.
Migrant workers have to pay a large proportion of their wages to agents.	Supplier must ensure that workers do not pay any recruitment fee to agents. Such fees must be paid by the employer.

In 2011, we conducted in-depth audits of 17 suppliers in China, India, Malaysia, Nigeria, South Africa and Taiwan – selected based on our risk assessment process and other factors. These focus on labor conditions and environment. The area most commonly identified for improvement continued to be health and safety. Many suppliers also need to improve management systems on human resources and environment, and almost half need to improve management of their own suppliers. While we found no instances of child labor, some suppliers need to improve management systems to ensure workers' ages are documented.

In addition to these specialized audits, we conducted 1,711 evaluations of supplier performance (including sustainability criteria) as part of our ongoing supplier relationship management. New suppliers are also subject to system audits to check compliance with our Supplier Requirements through self-assessments and on-site audits.

E-TASC – a common supplier assessment tool set up by the Global e-Sustainability Initiative and the Electronics Industry Citizenship Coalition – is designed to reduce the burden on suppliers by creating a single set of assessments and audits, sharing the results with all participating customers. While we have continued to encourage suppliers to use this tool, technical difficulties with the launch of the new version in 2011 have delayed new suppliers joining.

**24** of our suppliers have joined E-TASC to date, representing 17% of our purchasing spend\*

## Training

### Supplier workshops

	2008	2009	2010	2011	Total to date
Number of suppliers participating in Nokia Siemens Networks sustainability workshops	5	16	54	76*	151
Number of management level supplier workers participating in Nokia Siemens Networks sustainability workshops	11	33	103	115*	262

### Industry training

	2010	2011
Number of Nokia Siemens Networks suppliers participating in GeSI/EICC online sustainability training	52	71
Number of Nokia Siemens Networks supplier workers participating in GeSI/EICC online sustainability training	74	86

We held seven workshops on sustainability issues for 76 suppliers in China, India, Nigeria, South Africa and Taiwan to reinforce our Supplier Requirements as well as focusing on specific challenges and best practices for health, safety and labor. In 2012, we will pilot a web-based workshop to enable us to reach more suppliers while reducing environmental impacts from travel.

Three of our suppliers in the Malaysian state of Penang also piloted industry training in 2011 on effective worker-management communications (developed through the GeSI/EICC Supply Chain Working Group).

In 2011, we held seven training sessions on sustainability for 114 procurement staff (including former

### Training for procurement staff

**72%** of our procurement staff have received sustainability training to date\*

**96%** of procurement staff completed online ethical business training in 2011\*

**100%** of Global Services procurement staff are trained on occupational health and safety

Motorola employees) and held additional training sessions for the procurement teams in Services. This training was delivered through interactive online and teleconference sessions. Procurement staff, like all employees, are also expected to complete annual online ethical business training.

### Suppliers and the environment

**54** suppliers, representing 28% of spend, report their greenhouse gas emissions through the Carbon Disclosure Project

**30** suppliers, representing 17% of spend, have set targets to reduce environmental impacts\*

**60%** of applicable top 350 suppliers by spend have a documented environmental management system (EMS) aligned with ISO 14001 for sites supplying Nokia Siemens Networks

**55%** of applicable top 350 suppliers' EMS are certified to ISO14001

We invited key suppliers to report their energy and climate impacts through the Carbon Disclosure Project (CDP). Those participating achieved a higher than average score for disclosure (54%, compared with an average of 47%) and performance (34% compared with an average of 29%) for global suppliers participating in the CDP's Supply Chain Program. According to their CDP responses, 31 suppliers had set targets to reduce their environmental impacts by the end of 2011. We will work with the CDP to analyze and monitor progress against these targets, and encourage suppliers who have not yet set targets to do so.

All our suppliers (except those with very low environmental impacts) must have a documented environmental management system (EMS) and, for key suppliers and those with higher impacts, this must be certified to ISO14001. However, it is unlikely that we would achieve 100% EMS coverage at any given time because new suppliers or sites are continually added and it typically takes between 12 and 18 months to develop an EMS for each site.

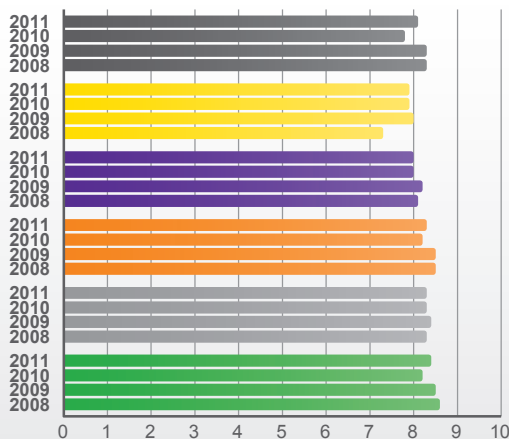
### Supplier diversity

There are regulations on supplier diversity in two of our markets: the US and South Africa.

In the US, 2% of our procurement is spent with minority businesses as part of our supplier diversity program.

In South Africa, 25% of our procurement is spent with Black Economic Empowerment suppliers.

## Supplier survey



- Overall, how would you rate Nokia Siemens Networks' requirements on business ethics when dealing with suppliers
- Nokia Siemens Networks' other business expectations do not force them to compromise basic ethical and environmental level of compliance
- Nokia Siemens Networks communicate its environmental requirements clearly
- Environmental issues are important to Nokia Siemens Networks when dealing with suppliers
- Nokia Siemens Networks communicates its ethical and labor condition requirements clearly
- Labor condition issues are important to Nokia Siemens Networks when dealing with suppliers

In June 2011, 330 suppliers (new and existing, representing all regions and categories) were invited to take part in our annual supplier satisfaction survey. The level of positive responses either remained constant or improved on all questions related to sustainability, and our overall rating in this area increased to 8.1 out of 10 (compared with 7.8 in 2010).

## Strategy

Our robust Supplier Requirements include clear expectations on ethical, labor and environmental issues for all suppliers. We communicate our requirements and monitor compliance through audits of suppliers identified as high-risk. We work closely with suppliers to improve their management of sustainability issues and encourage them to do the same with their own suppliers.

The focus of our audits and engagement is on direct suppliers – those providing products and services that we sell to our customers – because they represent the majority of our purchasing spend and the highest risk to our business.

Collaboration through the Global e-Sustainability Initiative (GeSI) and Electronics Industry Citizenship Coalition (EICC) enables us to help raise standards across the industry and tackle sustainability issues further down the supply chain more effectively.

## Activity in 2011

We updated our Supplier Requirements, strengthened our focus on safety in the supply chain and engaged with suppliers on environmental impacts. Workshops in high-risk countries raised awareness of our sustainability requirements and more in-depth audits helped us assess and address any areas of non-compliance. Following the acquisition of Motorola's wireless network infrastructure business, procurement staff joining the company were required to complete sustainability training and we have integrated former Motorola suppliers into our supplier management and audit programs.

### Integrating sustainability in supplier management processes

Sustainability criteria are integral to our Supplier Requirements, which apply to all suppliers, and were updated in 2011 to include new policies on conflict minerals and human rights. The revised Requirements will be rolled out in 2012.

We have also integrated a bespoke sustainability risk index into our supplier risk management processes. This index is tailored to high-risk countries identified using Maplecroft's Global Risks Portfolio. Procurement teams use it as part of their process to assess and select new suppliers. They receive training on managing sustainability in the supply chain and its importance to our business.

Our increase in the number of staff dedicated to sustainability in the supply chain will enable us to pursue our objectives in this area more vigorously in 2012.

### Contractor health and safety

Health and safety is a key part of our requirements and audits of all suppliers, but it is particularly critical for contractors working in our Global Services business – the business with the highest safety risks (see Safety, page 32). In 2011, we introduced detailed requirements on occupational health and safety for Global Services suppliers and trained procurement staff in that part of the business to ensure they understand this requirement and can communicate it clearly.

Training for contractors ensures they understand our health and safety systems and emphasizes that strong safety performance is critical for them to continue working with Nokia Siemens Networks. Raising awareness of our requirements is particularly important among smaller subcontractors in high-risk countries. We provide training for contractors tailored to each region, often providing the same training as for our own employees (see box).

In 2011, 15 of the 17 in-depth audits we conducted were of services suppliers and health and safety was a key focus. We also conducted 42 additional health and safety audits of services suppliers in high-risk countries, as well as regular site

inspections as part of our routine project management. If we find instances of non-compliance and the supplier in question fails to change its behavior, we escalate the issue to senior managers and stop working with the supplier until the issue is resolved. We are developing a tool to ensure that all incidents of non-compliance are reported centrally so procurement teams can use this information as part of regular supplier performance reviews.

## Labor rights

Working hours remains a key issue for manufacturing suppliers. Although our audits found relatively few non-conformances related to this in 2011, overtime was excessive in some of these cases. We have also found an increasing number of infringements of migrant workers' rights by suppliers, particularly in the Middle East and Asia. This challenge is common to many industries operating in these regions and we are working through the EICC/GeSI Supply Chain Working Group to address this issue through, for example, industry training to raise awareness of workers' rights.

## Suppliers and the environment

We have increased our focus on environmental impacts in the supply chain. In addition to our requirements on environmental management systems, we are encouraging key suppliers to report their energy use and climate impact through the Carbon Disclosure Project (CDP) Supply Chain Program.

We asked 92 key suppliers to report via the CDP in 2011. Of these, 54 have already done so (representing 28% of our purchasing spend) and others plan to in 2012. The CDP report shows that our suppliers achieved higher than average scores for both disclosure and performance compared with global suppliers participating in the program.

This initiative builds on our existing energy efficiency program, using CDP reporting to help us better understand suppliers' impacts and track their progress on energy efficiency.

## Conflict minerals

"Conflict minerals", mined in countries such as the Democratic Republic of Congo, are the subject of new US legislation introduced in 2011, due to stakeholder concerns that they are fuelling conflict and associated human rights abuses. Our policy on conflict minerals clearly states that we do not accept their use in our products. We have updated our Supplier Requirements to include a commitment to this policy, which was developed in 2010.

Suppliers of minerals used to produce tin, tantalum, tungsten and gold (metals associated with conflict minerals) are several tiers removed from Nokia Siemens Networks in the supply chain. To influence suppliers further down the chain, our zero tolerance policy on conflict minerals requires suppliers who manufacture components containing these metals to adopt a similar policy for their own suppliers.

We also support industry efforts to identify conflict-free minerals by tracing metals back to smelters and from there back to individual mines. Nokia Siemens Networks is part of the EICC/GeSI Extractives Working Group and we are participating in its Conflict-Free Smelters program. This program aims to certify smelters that can demonstrate minerals do not come from conflict regions, and enable suppliers to trace the source of metals back to these smelters through a due diligence process. To date, a list of 11 conflict-free tantalum smelters has been published and further smelters are being assessed.

Our initial focus is on tantalum suppliers. We have communicated our policy on conflict minerals to 25 key suppliers identified as using tantalum in their components and they have all confirmed that they do not use conflict minerals. In 2012, we will ask these suppliers to participate in the industry due diligence process, as well as beginning to roll this out to suppliers that use other metals such as tin.

## Case study

### Contractor safety in the Middle East and Africa region

Our Global Services business introduced a series of measures in 2011 to improve health and safety performance among contractors in the Middle East and Africa region. Since January, more than 70 contractors have completed an induction program on health, safety and environment, which we are also offering as a service for our customers. Working at heights was identified as a key risk, and all employees and sub-contractors working on towers in the region have been trained to use safe procedures.

Suppliers have been made aware of our safety requirements and if we find any serious non-compliance issue during site inspections, we will stop work and close the site until the supplier demonstrates that remedial action has been taken. Our "three strikes and you are out" policy, introduced in 2011, means that if this occurs three times with the same supplier we will stop all projects with that supplier.

# Health and safety

Installing and maintaining telecommunications equipment can be hazardous work for our employees and contractors. Protecting them with the right procedures, equipment and training is critical to avoid safety incidents. We aim to demonstrate leadership in health and safety to ensure our customers can trust the way we work.

## 2011 Highlights

- Health and safety management system rolled out throughout Global Services business
- OHSAS 18001 certification achieved in four more countries, bringing the total to 14
- Roundtable established to share safety best practice across the company

## Progress against targets

Target	Progress in 2011	Status
Achieve zero fatal accidents by collaborating closely with our customers and contractors	Collaboration with customers continues in an ongoing effort to reduce major incidents.	Ongoing
Continue the International Safety Rating System (ISRS) deployment by defining health and safety risk category for all sites with more than 50 employees	Health and safety risk category defined for all sites and health and safety action plans in place for all sites with more than 50 employees.	Achieved
Implement a program on leadership and awareness of health and safety	Global program being implemented including personal statements from senior leaders demonstrating their commitment to health and safety initiatives.	Partially achieved
Achieve OHSAS 18001 certification in four additional countries	Certification achieved in four additional countries: Italy, Mozambique, Tanzania and the UK.	Achieved
Increase coverage of incident data reported across the business	Centralized incident reporting tool fully implemented across the business and tied to overall risk management and reduction. Incident data now covers 100% of the business.	Achieved

## Future targets

Target	Target date
Establish a Major Accident Prevention Plan to decrease the number of major accidents by collaborating closely with our customers, contractors and business units	Ongoing
Align health and safety management system to achieve the maturity for global certification to OHSAS 18001 for all Nokia Siemens Networks operating countries	2013
Continue to consolidate incident reporting by increasing the number of near miss incidents reported	End 2012
Achieve zero fatal accidents by collaborating closely with our customers and contractors	Ongoing



## Performance in 2011

In 2011, we recorded consistent global health and safety data for the second year, using a reporting system based on the Occupational Safety & Health Administration (OSHA) guidelines that we introduced in 2010. We continued to train health and safety teams to use the system and the number of recorded incidents has risen by 42% as a result. Health and safety data now covers all our operating countries, up from 61% in 2010. We expect the number of recordable incidents to increase further in 2012 as we continue to raise awareness of the importance of reporting incidents, including near-miss incidents, through our global system.

We deeply regret that two employees, two directly supervised contractors (total four) and nine contractors and subcontractors died in 2011 while working on projects for Nokia Siemens Networks. Seven of the incidents occurred as a result of falls from height during installation and preventive

### Health and safety performance

	2010	2011
Total recordable lost-time incidents	118	160*
Total recordable incidents	151	214*
Recordable incidents in Global Services business	91	194*

### Fatalities

	2010	2011
Total number of employee fatalities	0	4*
Total number of contractor and subcontractor fatalities	5	9*

maintenance work on telecommunication masts, and six incidents occurred as employees were commuting to or from work or operating vehicles. Each fatality was fully investigated and corrective actions implemented. We are extremely concerned about the increase in fatalities this year. In 2011 we introduced a new process for investigating fatalities and ensuring

action is taken to prevent recurrence. A panel of senior leaders and at least one Executive Board member review the details of each incident to identify trends and recommend companywide preventative actions. Our target to introduce a Major Accident Prevention Plan came out of this panel. The plan will focus on three key areas: accountability, performance measurement and critical training.

## Strategy

We identify and manage health and safety risks through a robust health and safety program, which is aligned with the international standard OHSAS 18001. Employees are trained to recognize and avoid risks and report incidents. Health and safety is included in the mandatory annual training on ethical business conduct for all employees. We are raising awareness of the importance of good safety standards through the commitment of our senior leaders and working closely with contractors to ensure they understand and operate to the same high standards. Demonstrating leadership in health and safety improves our relationship with customers and we collaborate with them to improve safety management.

## Activity in 2011

We focused on extending our health and safety management system in the Global Services business and continued to work with contractors and customers to improve safety performance. We have made progress towards our aim of companywide certification to international standard OHSAS 18001 and we established new processes for learning from fatal accidents and sharing best practices.

## Health and safety in Global Services

Employees and contractors working on Global Services projects building and maintaining base station towers face the highest safety risks. They are often working at heights, in confined spaces or with electricity. Our health and safety program sets guidelines, policies and procedures for assessing and managing health and safety risks. The program was introduced in 2009 for the most high risk part of our Global Services business, Network Implementation (constructing and installing base stations). During 2010 and 2011, we adapted the program for the remaining two parts of Global Services – Care (maintenance and technical support) and Managed Services (outsourced network management).

Training employees and contractors is a critical part of the program. Health and safety teams across the business are given regular web-based training on different topics such as incident reporting and managing contractors. Senior leaders from our Global Services business made statements on the importance of safe working practices and demonstrated senior commitment to health and safety across the business. The commitment statements were used in health and safety awareness sessions with leadership teams from Global Services and more widely in health and safety training sessions.

Many of our Global Services projects are in emerging markets, where mobile networks are growing rapidly. The work is often carried out by contractors. We train contractors to make sure they understand our health and safety management system fully (see Suppliers, page 26). Our 'safety kit' helps them assess safety risks and design site-specific plans for managing risks and monitoring performance.

We also work closely with customers to improve health and safety performance. In 2011, one of our biggest customers, Vodafone, audited our global health and safety management system and conducted a detailed audit at our site in Pune, India. We were awarded the highest level possible in this audit, demonstrating that we have a mature management system in place.

## Case study

### Improving near miss reporting to avoid accidents

The number of near-miss incidents reported at two Nokia Siemens Networks sites increased dramatically following the pilot of a new 'Safety Saves' program. The communication program introduced in India and Portugal in 2011 was aimed at all employees, from engineers to office workers, to encourage them to recognize potential hazards. We also introduced a new online tool for employees to report near-miss incidents.

Recognizing hazards and reporting near-miss incidents helps health and safety teams take corrective actions and prevent serious incidents in future. For example, in Portugal an employee reported they had almost slipped on steps into the office car park due to inadequate lighting. New lights were installed to prevent accidents on the steps in future. The Safety Saves program will be rolled out globally in 2012 to promote near-miss incident reporting across the whole company.

### Improving safety management

Our health and safety management system is aligned to the international standard, OHSAS 18001 and we aim to achieve further certification to this standard in 2013. Two of our eight factories – in Shanghai, China, and Kolkata, India – have achieved certification to OHSAS 18001. In 2011 we achieved OHSAS 18001 certification in four more operating countries: Italy, Mozambique, Tanzania and the UK, bringing the total number of certified countries to 14.

We continued applying the International Safety Rating System (ISRS) framework to help us assess the maturity of our safety management processes and identify areas for improvement to help us meet our goal of global certification to OHSAS 18001.

In 2011 we completed risk assessments for all sites with more than 50 employees and put site-level action plans in place for improving procedures. In 2012 we will continue raising health and safety standards across the 160 countries where we work, in preparation for achieving OHSAS 18001 compliance in 2013. In addition, we completed internal assessments at six factories that are working towards OHSAS 18001 alignment. Our factories in Beijing and Suzhou (China), Berlin and Bruchsal (Germany), and Oulu (Finland) achieved a score comparable to ISRS Level 7 (the highest level) and our factory in Chennai (India) achieved a score comparable to ISRS Level 3, with a Level 7 assessment planned for 2012.



Health and safety incidents are monitored and recorded through our global reporting system. In 2011 we introduced monthly performance reports for discussion at senior management meetings so that managers are aware of and able to communicate health and safety trends, major incidents and examples of best practice. By analyzing past trends in safety incidents, we identified two areas for improvement: driving and road safety, and working from heights. A major accident prevention plan will be implemented in 2012.

We share examples of best practice both internally and externally. In 2011 we introduced monthly safety roundtables where regional heads for health and safety discuss incident reports and trends, global safety programs and examples of safety initiatives that have worked well in their region. We also share best practice externally in the countries where we operate. For example, in October, we demonstrated our health and safety management policies and procedures at the Asia-Europe Meeting on Occupational Health and Safety exhibition in Yogyakarta, Indonesia. We also founded the Telecommunications Industry Occupational Health and Safety Network in Indonesia, with five peer companies. The network aims to share best practice and work with stakeholders including the government to set high standards for health and safety across Indonesia.

## Case study

### Health and safety training saves lives in India

We are working hard to make sure that safety training and personal protective equipment (PPE) is “business as usual” for our employees and contractors. Our efforts pay off when potentially serious accidents are avoided. In 2011, for example, the lives of two engineers were saved when they fell from a height of 40 meters while working on a telecommunications tower in Rajahmundry, India. The engineers were contracted by Nokia Siemens Networks to maintain a tower at one of our customer’s sites.

The engineers climbed the tower to fix some faulty equipment but an object slipped and knocked them from their positions, causing them to fall. As a result of extensive training and the correct use of their lanyards and harnesses, they escaped unharmed. Following the incident, one of the engineers said “we went to the top of the tower with PPE and we both wore harnesses so we are saved. Thanks to Nokia Siemens Networks for providing safety tools and training.”

# Employees

Our business is changing and this transformation will have an impact on many of our employees. We want our staff to feel engaged with our new business strategy, feel valued for the work they do, and have the skills to lead and support future business success. We provide safe, fair and equal working conditions for our employees and we follow global standards for labor conditions.

## 2011 Highlights

- Announced a new business strategy and restructuring that will impact 17,000 employees during 2012 and 2013
- Recorded 70% employee engagement score in our employee survey, down three points
- 54% of employees have a Personal Development Plan
- Trained a further 6,119 employees in Service Excellence, bringing the total trained to more than 18,000
- Launched a pilot program to implement our Global Labor Standard in Brazil, China and India

## Progress against targets

Target	Progress in 2011	Status
Achieve an employee engagement index of 75%	Our employee engagement score declined to 70%, largely as a result of the transformation announcement a week before starting the survey	Not achieved
Improve gender balance in our senior management	Women represent 11.5% of senior management, slightly up from 11% in 2010	Achieved
Ensure all line managers have participated in 'Consistency in Leadership' workshops	The 'Consistency in Leadership' workshops were not pursued in 2011 due to the focus on cost reductions	Not achieved
Train a further 6,500 employees in Service Excellence	6,119 more employees trained in Service Excellence; target was revised to 5,500 in the third quarter of 2011 due to the focus on cost reductions	Achieved revised target
Continue raising awareness of labor conditions with a focus on high-risk countries by using the Maplecroft country risk index to systematically categorize sites by level of risk, focusing on health & safety.	Pilot program launched to implement our Global Labor Standard in Brazil, China and India, countries identified as highest-risk using Maplecroft country risk index	Achieved

## Future targets

Target	Target date
Increase employee engagement by two percentage points	End 2012
Train a further 1,000 employees in Service Excellence through two day face-to-face workshops	End 2012
Achieve employee support of 67% for our future direction, measured through a combination of questions in our employee survey	End 2012

## Performance in 2011

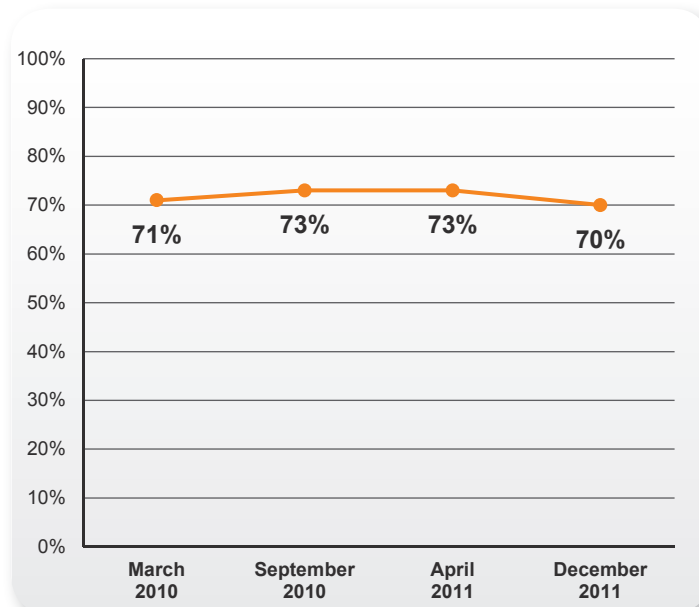
### Workforce profile<sup>1</sup>

	2010	2011
Total number of employees at 31 Dec	66,160	73,529
Part time employees (% of total workforce)	2%	2%
Full time employees (% of total workforce)	98%	98%
Employees in production	2,081	2,244
New employees	11,788	17,228
Total number of leavers	9,508	10,534
Voluntary leavers	5,974	6,919
Yearly employee turnover of voluntary leavers	9.4%	9.9%*
Leavers through voluntary severance package	683	302
Involuntary leavers	3,534	3,615
Leavers through common agreement	853	610
Leavers through outsourcing and divestments	407	386

<sup>1</sup> All workforce profile data include the former Motorola employees who joined Nokia Siemens Networks in May 2011 following the acquisition of Motorola's wireless internet business. The number of employees transferred from Motorola was approximately 6,900.

## Employee engagement

### Employee engagement index



### Employee engagement survey (% positive responses)

	Employee Engagement Survey (September 2010)	Employee Engagement Survey (April 2011 – interim pulse survey)	Employee Engagement Survey (December 2011)
<b>Think</b>			
I strongly believe in the goals and objectives of Nokia Siemens Networks	71	72	66
I fully support Nokia Siemens Networks's values	86	90	84
I understand how I can help Nokia Siemens Networks achieve its goals	83	86	80
<b>Feel</b>			
I would recommend Nokia Siemens Networks to a friend as a good place to work	60	56	48
I am proud to tell others I work for Nokia Siemens Networks	69	64	63
Nokia Siemens Networks inspires me to do my best work	63	65	59
I am passionate about what we do at Nokia Siemens Networks	62	63	64
<b>Act</b>			
I am personally motivated to help Nokia Siemens Networks be successful	84	84	86
I fully apply my skills and abilities to my work	79	77	80
Employee engagement index	73	73	70

The Employee Engagement Index measures employees' emotional, rational and motivational commitment to the company. Engagement remained constant at 73% in the interim 'pulse' survey in April 2011 but several scores decreased significantly in the full survey in December, when approximately 84% of employees responded. The survey came shortly

after the transformation announcement that will affect our workforce significantly in 2012 and 2013.

We are encouraged by responses to questions about the announced changes, which show that most employees believe in the strategy and the ability of managers to implement them.

## Training and development

In 2011, 54% of employees had a Personal Development Plan, agreed with their line manager, outlining how they will work towards their personal and career development aspirations in the short and long term (down from 76% in 2010).

During 2011 we had a strong focus on cost reduction, and that, together with increasing awareness of the environmental impact of travel, resulted in a decline in formal face-to-face training and our total training expenditure. We focused on promoting our 70-20-10 development approach through which 70% of employee skill

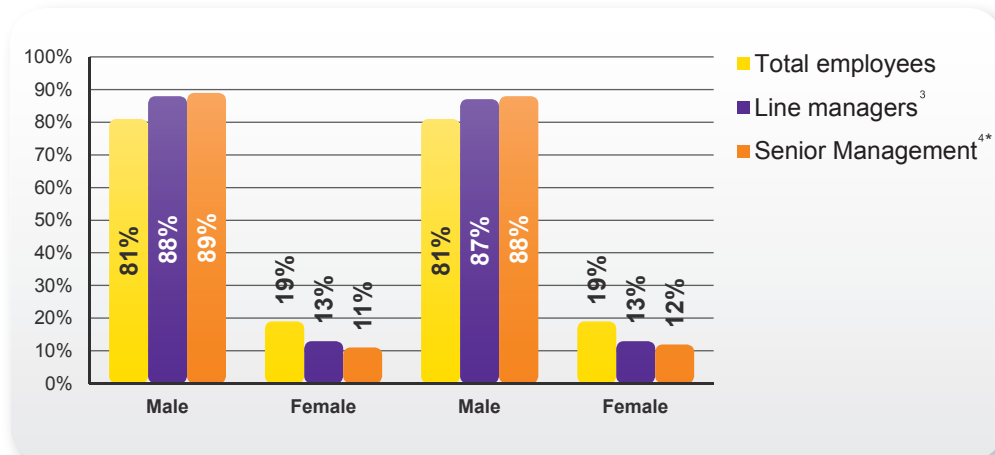
development comes from learning on the job, 20% from self study, coaching and mentoring, and 10% from formal learning programs. We continued to promote informal learning and knowledge sharing among employees. Leadership training was a focus in 2011 and the number of participants in our leadership training programs increased, including on our 'License to Lead' program. Around 41% of training courses provided by Nokia Siemens Networks' in-house Academy were completed online.

Training days and spend	2010	2011
Total amount of training days provided by our Academy	162,646	118,563
Average number of training hours per employee	14.8	9.9
Total expenditure on training (including travel costs)	€57m	€54.1m*
Average training expenditure per employee	€900	€815*2
Number of employees who participated in leadership training	530	1,201

\* Academy staff have been excluded from headcount when calculating the expenditure per employee.

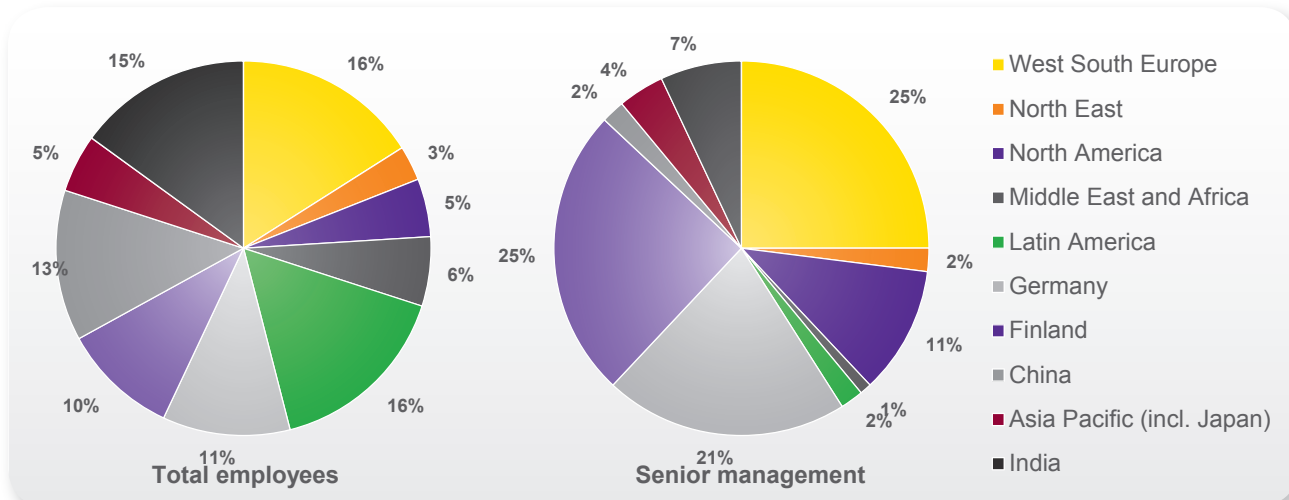
## Diversity

### Gender balance in 2011 (%)



Over 150 nationalities are represented in our workforce and the proportion of senior leaders who are not from our parent companies' home countries (Finland and Germany) continues to grow. In 2011, the proportion of senior leaders who are Finnish declined by 3.5% and those who are German by 2%. The proportion of women in our senior management increased slightly from 11% to 11.5%.

### Employees and senior leaders by nationality in 2011 (%)<sup>5</sup>



<sup>3</sup> Employees with one or more subordinates

<sup>4</sup> Represents approximately top 400 employees

<sup>5</sup> Self-declared nationalities by employees by regions and the two home countries of the company, Finland and Germany

## Strategy

We will fully support our people through the restructuring of our business and treat those affected with respect and dignity, while developing employees' capabilities to adapt to the changes. We recognize the value that diverse experiences bring to our business and we promote collaboration and knowledge sharing. Promoting leadership skills is a key focus. Our commitment to safe and fair working conditions is set out in our Global Labor Standard and we are embedding this standard across the business.

## Activity in 2011

Our workforce has undergone significant changes in 2011 with the acquisition of Motorola's wireless network infrastructure business and the announcement of further restructuring and redeployment of staff planned for 2012 and 2013. We took steps to make employee communications more relevant and engaging in 2011 and we continued our focus on supporting personal development and promoting leadership skills, although training expenditure declined due to our focus on cost reductions.

Protecting the rights of workers remains a priority for our business and we ran a pilot program in three countries to implement our Global Labor Standard.

## Change and restructuring

In November 2011 we announced a change in business strategy and our intention to focus on mobile broadband and services (see *Who we are and what we do*, page 4). This will have a significant impact on our global workforce with a reduction in headcount of 17,000 by the end of 2013 and major restructuring of the existing business. The planned workforce reductions are part of a wider realignment of the business including consolidation or transfer of some sites and functions, simplified company processes and other efficiencies.

Redundancies on this scale are extremely regrettable and we will offer as much support as possible to affected employees during the transition. We are consulting with employee representatives and local Works Councils where needed, and we will communicate clearly with employees about the changes that affect them throughout the two-year restructuring process. We are meeting country-specific legal requirements to find socially responsible means of reducing our workforce and helping affected employees.

We also recognize the need to support staff who stay with Nokia Siemens Networks as we reposition our

business. Our global employee programs will focus on developing people's capabilities so they feel equipped to cope with change and able to deliver our new business strategy. Building leadership skills on change among managers at every level of the company will help them lead their teams through the transition program. Following the acquisition of Motorola Solutions' wireless network infrastructure business in 2011, approximately 6,900 new staff joined Nokia Siemens Networks. However, further restructuring plans were needed for certain parts of the business due to the weakening business conditions (see box).

## Case study

### Motorola integration and restructuring

We welcomed approximately 6,900 employees from Motorola Solutions to our business in 50 countries. The majority work in China, India, Japan, the UK, and the US.

We offered a wide range of support to integrate new staff members and help them feel part of the company from day one. They took part in an induction program to help them understand how to work at Nokia Siemens Networks and were invited to information sessions with senior managers. A dedicated section of the intranet offered information about Nokia Siemens Networks' products, processes and tools, cultural values and practical guidance on using our systems.

In addition to general support, there was also function-specific support available for several teams. For example, customer facing employees received a detailed toolkit to help them quickly adapt to the company processes and find the right contacts and links to various resources. We also required those joining the company to complete online training courses, including training on ethical business conduct. See box on page 40 for more on Motorola Cultural Integration.

Unfortunately some restructuring was necessary due to lower demand for products and services from WiMAX and GSM businesses caused by the delay in closing the acquisition. We made every effort to offer people positions in other parts of the business, and alternative positions within the company were planned for more than 1,200 employees. The reduction was expected to affect approximately 1,500 positions.

## Motorola cultural integration

We partnered with a research company to conduct a culture assessment involving an anonymous survey of more than 16,000 former Motorola and Nokia Siemens Networks employees. More than 7,000 (43%) responded. The survey measured six elements of organizational culture: achievement, environment, communication, perspective, power and risk.

Supplementing this research, 29 face-to-face sessions were held with employees of both companies in 14 countries, and 16 key leaders were interviewed.

Analysis of this information determined cultural similarities and differences and identified priority areas to focus on. We communicated the results broadly to aid integration planning, and provided a manager communication pack which suggested practical tips to help managers maximize desired cultural outcomes and mitigate cultural weaknesses.

Our "Culture Ambassadors" in various regions and business units helped new Motorola colleagues integrate into the Nokia Siemens Networks culture. A leadership alignment workshop in July 2011 determined practical next steps, including a diverse representation of 35 leaders from both companies. Examples of actions included partnering to resolve local customer issues, quicker resolution of problems with virtual collaboration tools, cross utilization of employee competencies to help customers, and a new change management model which will be used to train all managers and employees.

### Engagement

Almost half (46%) of invited employees (total 26,500) participated in an interim 'pulse' survey in April 2011 and we are encouraged that the Employee Engagement Index remained constant at 73%. However, we saw a decline in engagement levels in the full Employee Engagement Survey in December 2011 which came shortly after the announcement of our change in business strategy and associated restructuring. Around 84% of employees responded.

This decline reflects a feeling of uncertainty about the future of our business as major changes and restructuring were confirmed. We believe that in the long term, the far-reaching changes to our business strategy announced in November 2011 will help to address some of the concerns employees have consistently raised such as the lack of clear business strategy and long term direction for the company, the diversity of the products and services we offer, and the lack of clear leadership.

The Perception of Leadership score decreased significantly (by 9%) compared with 2010. This was mainly driven by a decline in trust, confidence and consistency of leadership decisions, and leadership providing an inspiring vision of the future. On the other hand, the employee rating on the Line Manager Index (measuring leadership behaviors according to the Nokia Siemens Networks Leadership Code) went up three percentage points to 78%, demonstrating a polarization between trust in the immediate manager compared with senior leadership. The Intention to stay with Nokia Siemens Networks continues to decline, down 3% from 2010 and now 10% below the industry norm for telecoms companies.

We included three questions specifically related to the change announcement, which showed encouraging results. Asked about the recent changes, 60% of employees said they were the right ones (with only 17% disagreeing), 73% said that they are committed to supporting the changes, and 75% believed their managers would do an excellent job leading them through the changes.

As well as planning engagement activities for individual teams as part of our Employee Engagement Survey process, we also ran additional engagement campaigns in Europe, Asia-Pacific and North America in 2011 to improve employee engagement. More information about the campaign in North America is provided in the box on page 41.

To improve employee communication, we launched two new tools in 2011 to connect people working in different locations. 'MySite' enables employees to find and contact anyone in the business by viewing their profile and using the instant messaging function. Our new internal video channel, 'NSNtube', features video interviews with senior leaders and a function for employees to upload their own videos and share knowledge with colleagues. We also redesigned intranet content to make information more relevant and accessible for employees and give them an opportunity to pose questions to Executive Board members, which are answered in a monthly blog post.



## Engagement Campaign in North America

Challenging economic times and a continued decline in engagement scores in North America prompted a focused engagement campaign in the region. The week-long campaign targeted all employees, addressing the following four questions:

- Is Nokia Siemens Networks the place for me?
- How does my role support our business strategy?
- Am I being paid competitively?
- What resources are available to help me grow my career at Nokia Siemens Networks?

Each question was addressed on a specific day through a variety of education programs and communication forums for both employees and managers. Managers were encouraged to have further discussions in their own teams to emphasize key learning points from the week and encourage employees to talk through a variety of channels in an open forum.

Communication methods included blogs, videos, training sessions, workshops, email and conference calls to allow all employees throughout the region to take part.

Although employee engagement scores did not improve in North America in our latest survey, the campaign fostered awareness of available tools and career options in the company and helped employees understand how they are compensated and the range of salaries used in their region. It also gave people the opportunity for dialog with managers and teams about the value they contribute to the company strategy.

### Development opportunities and leadership potential

We continued to work on personal development opportunities for employees in 2011 although Personal Development Plan (PDP) coverage declined heavily to 54%. Our tracking and follow-up of PDPs focused on the identified group of “talents”, where PDP coverage was much higher (94%).

As the focus on cost reductions impacted some of our face-to-face learning options and employees’ ability to participate in training, we focused on promoting other important aspects of development such as:

- Promoting the importance of a dialog between employee and manager about the employee’s development needs through the “It’s your career” campaign in 25 countries
- Promoting the 70-20-10 development approach, where 70% of learning should come from “on the job” learning opportunities, 20% from feedback and mentoring, and 10% from formal training
- Promoting the importance of continuous coaching and feedback.

The overall score for satisfaction with personal development opportunities was 46% in the Pulse survey in April (a 2.8 point decline compared with 2010). This was not covered in the full annual survey as it focused on questions related to the recent change announcement.

Our in-house Academy provided online and face-to-face training for employees on a range of subjects including ethical business training, environmental awareness and technical training. We also introduced an online Knowledge Library with 11,500 resources to promote more informal learning. By the end of 2011, employees had spent more than 30,400 hours watching professional educational videos on the new employee video channel, NSNtube.

Our two-day education program on Service Excellence to help employees provide exceptional customer service continued in 2011. Since the program began in 2009, more than 18,900 employees have received certification as Service Excellence Champions, 6,119 of whom were trained in 2011. Customer service improvement projects implemented as a result of this training have generated €8.6 million for the business in cost savings or sales.

We also continued efforts to establish a strong leadership culture and updated the framework for developing leadership capabilities, adding two new modules on finance and profitable growth. The majority of line managers have now completed “Consistency in Leadership” training. Approximately 650 newly appointed managers attended the “License to Lead” program in 2011. We have also established partnerships with external training companies to deliver targeted leadership training programs from 2012.

## Diversity

Diversity remains important to our business and we continued to promote it through our global programs for developing talent and leadership skills, and through our recruitment processes. We introduced new requirements in 2011 that executive search firms must put forward a minimum percentage of women and candidates from different countries for senior management positions.

However, with significant changes in the business and the need to address employee feedback in other areas, we did not have the resources to roll out further diversity workshops for senior leaders as planned. Instead, regional organizations developed targeted programs for improving gender balance.

For example, in Germany we extended a one-on-one mentoring program for women and established a network to encourage women in senior positions to mentor female employees with management potential. The aim is to increase the number of women in senior management. Network meetings in 2011 covered topics such as communication skills and ability to innovate.

## Labor conditions

Our Code of Conduct and Global Labor Standard set out clear requirements for labor conditions, based on the International Labor Organisation (ILO) Conventions. In 2011 we piloted the Global Labor Standard in Brazil, India and China, working with Social Accountability International (SAI), one of the leading global non-governmental organizations aiming to improve rights for workers.

We identified these countries as high risk based on the Maplecroft Labor Rights and Protection risk index, customer requirements and our headcount in each country. They account for more than half our global workforce.

## Case study

### Wellbeing@work Finland

Wellbeing is an important aspect of a healthy, sustainable and high-performing workplace and we continued to promote wellbeing during 2011. We ran a series of workshops designed to give employees and line managers tools to achieve greater balance between work and personal commitments.

In 2011, national statistics in Finland show that depression was the most common diagnosis for disability pensions across industry sectors. We introduced two new health programs to address this issue as part of the 'wellbeing@work' program in Finland. The preventive path helps people learn how to identify factors that affect working ability and find ways to manage stress. It also educates people on how overloads develop and how an individual's own resources can aid recovery. The reparative path aims to improve the effectiveness of depression diagnostics and care.

Both paths are continuous processes over a year, including individual meetings with a psychologist, group meetings every one or two weeks, follow-up visits and potential occupational health negotiation. As well as these specific measures, we increased the number of case-specific individual health meetings between the employee, line manager, Human Resources and Occupational Health Care. Together these actions resulted in successful returns from sick leave and the rate of disability pensioners decreased.

Implementing the Standard for labor conditions requires cooperation from employees in global and local functions. With the support of SAI, we held a workshop for those involved to enhance their attitudes, skills and knowledge of the Labor Standard and management systems, and to share best practice.

Cross-functional project teams evaluated current labor practices and policies in each country and the strength of labor standards management systems. SAI validated and benchmarked the self assessment results in each country by interviewing local project teams. SAI also validated our labor practices and policies at the corporate level by reviewing our global policies and evaluating the development and implementation of management systems.

Based on the findings, we will simplify our global labor policies in 2012 to achieve more consistency and clarity. We will establish social performance teams to carry on the country level implementation and increase our capacity to conduct internal audits of working conditions. We will also implement a consistent management system to ensure transparency on a corporate level. Our long term goal is to achieve third party verification to the SA8000 standard in these countries.

# Community

Through our long term partnerships with key charities, our employees' volunteering efforts and donations, we support projects that focus on the benefits information and communication technologies (ICT) can bring.

## Strategy

In 2011 we redefined our community strategy to focus on three key areas where we can have the greatest impact: education and ICT, disaster preparedness and relief, and the environment. We contribute to communities in these areas in three ways:

- Corporate social investment: developing long term partnerships with global charities that support our aims
- Employee volunteering: encouraging employees to volunteer and contribute to local programs in their region
- Donations for disaster relief: donating money and equipment to support disaster relief efforts worldwide.

## Activity in 2011

We communicated these three themes to our employees and encouraged them to support related projects, as well as updating our donations policy accordingly. We strengthened our global partnership with Save the Children and worked closely with WWF. After three years of working with WWF, our formal partnership with the charity ended in December 2011.

**Corporate social investment**  
Our global collaboration with Save the Children and WWF contributes to projects that support our community strategy:

- **Education and ICT:** In 2011 we built on our partnership with Save the Children to promote children's rights and use of the internet to learn life skills. We extended our previous program on safer internet use for children in Finland by creating a wider media education program called 'Children's Voices' targeting

children aged four to 10 years old, as well as their school teachers and adults looking after them. We are developing materials for teachers worldwide and helping to translate them into different languages. The materials, which promote children's rights, ICT skills and online safety, and tackle online bullying, are being piloted in Finland and India in 2012.

- **Disaster preparedness and relief:** Our new project with Save the Children in India is helping villagers in three states prepare for natural disasters and boost the resilience of communities likely to be affected (see case study, page 44).
- **Environment:** Through our global partnership with WWF, we created a series of tailored 'One Planet Leaders' workshops to improve our employees' and our customers' understanding of environmental issues and give them the skills to consider sustainability in their everyday business decisions.

## Volunteering and regional activity

We encourage employees around the world to get involved in projects that support our community strategy through fundraising and volunteering. Examples of community involvement and volunteering projects in 2011 include:

- China: a Green Pioneer Club of around 80 employees from our China office planted 180 trees in the Binjiang District of Hangzhou and at He Ge Zhuang, a rural area on the outskirts of Beijing.

- Finland: employees organized an art exhibition to raise funds for our global charity partner, Save the Children. The exhibition featured paintings by adults based on stories told by children, with the aim of promoting children's voices and storytelling.
- India: we contributed to the Sarthak project that trains people with disabilities in technical skills to help them secure jobs. In New Delhi, our work with local NGO Swechha gives students ICT skills to develop their education and careers. We are also supporting a health, education and environment NGO called SCALE in the north Indian state of Uttarakhand to provide training and 2,000 skilled jobs by 2013.
- Indonesia: more than 30 of our employees volunteered at 22 schools in Jakarta, teaching ICT skills to around 3,000 students and demonstrating how to use ICT for practical tasks like monitoring environmental pollution in rivers. Nokia Siemens Networks Indonesia also continued to promote women in technology, recognizing the achievements of four female electrical engineering university undergraduates with an award in 2011 and offering them intensive training from employees.
- South Africa: we sponsor a program of extra school lessons for underprivileged children at Ndzundza Mabhoko Secondary school in Mpumalanga. We support an organization called 'Tomorrow Trust' that provides classes during school vacations. The classes help 150 children in Grades 10 to 12 improve their understanding and skills in accountancy, business studies, English, mathematics and science.

## Disaster relief

In 2011 we updated our donation guidelines to focus on supporting disaster relief efforts. We clarified our policy on matching the fundraising efforts of our employees and we introduced a new tool for tracking donations to make it easier for our employees to raise funds. In 2011, our employees raised funds for disaster relief following the earthquake and tsunami in Japan in March 2011 and to support aid agencies working in the Horn of Africa region to combat the effects of prolonged drought.



## Case study

### Preparing communities to cope with natural disasters

When natural disasters such as flooding or an earthquake hit a community, rapid restoration of communications infrastructure can support relief efforts and increase the chances of survival for those affected. But telecommunications infrastructure can also play a critical role in preparing communities to cope with potential disasters and improving their resilience.

This is the focus of a new pilot program launched in South Asia by Nokia Siemens Networks in collaboration with our global charity partner, Save the Children, and co-funded by the Finnish Ministry of Foreign Affairs.

Flooding, cyclones, tornadoes, drought and earthquakes affect 30 million people annually in India alone, and the effects can be worsened by lack of preparation. The purpose of the project is to set up Disaster Management Resource Centers (DMRC). We are exploring the possibility of using our technology for an early warning system and developing new ways of communicating voice and data information using little power or infrastructure. This is crucial because electricity and communication infrastructure can be unavailable for weeks following a natural disaster. These centers will build the resilience of vulnerable children and communities to protect them from the devastation caused by natural disasters.

Computers with customized software will be used to compile a database mapping vulnerability and risk, a loud speaker system will relay early warnings and the project team will work with local institutions to develop safe evacuation routes for South Asian communities to use in the event of a disaster. The project will also provide search and rescue kits, first aid and cooking facilities, as well as supporting the ongoing management of the centers.

# KPI summary 2011

These are the key performance indicators through which we measure our performance.

A detailed list of indicators and reporting alignment to the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines can be found on our website: [www.nokiasiemensnetworks.com/sustainabilityreporting](http://www.nokiasiemensnetworks.com/sustainabilityreporting)

	2008	2009	2010	2011
<b>Environment</b>				
<b>Energy</b>				
Total Energy Use (GWh)	609	551	518	483 <sup>1</sup> / 540 <sup>*2</sup>
Product lifetime energy consumption (GWh)	20,500	16,800	19,924	24,777
<b>Carbon footprint</b>				
Total CO <sub>2</sub> from our operations (Thousand tonnes)		456	369	426*
Total CO <sub>2</sub> normalized by sales (g/€)	20	23	20	20
<b>Health and safety</b>				
Number of lost-time incidents	N/A	N/A	118	160*
<b>Employees</b>				
Employee satisfaction / engagement index (%)	N/A	75	73	70
<b>Diversity</b>				
<b>Senior leader gender balance (%)</b>				
Male	N/A	90	89	88*
Female	N/A	10	11	12*
<b>Training and development</b>				
Hours of training per year per employee	N/A	N/A	14.8	9.9
<b>Ethics</b>				
Percentage of employees who have completed online training on ethical business conduct	50%	82%	92%	90%*
<b>Suppliers</b>				
Number of in-depth audits (focused on labor conditions and environment)	7	6	13	17*

<sup>1</sup> Excluding Motorola

<sup>2</sup> Including Motorola

# Progress against targets summary

Target	Progress in 2011	Status	Future targets	Target date
<b>Environmental impacts of our products and services</b>				
Improve the efficiency of GSM/EDGE and WDCMA/HSPA base station products by up to 40 percent compared to 2007 performance by end of 2012	On track to meet this target	Ongoing	Ongoing	End 2012
Achieve full material content data collection for 90% of components in use at Nokia Siemens Networks by end of 2012	On track to meet this target	Ongoing	Ongoing	End 2012
100% coverage for environmental data of packaging materials in corporate level IT system and environmental reporting system by 2013	Progress continued in 2011 but not fast enough to meet the target. Additional resources are being applied but the scope of this task remains unclear. We are therefore unable to specify a new target date.	Not achievable – target abandoned	N/A	N/A
			Increase the average energy efficiency of the product portfolio by 5% per year on average	Ongoing
<b>Environmental impact of operations</b>				
Achieve ISO 14001 certification for Nokia Siemens Networks' environmental management system	Certification achieved in August 2011	Achieved		
Reduce emissions for new cars in the Europe service fleet to 120g/km	Achieved for Finland but not for Germany due to related diesel particulates	Partly achieved		
Reduce CO <sub>2</sub> emissions from buildings by 30% by end 2012 from the 2007 baseline	Despite a 0.4% increase in 2011, emissions from buildings are 31% lower than 2007 (excluding former Motorola sites).	Ongoing	Ongoing	End 2012
Improve the energy efficiency of buildings to reduce associated energy use by 34,300 MWh by end 2012	Energy efficiency savings in 2011 were 9,450 MWh including those implemented at acquired Motorola sites. Total savings since 2007 are 24,078 MWh.	Ongoing	Ongoing	End 2012
Reduce CO <sub>2</sub> emissions from IT operations and use of IT products by 20% by 2015 from the 2008 baseline	Emissions (excluding Motorola) were 4.5% below the baseline in 2011	Ongoing	Ongoing	End 2015
Improve data center infrastructure efficiency (DCiE) to an average of 0.5 by 2015	Achieved a DCiE of 0.52 in 2011	Achieved		
			Average 5% reduction year on year for energy consumption of own operations.	Ongoing
<b>Ethics and compliance</b>				
Ensure all employees complete annual ethical business training by the end of 2011	90% of employees completed ethical business training in 2011	Partially achieved	Ongoing	End 2012
Conduct a further 200 anti-corruption training sessions by the end of 2011	184 face-to-face sessions held on anti-corruption, training 5,647 employees; although we held fewer sessions than planned, we have trained significantly more employees	Partially achieved	Roll out online anti-corruption training for all employees	End 2012
Review anti-corruption training materials to help employees understand the information more easily by the end of 2011	Anti-corruption training materials reviewed in November 2011	Achieved		
			Establish a 24-hour telephone ethics reporting system available in key countries where we operate.	End 2012
<b>Human rights</b>				
Implement human rights due diligence process in line with the human rights policy by the end of 2011	Due diligence process rolled out globally	Achieved		
Train our sales, legal, procurement and R&D teams on the human rights policy by the end of 2011	Staff in relevant roles in the Middle East and Africa were trained face-to-face or via teleconference.	Ongoing	Ongoing	End 2012

Target	Progress in 2011	Status	Future targets	Target date
			Contribute to the development of common industry guidance and tools on human rights, freedom of expression and privacy through the industry dialog established in 2011	End 2012
<b>Suppliers</b>				
Conduct in-depth audits on labor conditions and environmental management of 16 suppliers by end 2011	17 in-depth supplier audits conducted	Achieved	Work with suppliers to ensure all open audit findings are addressed	End 2012
Increase the number of auditors qualified to conduct in-depth audits to eight by end 2011	No further auditors trained in 2011, This target will not be continued for 2012, as the business is changing and targets need to be reflective of that. Despite the auditor numbers not going up, the number of audits increased.	Not achieved		
Roll-out industry training to suppliers on worker-management communication and occupational health and safety in high-risk regions by end 2011	Worker-management communication training piloted with suppliers in Malaysia; industry training on health and safety has not been rolled out further but this issue continued to be a key focus in our own supplier workshops, We continued integrating OHS into our own supplier workshops as well as OHS training centers. We shared our own training materials with the industry group, and contributed intensively in creating the industry wide training material with peer groups. The industry training was not launched, which was out of Nokia Siemens Networks's control.	Partially achieved		
Conduct at least six supplier workshops in high-risk countries by end 2011	Seven supplier workshops held in five high-risk countries	Achieved	Pilot a web-based workshop for suppliers	End 2012
Roll out Carbon Disclosure Project (CDP) tool to track suppliers' progress on energy efficiency by end 2011	92 key suppliers invited to report energy use and carbon emissions via the CDP - 54 have done so	Achieved	Invite a further 50 suppliers to report their energy use and greenhouse emissions via the CDP	End 2012
Develop our internal process for reporting supplier audit findings on a regional and global level by end 2011	Progress made in some regions to align regional health and safety audits with our global audit framework. Escalation of audit findings from the regional team to the Global Procurement through much strengthened communication and cooperation with Global Services Health & Safety.	Partially achieved		
Ensure that 80% of employees in our Global Procurement organization have received training on sustainability by end 2011	72% of Global Procurement employees trained on sustainability; training continued in 2011 but we have not met the target due to changes in personnel, Target achievement was affected by incoming new employees as a result of the acquisition of Motorola's network solutions business.	Not achieved	Continue to train procurement staff on sustainability	End 2012
Ensure that suppliers representing at least 20% of our procurement spend have joined E-TASC by end 2011	Suppliers representing 17% of procurement spend have now joined E-TASC; progress limited due to problems with the launch of the updated tool*	Not achieved		
			Roll out our revised Supplier Requirements in all new contracts and begin a phased upgrade of existing contracts	End 2012
			Roll out industry due diligence process on conflict minerals, initially focusing on suppliers using tantalum	End 2012

Target	Progress in 2011	Status	Future targets	Target date
<b>Health and safety</b>				
Achieve zero fatal accidents by collaborating closely with our customers and contractors	Collaboration with customers continues in an ongoing effort to reduce major incidents.	Ongoing	Establish a Major Accident Prevention Plan to decrease the number of major accidents by collaborating closely with our customers, contractors and business units	Ongoing
Continue the International Safety Rating System (ISRS) deployment by defining health and safety risk category for all sites with more than 50 employees	Health and safety risk category defined for all sites and health and safety action plans in place for all sites with more than 50 employees.	Achieved		
Implement a program on leadership and awareness of health and safety	Global program being implemented including personal statements from senior leaders demonstrating their commitment to health and safety initiatives.	Partially achieved		
Achieve OHSAS 18001 certification in four additional countries	Certification achieved in four additional countries: Italy, Mozambique, Tanzania and the United Kingdom.	Achieved	Align health and safety management system to achieve the maturity for global certification to OHSAS 18001 for all Nokia Siemens Networks operating countries	2013
Increase coverage of incident data reported across the business	Centralized incident reporting tool fully implemented across the business and tied to overall risk management and reduction. Incident data now covers 100% of the business.	Achieved	Continue to consolidate incident reporting by increasing the number of near miss incidents reported	End 2012
<b>Employees</b>				
Achieve an employee engagement index of 75%	Our employee engagement score declined to 70%, largely as a result of the transformation announcement a week before starting the survey	Not achieved	Increase employee engagement by two percentage points	End 2012
Improve gender balance in our senior management	Women represent 11.5% of senior management, slightly up from 11% in 2010*	Achieved		
Ensure all line managers have participated in 'Consistency in Leadership' workshops	The 'Consistency in Leadership' workshops were not pursued in 2011 due to the focus on cost reductions	Not achieved		
Train a further 6,500 employees in Service Excellence	6,119 more employees trained in Service Excellence; target was revised to 5,500 in the third quarter of 2011 due to the focus on cost reductions	Achieved revised target	Train a further 1,000 employees in Service Excellence through two day face-to-face workshops	End 2012
Continue raising awareness of labor conditions with a focus on high-risk countries by using the Maplecroft country risk index to systematically categorize sites by level of risk, focusing on health & safety.	Pilot program launched to implement our Global Labor Standard in Brazil, China and India, countries identified as highest-risk using Maplecroft country risk index	Achieved		
			Achieve employee support of 67% for our future direction, measured through a combination of questions in our employee survey	End 2012



# Independent assurance statement

## Scope and objectives

Two Tomorrows (Europe) Limited has undertaken independent assurance of the Nokia Siemens Network's (NSN) Sustainability Report 2011 ('the Report').

The assurance process was conducted in accordance with AA1000AS (2008). We were engaged to provide Type 2 assurance for the following areas:

- evaluation of adherence to the AA1000APS (2008) principles of inclusivity, materiality and responsiveness (the Principles) and
- the reliability of specified sustainability performance information, which is outlined in Appendix 1 of this document ('Performance Indicators')

The scope of our work excluded:

- KPIs or other data that is not listed in Appendix 1. This includes, but is not limited to data in the 'Environmental impacts of our products and services' section. Where we identified a material claim in this section, we did not review source data or associated calculations
- Where NSN has disclosed separate data points for a Performance Indicator to demonstrate the difference between data for NSN's legacy sites and all sites, including those acquired from Motorola (i.e. excluding and including Motorola), only total figure (i.e. including the Motorola data) is within our assurance scope

We used the Global Reporting Initiative (GRI) Quality of Information Principles as Criteria for evaluating performance information.

We provided an independent check of NSN's self-declared GRI application level.

## Responsibilities of the directors of NSN and of the assurance providers

The directors of NSN have sole responsibility for the preparation of the Report.

We were not involved in the preparation of any part of the Report. In addition to the assurance of the Report, we reviewed evidence for a sample of material claims in NSN's 20-F submission to Nokia Group. We have no other contract with NSN and this is the first year that we have provided assurance.

Our statement represents our independent opinion and is intended to inform all of NSN stakeholders. We adopt a balanced approach towards all stakeholders.

Our team comprised Dave Knight, Elvin Ozensoy, Sini Forssell, and Samantha Parsons. Further information, including individual competencies relating to the team can be found at: [www.twotomorrows.com](http://www.twotomorrows.com).

## Basis of our opinion

Our work was designed to gather evidence with the objective of providing moderate assurance as defined in AA1000AS (2008). We undertook the following activities:

- Review of current sustainability issues that could affect NSN and are of interest to stakeholders, including a comparison with peers and issues raised in the media
- Interviews with three Executive Board members and five other directors and senior managers who are accountable for the management of sustainability issues. We were free to choose interviewees

- Review of NSN's reporting and management processes relating to the Principles, including evidence of stakeholder engagement and recent outputs engagements. We did not have any direct engagement with stakeholders
- Three sample site visits, that we freely selected based on a sample of the material issues managed on sites, to Espoo (Finland), Munich (Germany) and Centurion (South Africa) to review process and systems for preparing site level sustainability data and to provide insight on the implementation of sustainability strategy
- Assessment of supporting evidence for key claims and performance indicators prioritised according to materiality at a consolidated corporate level
- Review of the processes for gathering and consolidating performance data and for a sample, checking consolidation from reporting system to the Report
- An independent assessment of the Report against the B+ Application Level for the Global Reporting Initiative (GRI) G3 Guidelines

## Limitations of our work

Our work was subject to following limitations:

- Due to the timing of our Centurion and Espoo site visits, we were not able to fully trace data through the site level systems to corporate level systems. We were, however, able to see intermediary source data for Munich site data and observe how site level data had been collated into the corporate level submission
- We understood that Motorola data was included in all performance indicators, with the exception of "Number of our top suppliers who have a set of targets to reduce environmental impacts". With the exception of environmental data in scope of our work, we have not tested this

- For data collated or calculated by NSN's facilities management suppliers and external verifiers (including all energy and water data), we checked transposition from these sources to the Report and reviewed a sample of the processes used by these agencies for data collation, but did not check the actual calculations

## Findings and Opinion

We reviewed and provided feedback on drafts of the Report and where necessary changes were made. On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe NSN's adherence to the Principles or that NSN's data has not been properly collated from information reported at operational level, nor that the assumptions utilised were inappropriate. We are not aware of any errors that would materially affect the corporate-level data or its performance indicators, with the following exceptions:

- NSN collects data to its own global standards and has made notable improvements in data collection system, such as extending the coverage to all operations as well as accident review processes. Where legislative requirements and cultural expectations for employee management and health and safety vary from these global standards this can present a challenge. For example, in Centurion, we observed that the site reported 'Total disabling incidents', as opposed to the global standard's 'total recordable incidents' performance indicator. Guidance and training around data protocols and definitions for the 'Total recordable incidents' KPI could be improved to ensure consistency and we recommend the company highlights where variations to these global standards occur. We did not conduct any additional work to investigate this further and as such are unable to conclude how significant this may be for this indicator overall

Our review of the GRI index and Report indicates Nokia Siemens Networks meets the requirements of a B+ GRI application level.

## Observations

Without affecting our assurance opinion we also provide the following observations.

The restructuring programme which was announced towards the end of 2011 (the reporting period) has resulted in changes to the governance and management of sustainability, and the implications are not yet fully clear. As the significant developments around the restructuring fell just outside the reporting period, into 2012, we would expect further disclosure in subsequent reports, specifically in relation to changing business priorities and the impacts on the management of sustainability and employees.

### **Inclusivity concerns the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability:**

- We were encouraged to see NSN has continued to collaborate closely with its stakeholders, particularly with customers regarding energy efficiency of networks and improving health and safety performance
- We recommend that NSN reviews the opportunities from a formalised structure, for example a stakeholder panel, to integrate stakeholders' views into strategic decision making, enhancing sustainability management

### **Material issues are those which are necessary for stakeholders to make informed judgments concerning NSN and its impacts:**

- NSN uses the industry-wide Global e-Sustainability Initiative materiality assessment tool, which assigns stakeholder ratings for the materiality of issues. Whilst we believe NSN has identified its material issues, this rating was conducted in previous reporting years and therefore we recommend NSN update the ratings periodically and report any significant changes
- Health and safety remains a key priority area for NSN. Reported accidents and incidents increased in 2011 for both NSN employees and service providers working for the company. We saw evidence that increased transparency and improvements in reporting systems contributed to this rise
- With an increased number of fatalities, NSN's work in establishing a new accident investigation process by a panel of senior leaders is timely and we recommend future reports disclose the outputs of this work and that the CEO statement recognises any fatalities
- This year NSN started using a country risk index to systematically categorise the level of health and safety risk for sites in high risk countries. We recommend further disclosure on the outcomes from this initiative and the implications for the wider management of sustainability, including supply chain management
- NSN continued to make progress in integrating human rights impact assessments into its sales mechanism and demonstrating good practice case studies to address privacy issues

**Responsiveness concerns the extent to which NSN responds to stakeholder issues:**

- We recommend that future reports provide an update on employee outcomes relating to the restructuring programme including, redundancies and support programmes put in place by NSN for continuing and ex-employees
- The changing business strategy and priorities are impacting on target setting and we recommend ongoing disclosure explaining rationale for any changes to targets, particularly relating to Health and Safety, Employees, and Supplier performance, as they remain material
- We recommend improved disclosure on the roll out of energy efficiency of network infrastructure projects, such as Opera net. This should also address opportunities and customer benefits from renewable powered off grid network activity

**Performance Information**

- A positive development this year was the improved disclosure on the number of sites that report on a number of performance indicators, including environmental impacts of NSN's operations and health and safety. We recommend NSN continue developing and reviewing consistent application of data protocols
- NSN made good progress in aligning the reporting of performance indicators following the Motorola acquisition in 2011, particularly for environmental and supplier data. Given the baseline for reduction targets for environmental

**Appendix – Sustainability Report Performance Indicators**

1.	Total Energy use (GWh)
2.	Electricity from renewable sources
3.	Air travel emissions (thousand tonnes)
4.	Total emissions from buildings (tonnes CO <sub>2</sub> equivalent)
5.	Indirect emissions from purchased electricity and district heating (tonnes CO <sub>2</sub> equivalent)
6.	Direct emissions from gas and oil used in our facilities, methane and nitrous oxide from heating (tonnes CO <sub>2</sub> equivalent)
7.	Total water use (m3)
8.	Percentage of employees who have completed online training on ethical business conduct
9.	System audits against our supplier requirements
10.	In-depth audits focused on labor conditions and environment
11.	Total number of Nokia Siemens Networks suppliers who have joined E-TASC to date
12.	Percentage of the sites of our top 250 suppliers by spend, to whom environmental management system (EMS) alignment is applicable, that have a documented EMS in place
13.	Percentage of the sites of our top 250 suppliers, to whom EMS alignment is applicable, that are certified to ISO 14001
14.	Number of our top suppliers who have a set of targets to reduce environmental impacts
15.	Number of suppliers participating in Nokia Siemens Networks CR workshops
16.	Number of management level supplier workers participating in Nokia Siemens Networks CR workshops
17.	Percentage of procurement staff who have received CR training to date
18.	Percentage of procurement staff who have completed online ethical business training
19.	Total recordable lost-time incidents
20.	Total recordable incidents
21.	Recordable incidents in Global Services business
22.	Total number of employee fatalities
23.	Total number of contractor fatalities
24.	Yearly attrition rate of voluntary leavers
25.	Total expenditure on training (including travel costs)
26.	Average training spend per employee
27.	Gender balance: Senior Management (approximately top 400 employees)

performance indicators was based on NSN's legacy sites, it is positive that this year data is broken down to demonstrate performance of legacy sites and recently acquired Motorola sites, which enables comparability.



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