------------------------------------------------------------------------------------------------------------Nokia 2012

Nokia is passionate about doing good work for people, communities and the planet. It’s a purpose we share as a company, one that runs deep in our DNA and guides our daily actions. For the past 25 years, we’ve been connecting people – first to one another through voice calls, then to information through the internet, and now we’re helping people sense the world around them through connected devices and services.

I’m immensely proud of what the Nokia team has created just in the past 12 months – from beautifully designed feature phones with battery life that lasts a month to our Nokia Asha smartphones that save up to 90% of data costs, from our flagship Nokia Lumia 920 smartphone with its remarkable imaging capabilities, to our suite of mapping and navigation services that enrich the location-based experience. Through differentiation in personal experiences, we strive to raise the bar for what consumers should expect from their mobile device.

As part of these efforts, I’m extremely proud that concern for the environment is at the heart of our business decisions. From production materials, labor policies and packaging to applications and services, Nokia has a long history of prioritizing sustainability in our daily work. To us, it’s not just the right way to do business: it’s the only way. This ethos extends to the work we do for our people, our communities and our planet.

OUR PEOPLE

In 2012, Nokia continued our transition as we focused our strategy and took steps to bring our workforce in line with a new way of working. In many respects, it was a challenging year as changes meant reductions in employee numbers and site closures. However, despite the challenges we faced, Nokia never wavered in its commitment to being a responsible employer.

We invited employees impacted by restructuring to join our Bridge Program to help them start new careers inside or outside Nokia, or develop new skills through continued education. Some even opted to start their own company with Nokia grants. As a result, by the end of 2012, nearly 1,000 new businesses were created as a result of the Bridge Program – an enormous success.

As our strategy led us to collocate resources and align sites closer to our suppliers, we faced some difficult decisions, notably the closure of our Salo factory in Finland. Nonetheless, we are so proud that in Salo, a site with rich Nokia heritage, our research-and-development teams continue to flourish, bringing many critical technologies and products to life.

Today Nokia operates seven production facilities worldwide, and we can confidently say in each of those locations, the working conditions and treatment of our employees is world-class. But we will not stop there. We want to go further and ensure people working for our suppliers and all the way across the complex supply chain are also treated with the utmost dignity and respect.

OUR COMMUNITIES

Nokia doesn’t just make products for one end of the market. We want to give everyone a choice regardless of geographic or personal constraints, and during 2012, we launched a number of important products that demonstrated this goal. Part of our strategy is to connect the next billion people to the internet, and as these newcomers appear on the grid, we want to help empower them as citizens of the digital economy. We’re doing this by giving them access to learning and knowledge through their devices, opportunities for self-improvement, as well as resources that will help them better provide for their families and serve their communities.

Internet access on a mobile phone provides opportunities for digital newcomers to engage in social media, create personal content, and share it across networks for the first time. All of this enables the free flow of ideas, personal expression and innovation. Yet, at the same time, we are mindful that many digital newcomers are less aware of their online privacy and security. In 2012, Nokia and UNICEF formed a partnership to help educate people on how to stay safe online. The project has initially focused on children and teens in South Africa, Kenya and Zambia.

Also in 2012, we continued to expand Nokia Life, our SMS-based information service to help people make better decisions about their health, education, agriculture and even entertainment. Since it launched in 2009, Nokia Life has reached close to 100 million people in China, India, Indonesia and Nigeria, with expansion to Kenya in March 2013. Nokia Life+, its cloud-based counterpart that also launched in 2012, reaches millions more in 21 countries.

All in all, we want to make our products usable for all people. We’re proud that in 2012 we also made great strides in advancing ease of access to mobile devices, notably our Lumia smartphones, for those with hearing, vision or dexterity impairments.

OUR PLANET

Doing good work in our communities means being a responsible environmental advocate, a belief that impacts our product making. In 2012, we introduced bio-plastics and recycled metals, among other environmental innovations, to our Lumia smartphones.

We’ve also remained firm in our commitment to minimize adverse environmental effects that may result from our operations, production or usage of our products. We assess the environmental impact of our products throughout their lifecycle – from the initial sourcing of materials, to manufacturing, to packaging, to transportation, and the product use by individual consumers. We even consider the impact after the end of the product’s life to encourage recycling.

As a result, Nokia has led the way in energy-efficiency, safe materials and reducing electronic waste.

This thinking extends to how we can help the consumer him or herself lead a more sustainable lifestyle by the use of technology and applications. One example is our work in location-based services. In 2012, we united our location, mapping and navigation offerings under a new brand called, HERE. The “HERE Transport” application (or, in the United States, “HERE Transit”), is a public transportation application for our Lumia smartphones that helps people reduce their environmental footprint by selecting the most efficient travel option, whether by bus or train, in more than 700 cities across 50 countries. For drivers, the same principle applies with “HERE Drive,” a complementary application that lets you choose the most efficient route to save on the costs of gas and reduce C02 emissions.

As we move forward, we are focused on reducing our own energy and greenhouse gas emissions across Nokia’s own operations. We’re very proud that in 2012 more than 40% of Nokia’s electricity came from renewable sources, either generated on site or purchased, making it a record year. However, we did consume more energy per product produced – something we aim to address in 2013. In our factories, we reduced waste by 22% per product, and our waste utilization efforts helped us reuse or recycle 98% of byproducts – an impressive feat for our manufacturing teams.

Sustainability matters – it’s a common thread that impacts people, communities and planet. Nokia is passionate about doing our part. We’re proud of what we’ve accomplished together in 2012 and look onward as we strive to do it even better.

------------------------------------------------------------------------------------------------------------Nokia 2013

2013 was a remarkable year for Nokia. Through two major transactions, Nokia has transformed itself. In the first, we became full owner of our Networks business, known until recently as NSN. In the second, we divested the mobile devices business which emerged over three decades to become a household name. This transaction was completed in April 2014.

Going forward, Nokia will focus on the technologies of the future through three strong businesses: Networks, which offers network infrastructure software, hardware and services; HERE, which provides location intelligence; and Technologies, through which we pursue advanced technology development and licensing.

A lot is changing for Nokia. However, amid all that is new, some things are not changing. Most fundamentally, we will continue to strive to create value for people and our planet like we have been doing for a long time. This means being responsible in everything we do. It also means creating and shaping technologies that can make our lives better.

At Nokia, we know our technology can be part of the solution in many of global challenges. Our mobile technol­ogy has been used to provide access to learning materials in hard-to-reach areas. It has been used for collecting and sending real-time data to prevent diseases as well as mapping water points in water-scarce areas. And it has brought the Internet to hundreds of millions of people who have never had access to a desktop computer.

For a long time, we have talked about “connecting people” through mobile communications and what that has meant to people around the world. Well, with our deep experience in connecting people, we are ready for a new world of technology whose impact on our lives can be just as profound. Over the next 10 years bil­lions of connected devices will converge into intelligent and programmable systems that will have the potential to improve lives in a vast number of areas: time and availability, transportation and resource consumption, learning and work, health and wellness, and many more. With our three businesses and position as one of the world’s largest software companies, Nokia is well placed to meet our goal to be a leader in the technologies for a world where everybody and everything is connected.

So, there is much more to come from us in the future.As we go forward, you will see us behave as a responsible business guided by the same principles which we have held dear for a long time: Valuing people in everything we do; Being green and clean, Unleashing the potential of technology for good; and Making change happen together.

Of course, actions are more important than words. Our actual performance has to reflect those principles. In the following pages, you can read about our achievements as well as what we believe were our biggest challenges during 2013.

All in all, I am pleased with the progress we made during the year in terms of our sustainability targets and the external recognition we have received for our perfor­mance. Among the highlights, we continued improving our performance on environmental measures through­out the value chain; we made progress on matters of occupational health and safety; we further improved the accessibility features of our devices; and, together with our partners, we helped improve access to education. In addition, upon announcing that the vast majority of our Devices & Services business would transfer to Microsoft, we went to lengths to engage with our employees regu­larly and extensively to ensure they had the information they needed, irrespective of their location or role in the company. I am pleased with the outcome here.

I’d like to end with mention of an important indicator in our annual internal survey: some 83% of our employees responded that they consider Nokia to be socially and environmentally responsible. For a company that has gone through a major transformation, I believe this is good going. This is the way we want to run our business in future as well.