

Environmental and Social Review Summary (ESRS)

Nokia Master Receivable Purchase Vendor Facility – REGIONAL

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1. Overview of the Operation

The proposed transaction (the "Operation") consists of a vendor purchase facility that discounts financing arrangement to buy Invoices/Bill of Exchange/Draft from the Nokia Corporation ("Nokia" or the "Company") and any of its subsidiaries (together with the Company, the "Seller"). The Operation will enable Nokia to: i) target the purchase account receivables derived from digital infrastructure implemented by the Company, which can lead to improved connectivity and technological advancements in Latin America and the Caribbean regions¹ where the projects are implemented, fostering economic growth and development; ii) help maintain and strengthen supply chains, which ideally can lead to more efficient project execution and timely delivery of goods and services; and iii) stimulate economic activity (digital infrastructure and connectivity) and eventually have a positive multiplier effect on local economies.

2. Scope of IDB Invest's Environmental and Social Review

The environmental and social analysis of the Transaction consisted of a documentary review of the Company's environmental and social performance over time, with an emphasis on compliance with the following Performance Standards ("PS"): PS1: Assessment and Management of Environmental and Social Risks and Impacts; PS2: Labor and Working Conditions; PS3: Resource Efficiency and Pollution Prevention; and PS4: Community Health and Safety.

3. Environmental and Social Classification and its Justification

In accordance with IDB Invest's Environmental and Social Sustainability Policy, this Transaction has been classified as Category C, given that the incremental impacts it will generate are low or practically negligible, as it's about financing arrangements for the purchase of digital infrastructure from the Seller.

4. Environmental and Social Risks

4.1 Assessment and Management of Environmental and Social Risk and Impact

Nokia is a global "Business to Business" ("B2B") technology innovation leader in networking, which also operates in the Latin America and Caribbean ("LAC") region, focusing on telecommunications and

¹ Mainly, but not limited to, Bahamas, Costa Rica, Dominican Republic, Mexico and Panama.

networking sectors. It provides advanced infrastructure, including 4G and 5G networks, to support digital transformation and enhance connectivity. Nokia also offers enterprise solutions for industries like smart cities, energy and manufacturing, leveraging IoT², artificial intelligence (“AI”), and cloud computing. Its involvement in research and development drives innovation in future technologies such as 6G and advanced 5G applications, often in collaboration with local universities. Additionally, Nokia emphasizes sustainability, aiming to reduce carbon emissions and promote environmentally friendly practices, contributing to the region's sustainable development goals.

Nokia, under its Sustainability Strategy³, is committed to sound environmental management and to minimizing its environmental impact throughout the product lifecycle. The Company implements an Environmental Management System (“EMS”) along with quality and health and safety management systems to ensure compliance with relevant environmental requirements. The Company follows these key principles when setting sustainability-related goals: i) continually improving product energy efficiency; ii) driving circularity to reduce waste; iii) building sustainable operations and supply chains; iv) decarbonizing other industries and society; v) enabling the transition of the energy sector; vi) providing the critical networks for life; vii) connecting the unconnected and building digital skills; viii) de-risking the potential misuse of technology; and ix) deploying ethical and responsible business practices.

Nokia’s Environmental Policy, based on the principles of the ICC Business Charter for Sustainable Development⁴ and on an ongoing environmental performance evaluation governed by its certified ISO 14001⁵ EMS, outlines the Company’s commitment to ensure sound environmental management.

Under the Corporate Governance Guidelines, Nokia’s Board evaluates its environmental and social activities and governance practices, related risks and target setting as well as their implementation and effectiveness across the Company. The Committees⁶ of the Board of Directors have the responsibility of providing oversight and monitoring several environmental and social developments and activities in accordance with their respective area of responsibilities. Also, the Group Leadership Team (“GLT”) examines the sustainability-related impacts, risks and opportunities of Nokia’s business decisions and projects, and oversee the Company’s Environmental, Social and Governance (“ESG”)-related strategy, targets and operational frameworks.

² The term IoT, or “Internet of Things”, refers to the collective network of connected devices and the technology that facilitates communication between devices and the cloud, as well as between the devices themselves.

³ Nokia’s Sustainability Strategy aims to enhance the positive impact of the company, taking into consideration risks and opportunities in several important focus areas, such as: (i) Environment (climate and circularity); (ii) Bridging the digital divide; and (iii) Responsible business.

⁴ The ICC Business Charter for Sustainable Development is a framework developed by the International Chamber of Commerce (“ICC”) to help businesses improve their environmental performance and contribute to sustainable development.

⁵ The International Standard Organization’s ISO 14001 is an internationally recognized standard for Environmental Management Systems (“EMS”) that provides a framework for organizations to design, implement, and maintain an EMS, helping them to continuously improve their environmental performance and manage their environmental impacts.

⁶ The Committees, are: i) the Audit Committee reviews sustainability disclosures annually, as well as the information on the use of conflict minerals in Nokia’s products; ii) the Personnel Committee oversees human capital management, including personnel policies and practices related to Nokia’s culture, physical safety, employee well-being, diversity, recruiting, development and retention; iii) the Corporate Governance and Nomination Committee assesses and advises the Board on ESG-related activities and practices, aiming to enhance the governance structure supporting them; and iv) the Technology Committee and the Strategy Committee review how the Company’s ESG strategy embeds into the Company’s technology strategy and roadmaps as well as into other strategic initiatives.

To identify environmental impacts and related risks and opportunities, Nokia has an ISO 14001 certified EMS in place which is reviewed annually. This process covers all business activities, and the environmental aspects are assessed based on their direct environmental impact, related applicable regulation, frequency and stakeholder interest.

Nokia has adopted a collaborative and consultative approach towards its key stakeholders, by displaying responsiveness and consideration to their views and interests in its decision making related to the Company's strategy and business model. For this Operation, the Company interacts and engages with its customers on a frequent basis through various mechanisms and multiple channels⁷ to address issues and concerns, present proposals, identify solutions, and evaluate, mitigate or remedy impacts. The topics include environmental (connectivity and digitalization, greenhouse gases ("GHG") emission reduction, energy and materials efficiency, climate actions, circular products and services, recycled materials, life cycle assessment, value chain, and responsible operations) and social (inclusion and diversity, human rights, public safety and health, data security, privacy and responsible AI) aspects.

Nokia offers multiple channels to report compliance concerns or to capture grievances, including reaching out to the Legal, Compliance and Sustainability areas; Ombuds leaders⁸; the People organization⁹; a dedicated email address¹⁰; and an Ethics Helpline¹¹, which is compliant with the European Union ("EU") Whistleblower Directive, that offers multiple options to report concerns, including an online portal and country-specific options.

The Ethics Helpline allows for anonymous reporting and is open to employees and external stakeholders. The Ethics and Regulatory Compliance Investigations Group is responsible for managing, investigating, closure, and follow-up of all Company-compliance across multiple channels. Nokia has integrated its investigation process into its corporate culture by regularly communicating major findings and trends in a transparent fashion and raising awareness about the reporting process and the importance of speaking up¹². The Company also has a strong commitment to preventing or exerting any form of retaliation to those who use the Ethics Helpline and maintaining a culture in which its employees and partners feel

⁷ The various mechanisms and multiple channels of collaboration and feedback, include: i) sales personnel dedicated to specific customers; ii) direct engagement at targeted customer and industry events; iii) participate in Executive Review Meetings with Nokia leadership team members; iv) ESG customer advisory councils (established in mainly in Europe, Asia and India, and the Middle East and Africa); and v) industry association such as the Global System for Mobile Communications Association (GSMA) and Joint Alliance for Corporate Social Responsibility (JAC).

⁸ Ombuds leaders sit outside of the Legal, Compliance and Sustainability team, and People organization and serve as confidential, neutral, supplemental resources for employees to raise compliance questions, concerns and requests for guidance. They expand the reach of Nokia's Compliance Program and provide another means to report suspected policy and law violations as well as assist in preventing, detecting, and addressing wrongdoing.

⁹ Human resources department, among other.

¹⁰ ethics@nokia.com and ombuds@nokia.com

¹¹ <https://nokiaccms.i-sight.com/portal>

¹² Regular read-outs about investigation statistics, key findings, and trends are provided to several internal groups, including regional/business group compliance leaders, who include investigations findings in the reporting for their respective jurisdictions and share this information with business leadership several times per year; Ombuds leaders, who share this type of information with employees in local awareness sessions; and senior management as well as the Board of Directors and external auditors.

comfortable raising concerns about suspected violations of Nokia's Code of Conduct and policies, or applicable laws or regulations.¹³

4.2 Labor and Working Conditions

Nokia's policy framework begins with the Nokia Code of Conduct, which includes the Company's basic principles to conduct business and high-level policy statements related to critical business topics. Policy documents further define, support and explain specific areas of focus. Standard operating procedures ("SOPs") are created, where needed, to instruct employees on specific procedures to implement the policies. Supplemental guidelines (e.g., country-specific guidance) or other training materials are often used for the implementation of certain procedures (policies, SOP's and guidelines, all together, "People Framework").

Also, through its Human Rights Policy¹⁴, Nokia is committed to respect all human rights principles and values laid out in the International Bill of Human Rights¹⁵, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Organization for Economic Cooperation and Development's ("OECD") Guidelines for Multinational Enterprises, and the United Nations' Guiding Principles on Business and Human Rights. To target the potential misuse of the technology, Nokia undertakes a Human Rights Due Diligence ("HRDD") process¹⁶, which is a mandatory part of the sales approval process.

Nokia's Code of Conduct, People Framework, Human Rights Policy, and local employment laws, policies and practices are the basis for its labor conditions. The Company is committed to the principles laid out in the United Nations Universal Declaration of Human Rights, the United Nations Global Compact and the International Labor Organization's ("ILO") Declaration of Fundamental Principles and Rights at Work. These policies, SOPs and Code of Conduct that apply to all employees and suppliers, state zero tolerance for child and forced labor, allow the freedom of association and collective bargaining of its employees, requires non-discrimination¹⁷ and humane treatment, and has provisions for working time, disciplinary practices, compensation, and occupational health and safety (OHS), among other issues.

Nokia has a Health, Safety and Labor Conditions Policy as well as a Life-Saving Rules which cover all operations performed by everyone working on behalf of the Company anywhere. It also has an ISO

¹³ Nokia does not tolerate any adverse treatment of an employee or partner (to the extent reasonably within Nokia's control for a non-employee) who raises a concern in good faith or provides evidence in support of such a concern. Any employee who retaliates or participates in retaliating against another employee for raising a compliance concern or for assisting in an investigation may be subject to strict discipline, up to and including termination of employment.

¹⁴ The policy addresses the impact of Nokia products and services on free expression, access to information, exchange of ideas, and economic development.

¹⁵ Consisting of the Universal Declaration of Human Rights and its related covenants.

¹⁶ HRDD is a preemptive process applied before any sale is made and is used to identify the most likely risk level to human rights through potential misuse of our technology. The process examines a country's long-term commitment to upholding human rights, the intended use of the technology in question and the customer type, to identify said risks early in the process and trigger the required HRDD investigation and senior-level approval/denial review where needed.

¹⁷ The Company's People Framework specifically states that "...no employee or candidate for employment will, therefore, receive less favorable treatment due to their race, religion, belief, color, nationality, ethnic origin, age, sex, sexual orientation, gender identity, characteristics or expression, marital status, connections with a national minority, disability, membership or non-membership of a trade union, or other protected classes".

45001¹⁸ certified Health and Safety Management System (“HSMS”) that covers all business groups, network services and installations, and customer operations and supporting corporate functions. The Company has a broad range of global Health and Safety implementation standards and programs targeting continuous improvement to address job-related OHS risks when installing and maintaining equipment and providing services and solutions to its customers. It also delivers training, conducts analyses and assessments, and implements periodical audits to verify the performance of its HSMS. When accidents occur, they are thoroughly investigated, and corrective actions executed to adapt safety programs and prevent future recurrence.

Nokia’s supply chain is a critical component of Nokia’s own reputation and extended impact. It actively engages with its suppliers to promote responsible sourcing practices in key sustainability areas, including environmental issues, health and safety, labor rights, and ethical behavior. The Company’s Responsible Sourcing Program focuses on supplier due diligence, climate action, circularity, and responsible minerals sourcing.

For Nokia, health and safety in its supply chain is a non-negotiable priority that needs to be complied with. For this, the Company has set stringent key performance indicators (KPIs) related to health and safety on its Supplier Maturity Assessment (“SMA”) procedure, which was developed to ensure that contractors follow Nokia’s health and safety standards, are capable of delivering work safely, and have adopted risk-mitigation procedures and controls in the projects or tasks they develop on behalf of the Company. Nokia also conducts supplier training to provide awareness of potential dangers related to their work and to ensure that the correct safety equipment is used as required.

Nokia investigates, qualifies and monitors/audits¹⁹ all suppliers, requiring them to comply with all applicable laws and regulations, and expects them to adhere to its Third-Party Code of Conduct²⁰ and provides them with Nokia Supplier Requirements, including the Responsible Business Alliance’s (“RBA”) Code of Conduct²¹ and additional Nokia-specific sustainability requirements (which cover topics such as the environment, health and safety, security and privacy, risk management, labor and human rights management, and ethics and anti-corruption), that are later integrated into Nokia’s contractual requirements.

In a clear, widely disseminated and readily accessible manner, Nokia provides employees with many avenues to report concerns (dedicated web page and whistleblowing resources) as well as resource documents and information on internal reporting channels. The internal reporting web page explains the reporting process and provides links and information about all the available reporting options. Annual comprehensive campaigns (consisting of various training initiatives, media and communications) remind and train employees on reporting concerns, available resources, and Nokia’s anti-retaliation policy.

¹⁸ The International Standard Organization’s ISO 45001 is an international standard for occupational health and safety management systems that provides a framework for organizations to manage and improve their health and safety performance.

¹⁹ Nokia’s key supplier-related monitoring, assessment and auditing activities include an on-site corporate responsibility audit program, EcoVadis (a platform that assesses the sustainability performance of businesses and their supply chains) sustainability assessments, Nokia’s inhouse Supplier Health and Safety Maturity Assessment, and the CDP Supply Chain Climate Change and Supply Chain Water Security assessments.

²⁰ Nokia’s Third-Party Code of Conduct requires Nokia’s third-party business partners to follow similar ethical practices to those included in Nokia’s Code of Conduct.

²¹ Responsible Business Alliance Code of Conduct includes environmental related requirements, covering environmental permits and reporting, pollution prevention and resource conservation, hazardous substances, solid waste, air emissions, materials restrictions, water management, as well as energy consumption and greenhouse gas emissions.

4.3 Resource Efficiency and Pollution Prevention

Through its Sustainability Strategy, Nokia emphasizes two major areas: (i) climate, addressing its own environmental footprint by focusing on GHG emission reduction across scope 1, 2 and 3 emissions; and (ii) efficient resource use and waste minimization across the value chain through circular economy. Additionally, the Company assessed that its operating standards area aligned with the Generic Criteria for “Do No Significant Harm” (“DNSH”)²² such as: (i) sustainable use and protection of water and marine resources, looking at preserving water quality, avoiding water stress, and an environmental compatibility assessment²³ before use; and (ii) pollution prevention and control, by minimizing the use and presence of specified chemicals and use of hazardous substances.

Nokia’s climate change goals include increased energy efficiency in silicon, software, and systems, providing the networks and operational skills to scale smart energy solutions. As 95% of its total GHG emissions currently result from products in use, the Company invest significantly in research and development to continuously improve the energy efficiency of their products and develop new energy efficient solutions to be one of the key factors in product competitiveness.

One of the key actions taken by Nokia to reduce GHG emissions during the product use phase is product energy efficiency improvements in product development. These key actions are: (i) incremental as well as generational hardware improvements; (ii) new energy efficiency software features such as “Extreme Deep Sleep” mode which can help operators reduce energy consumption in zero-traffic conditions; and (iii) new innovations, such as the virtual power plant can enable operators to use their existing back-up batteries and contribute to power reserve markets and the grid .

Nokia’s business groups are looking for opportunities to reduce the dependency of virgin materials, continuously increase recycled content in their products and packaging as well as increased use of refurbished secondary products. In this sense, the Company has developed a Design for Environment Guideline²⁴ aimed to achieve: (i) minimized material and energy use; (ii) maximized reuse and recycling; (iii) minimized use of materials detrimental to the environment; and (iv) equipment designed to be easily or remotely maintainable or maintenance-free. Nokia has set targets to increase recyclable packaging, increase recycled packaging material content and limit plastic packaging, and has also outlined recommended guidelines²⁵ for packaging requirements and standards, including Original Equipment Manufacturer (“OEM”) packaging and shipping to Nokia facilities or customers.

Waste management from Nokia’s operations includes residues produced in its own and leased offices, it research and development (R&D) and manufacturing facilities, its product repair operations (own and external), and its hardware product take-back. Waste breakdown is presented by recovery operation (reused or recycled) or waste treatment types (incinerated or if no other option, sent to landfill, according

²² The “Do No Significant Harm” (DNSH) principle, a key component of the European Union’s (EU) sustainable finance framework, ensures that economic activities contributing to one environmental objective do not significantly harm others. It’s applied through the EU Taxonomy and the Sustainable Finance Disclosure Regulation (SFDR).

²³ An Environmental Impact Assessment (“EIA”) or comparable process.

²⁴ Within this guideline, the environmental goals and activities of Nokia are aimed at applying product life cycle thinking to minimize environmental impacts as early as possible in the product design and development process.

²⁵ The guidelines have dedicated environmental requirements, such as banned or not recommended/allowed materials, as well as wood packaging materials, and the reuse of packaging parts, covering the end-to-end process: inflows, outflows and waste minimization such as reuse and recycling.

to local legal requirements) and is also classified by non-hazardous and hazardous waste²⁶, which follows special handling procedures for final disposition as prescribed, mandated, and/or regulated by the country in which the waste is being generated. Waste is finally handled directly by authorized vendors, landlords of such facilities where generated, and local authorities.

The Company aims to be a driver of circular practices in the industry, focusing on opportunities to promote hardware resourcing and reuse of key materials.

4.4 Community Health, Safety and Security

This Operation does not envisage the development of new projects, so there will be no new impacts on community health, safety, and security. On the contrary, through its networks and technology, Nokia has a positive impact on communities as an enabler of economic development, freedom of expression and providing social impact programs to help develop digital skills, which will provide the means for communities to participate in today's digital society.

On this regard, Nokia has a Social Impact Program that works at a global, regional and local community level, using its experts to volunteer their time and skills (as appropriate) to provide technology training, often with Nokia's customers and partners in relation to a network rollout, to local communities or groups. It also supports local level donations-based social impact programs, usually in synergy with non-governmental organizations ("NGOs"), generating a direct impact by using technology to improve access to information, social services and civil rights as well as improve digital and entrepreneurial skills in targeted communities.

4.5 Land Acquisition and Involuntary Resettlement

This Operation does not involve any kind of involuntary physical or economic displacement of the population.

4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This Operation will not generate new impacts on biodiversity or natural resources. However, since some of Nokia's main hardware products require technical components that use minerals, metals and polymers, material traceability and responsible conflict-free sourcing are required by the Company's Responsible Minerals Policy. Such policy compels all suppliers to acquire these key materials²⁷ from environmentally and socially responsible sources and via legitimate trade that brings sustainable improvements in the countries from where they have been extracted or produced. To ensure this, Nokia²⁸ carries out due diligences.²⁹

²⁶ The following categories are categorized as "hazardous": batteries, lamps & bulbs, solvents, adhesives, paints & liquids, solder and electric and electronic waste ("WEEE").

²⁷ Nokia requires its suppliers to report on their due diligence regarding sourcing of tin, tantalum, tungsten, gold and cobalt and maintain the respective data for 5 years.

²⁸ The Company, as part of the Responsible Business Alliance's ("RBA") Responsible Minerals Initiative ("RMI"), has released since 2013 an annual Conflict Minerals Report (See <https://www.nokia.com/sites/default/files/2023-05/conflict-minerals-report-2022.pdf>).

²⁹ Nokia's due-diligence approach is aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

4.7 Indigenous People

The Operation will not generate impacts to Indigenous Peoples or to their lands.

4.8 Cultural Heritage

The Operation does not involve any new project development that requires construction, excavation, or earthworks. Therefore, it will not produce any impact on the cultural heritage.

5. Proposed Management Measures

The Operation's negative environmental and social impacts are not material. Therefore, no specific management measures are proposed.

6. Additional Information

The Company offers additional information about its approach and strategy on sustainability on its website: <https://www.nokia.com/about-us/sustainability/>