

Here to make **devices**,
And a real **difference**.

Impact Report covering fiscal year 2023

HMD

We are,

**HUMAN
MOBILE
DEVICES** **HMD**

And this is how we're progressing
towards **positive change.**

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Introduction

01



2016

Started out

400M

Devices sold as of
2023

500+

Team members

200

Countries with active
HMD presence

**Market
Leaders**

second largest by
volume for feature
phones sales in units
in 2023

What we care about

Being human

Phones are about talking, sharing, capturing moments, and having fun – all the things that **make us human**.

Being honest

We're **honest** with ourselves and with others. No hidden agendas, no sweeping things under the rug.

Looking forward

We anticipate people's needs and think ahead in mobile tech. It's about finding **innovative** ways that can **improve** our day.

Our quest

Our aim is simple: we want to make stylish mobile devices that stick around. Innovative phones that empower people while doing less harm to the planet.

It's not easy, but it's the only path we're willing to take.

phones that are

fun

fast

tough

secure

affordable

repairable

recyclable

A letter from our CEO

Welcome to HMD's impact report for 2023.

Our 2023 impact report is designed to give you a behind-the-scenes view of our sustainability journey. You'll see how far we've come and how far we're aiming to go. Before you immerse yourself in the detail, let me give you an outline of our approach, strategy, achievements, and ambitions for impact.

At HMD, we know our success as a business and the future of everyone on earth depends on collective efforts to make every aspect of human life sustainable.

We're genuinely and deeply committed to playing our part by leveraging innovation and empowering our people to make a real-world difference.

Our sustainability **strategy** is wired into every aspect of our business, products, and culture.

People are our primary focus: our employees, partners, customers, consumers, investors and wider communities are all top of mind. We go to great lengths to ensure the safety of our products and that they're used responsibly.

At the same time, we are dedicated to creating a safe, inclusive, and equal-opportunity work environment for HMD's direct employees and anyone employed by our suppliers.

We have set ambitious environmental goals that we strive toward daily to maintain a stable **planet**. These include reducing our CO2 emissions by 42% by 2030 and reaching net zero by 2050 while making products that are repairable and thus have the potential to last longer and help to reduce e-waste.

I am proud to say that we are already delivering on several of our people and planet commitments, and that's because our sustainability strategy works from the inside out. Everything begins with **positive practices**. We ensure all systems, policies, and processes are in place to progress our impact goals. This has involved aligning with the best global standards and reporting frameworks for ESG and CSR. It also means working consistently hand-in-hand with our partners to meet sustainability targets across the whole lifecycle of our devices.

This journey towards a more sustainable business is not without its challenges. For example, we are always

mindful of not burdening our customers and consumers with additional costs stemming from our sustainability commitments.

We make sure we don't compromise on the look and feel of devices while incorporating recycled materials and repairability into our product designs. We have overcome many challenges with teamwork and innovative thinking. This is the important balancing act of making positive and profitable change.

Our efforts have not gone unnoticed, and our **achievements** in sustainability in 2023 fill me with immense pride and optimism for the future. The recognition we have received in the form of our second year of platinum EcoVadis status, putting us in the top 1% of businesses assessed for commitment to sustainability, is remarkable.

Another highlight was the TIME magazine award for one of the Best Inventions of 2023 for the G22: for its affordability and innovative design – enabling consumers to easily and quickly repair their own phone.

I want to thank our SLT and Sustainability Champions for driving this journey forward and the whole HMD family for your commitment and energy in bringing our vision to life.

Jean Francois Baril

Letter from HMD's Executive Chairman – Our highest governance body for sustainability



Our official business creds

Once upon a time...



...in a faraway land called Finland, we at HMD brought out our first Nokia branded devices: 5 feature phones in 2016 and 6 Android™ smartphones in 2017. We've kept the ball rolling in all areas of our device portfolio ever since: reborn classics, first-time smartphones, repairable smartphones, smartphones you can kick around, tablets, smartphones fit for enterprises, and more.

We're evolving a strategy that incorporates multiple brands. This includes the introduction of new HMD original devices that set new standards in ease of repair, as well as selling Nokia phones, and working with exciting new partners.

HMD is a licensee of the Nokia brand for phones and tablets. Nokia is a registered trademark of the Nokia Corporation. We use Google's Android operating system and work with a number of chipset providers including Qualcomm*.

HMD Global Oy was established as a privately held company in 2016. Our headquarters are in Espoo, Finland.

By the end of 2023, we employed 549 people across 37 sites internationally.

Our phones have been activated in over 200 countries worldwide.

We're innovating for a better future

At HMD, we want to empower people to stay in touch and be less impactful on the planet.

We make phones that are affordable, beautiful, desirable, and repairable.

This fuels our passion for placing sustainability at the heart of our business.

So, whether you're after a feature phone, smartphone, or tablet or looking for bespoke enterprise services, our range offers both choice and dependability.

For us, it's all about bringing you choices you can count on today, tomorrow, and well into the future.

Truly Global

In 2023, our operations encompassed 37 locations around the world. As we continuously transform, we had to say farewell to seven of our smaller offices, our key locations are going strong.

11 Key Hubs

Within our worldwide footprint, we have eleven key hubs. These are places buzzing with over 15 team members each or they're home to critical areas like Research & Development or Marketing. These are the heartbeat of our operations! Our key hubs are listed below and shown on the map in PINK:

- Espoo
- London
- Tampere
- Shenzhen
- Beijing
- Gurgaon
- Bangalore
- Taipei
- Miami
- Johannesburg
- Dubai

26 Other Locations

But that's not all! We also have twenty-six other sites across the globe. These locations are integral parts of our global tapestry. These are listed below and shown on the map in GREEN:

- Brussels, Belgium
- Bucharest, Romania
- Budapest, Hungary
- Casablanca, Morocco
- Cairo, Egypt
- Copenhagen, Denmark
- Delhi, India
- Dhaka, Bangladesh
- Ho Chi Minh City, Vietnam
- Jakarta, Indonesia
- Karachi, Pakistan
- Kolkata, India
- Kowloon, Hong Kong
- Lagos, Nigeria
- Manila, Philippines
- Nairobi, Kenya
- Paris, France
- Ratingen, Germany
- Madrid, Spain
- Seattle, USA
- Singapore
- Sofia, Bulgaria
- Sydney, Australia
- The Netherlands
- Vienna, Austria
- Warsaw, Poland



What sustainability means to us

Our journey toward value for people and planet

To many businesses, sustainability is simply a requirement.

But for us, **sustainability** is a **compass**.

For guiding us in the right direction.

For helping us achieve important milestones.

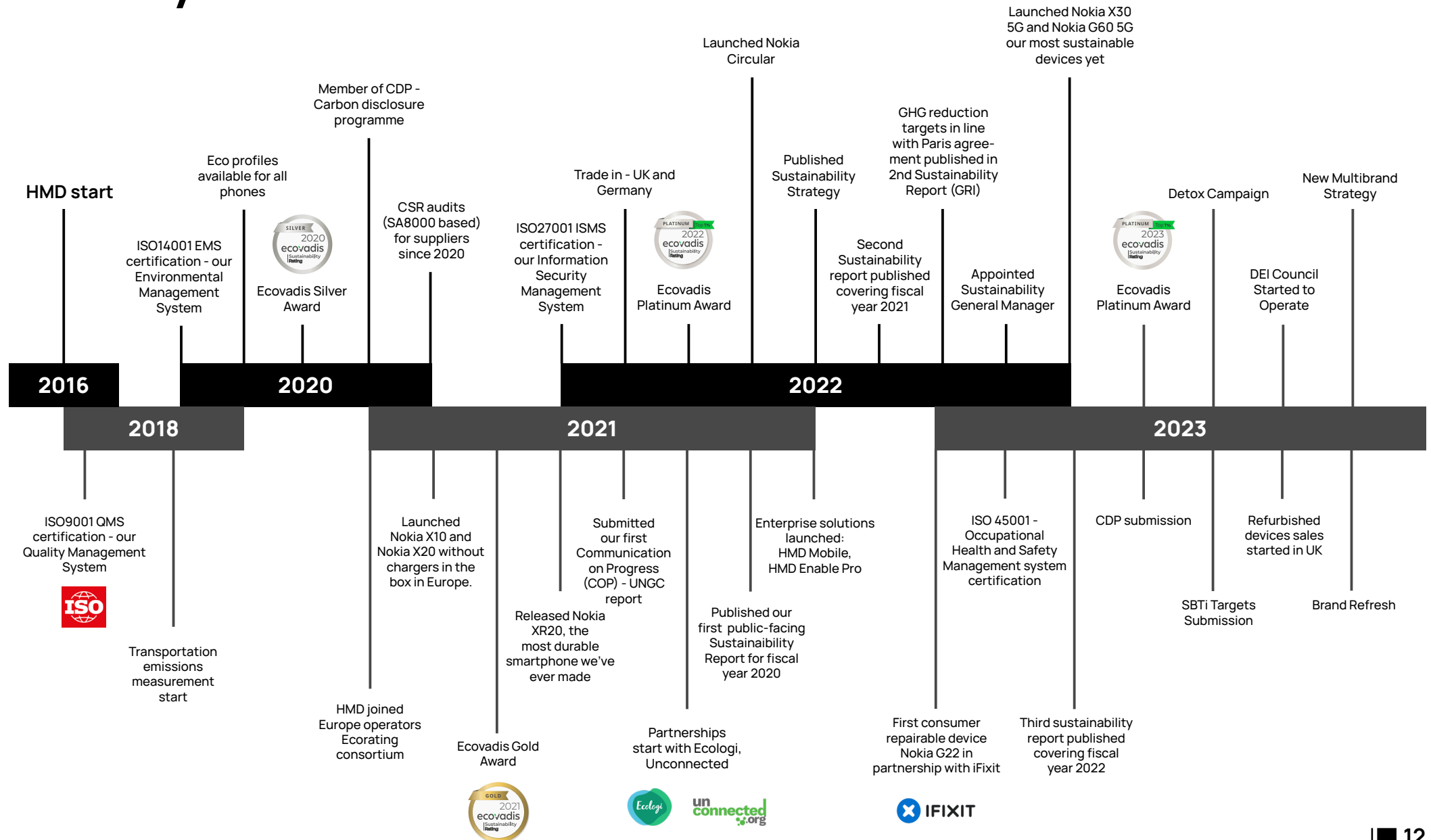
And for keeping us on track toward our ultimate destination – a profitable business **generating value** through **sustainable products**, empowered people, and practices that do **good for the planet**.

Although we say, “ultimate destination,” we know that - when it comes to making a positive impact - it's the journey that matters. Including the hard parts.

This report is designed to show you where we got to in 2023, some challenges we overcame along the way, the successes we saw, and where we're heading next.

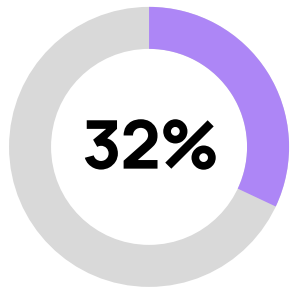


It's been an exciting seven years

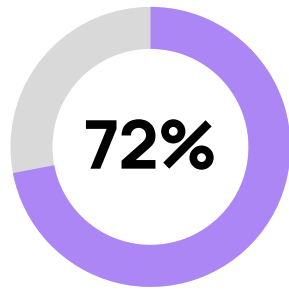


Our achievements in 2023

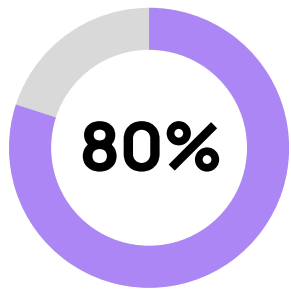
People



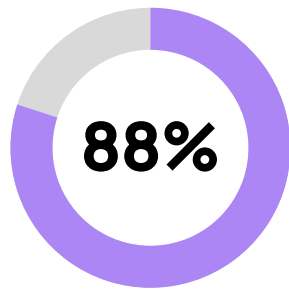
Female employees as of total HC



Wellbeing index +4% YoY



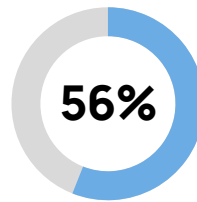
increase of training hours per employee in comparison to year 2022. That is on average 1h 48mins of training time per employee in 2023 on Claned platform only



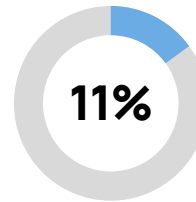
Employees completed sustainability strategy training

502K
Trees planted with Ecologi

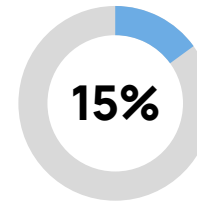
Planet



Scope 1 GHG emissions reduction from base year (2022)

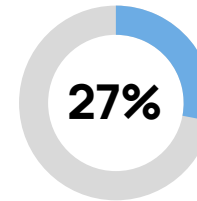


Scope 2 GHG emissions reduction from base year (2022)



Scope 3 GHG emissions reduction from base year (2022)

All smartphones with packaging. Made of certified FSC- Mix materials



of sold smartphones with consumer reparability in Europe

7,342 kg
New purchase avoidance by care team

70 Tonnes
Of charger plug production and shipment avoided

100%
Collectively trade in, refurbished and recycled volumes increased over 100% from 2022 to 2023

Positive Practices

ZERO

Incidents of violation of CoC or other business practices

100%

Of our contractors and suppliers to follow the standards set by the RBA for mobile phones and tablets adhered to our SCoC and provided their conflict mineral reporting template (CMRT)

100%
Of our factories audited by HMD quality team

Our reflections and achievements

Sustainability is not always an easy journey. The care, persistence, and innovation of our in-house teams and partners continue to enable us to overcome any challenges. That's how we're delivering innovative human-focused impact to our customers, consumers, and communities.

We're very proud of the progress we made on our environmental, social, and governance (ESG) goals in 2023. At the same time, we recognize that there is still a long way to go in achieving a more sustainable and equitable mobile tech industry.

Here are our 2023 highlights, showing progress against our goals for the year. Our achievements are classified into three key pillars, described in detail in the Strategy section, the next chapter of this report.

People

GOAL: Positively influence people and local communities by creating a safe, inclusive, and equal-opportunity work environment.

- No violation of Human rights or Health and Safety before or during 2023
- Wellbeing index up 4% points in comparison to 2022
- DEI council established
- Female employees: 32%, stable YoY
- Female employees' managerial positions up by 1% point, reaching 22% in 2023
- 80% increase of training hours per employee to 2022 base year – reaching 1h 48mins in 2023 on Claned platform only
- 94% of employees understand importance of sustainability for HMD and 88% completed Sustainability strategy training
- Donation of mobiles to digitally disadvantaged through Unconnected.
- “Employ to plant” tree planting through Ecologi, with over 502 000 trees planted to date.
- Support for mental health through our dumbphone flip phone product and digital detox campaign.

Planet

GOAL: Reduce CO2 emissions by 42% by 2030 and reach net zero by 2050, while making products that last longer and contribute to reducing e-waste.

- We've designed and crafted our mid-tier smart phones for self-repair (G22 and G42 5G/G310)
- Collaboration with iFixit on repair guides and parts and tools distribution
- 27% of our smartphone sales in Europe was including self-repair solution
- TIME magazine puts the Nokia G22 on their 'Best Inventions of 2023' list
- Significant emissions reduction was achieved in 2023 vs. the base year 2022. Scope 1 -56%, Scope 2 -11% and Scope 3 -15%
- In 2023 we avoided production and shipment of approximately 70 tonnes of charger plugs from our products sales boxes
- Circularity of the materials are in our focus and that is why we are promoting multiple initiatives related to recycling and second life. Collectively our trade in, refurbished sales and recycled volumes collected increased in 2023 by over 100% in comparison to 2022

Positive Practices

GOALS: Ensure all systems and processes are in place to progress our commitments. Align with global standards and reporting frameworks. Work with our partners to meet our mutual sustainability targets.

- EcoVadis Platinum status maintained
- Member of SBTi since March'23. Targets were submitted for review in June 2023 and approved in February 2024
- Emissions were reported to CDP for the first time in July'23.
- 83% of employees completed training on Code of Conduct
- Zero reports of corruption in 2023
- 100% of our factories audited by HMD quality team
- minimum B score was reached by our global device factories during CSR audits
- All contractors and suppliers committed to our Supplier Code of Conduct

Recognizing our strides in sustainability

In 2023, HMD achieved the highest possible Ecovadis rating for a second year running. Ecovadis is the world's largest and most trusted provider of business sustainability ratings. It evaluates over 130k companies. The in-depth Ecovadis evaluation covers environment, labor, human rights, ethics, and sustainable procurement. Over the last four years, HMD has moved from Silver to Gold to Platinum Ecovadis rating. In 2023, we retained our Platinum rating for the second year running. This rating is an important signal of our commitment to sustainability for everyone we work with and every customer we serve.

HMD Global is in the top 1% of businesses assessed. How did we achieve this?

Ecovadis looks at the company holistically – that's why their recognition is so important to us. We started our Ecovadis journey with an intensive gap analysis so we could understand how to create positive impact. For example, we realized that we needed to work harder on sustainable procurement. This led to substantial improvements in this area culminating in the ISO2400 (sustainable procurement) certification. With our latest Ecovadis evaluation, we achieved particularly strong points for our sustainability strategy, clear KPIs for people and planet, transparent reporting, and labor and human rights policies.

Our ambition to continuously improve our sustainability credentials doesn't stop here; our goal is for HMD to be a sustainability leader in the mobile tech industry and set an example globally. This isn't something we can achieve overnight. This takes business critical planning and daily execution. The external validation from Ecovadis has strengthened our resolve to smash our environmental, social, and governance targets year-on-year.



Ecovadis Silver
2020
Top 25% of companies globally



Ecovadis Gold
2021
Top 5% of companies globally



Ecovadis Platinum
2022
Puts HMD in the top 1% of evaluated companies



Ecovadis Platinum
2023
Top 1% of companies for the second year in a row

Our approach

In this section

Sustainability strategy: our commitment to people, planet, and positive practices

- People
- Planet
- Positive Practices
- Goals

02



Sustainability Strategy

Our Commitment to People, Planet and Positive Practices

At HMD, we push for positive and profitable change for everyone, everywhere. On our sustainability journey, innovation embraces humanity, beautiful design is at the forefront of everything we do, and the future is built on profitable positive impact. So, although regulations and globally recognized reporting frameworks guide our strategy, its focus is – above all – delivering value for people, whether internal or external stakeholders, current or future generations.



Our People | Our consumers |
Our customers | Local Communities

People

We are committed to being a positive influence on **people and local communities**. This starts with being a **responsible employer** and creating a safe, inclusive, and equal-opportunity employment environment.

We also recognize our responsibility to **consumers** and take this very seriously. HMD puts people first, using technology to make life easier and solve real-world challenges with tech innovation. We make phones that are affordable, beautiful, desirable, and repairable.



Circular initiatives to reduce e-Waste |
Made to last longer |
Reducing CO2

Planet

We continue to strive to design and deliver devices that are **made to last longer**. By making HMD devices robust and repairable, they have increased durability and longevity. That means people dispose of fewer broken phones and purchase fewer new ones, which helps reduce **e-waste and reduce GHG emissions** across the value chain.

We hope to drive the movement toward a circular economy by utilizing recycled and recyclable materials as much as possible. We're also working to strengthen strategic partnerships with customers on initiatives that stop devices being sent to landfill.



Sustainable Procurement | Ethical sourcing
& manufacture practices | Ethical business
practices | Financial & ESG reporting |
Data Protection

Positive Practices

To deliver on our people and planet promise, we will keep embedding our sustainability goals within our product design, sourcing, production, people, and marketing. To achieve this, everyone at HMD plays their part in delivering on our targets, and that starts with **strong governance** from our leadership team.

HMD's leaders ensure that the positive practices in all business areas are aligned with the **highest global sustainability benchmarks and associations**. We report our impact according to these frameworks on an annual basis.

People



People

Listen, Care, Design, Deliver

As with everything at HMD, we began our sustainability journey by tuning into what the people we support really want. We believe that co-creating a sustainable future is the key to joint success.

Our People

Our people are proud to belong to a company that has sustainability at its heart. Being clear about our care for people and the planet helps HMD to attract, develop, and retain high-performing talent.

Our biannual employee pulse survey confirms that over 94% of employees understand the importance of Sustainability for HMD.

The safety and wellbeing of all our team members and people in our supply chain is paramount to us. We adhere strictly to local employment and labor laws in every country we operate in and insist that our suppliers do the same. Additional policies prevent using child labor¹ and conflict minerals² in our production processes.

We nurture our direct employees through structured training programs and career development plans, while encouraging a culture of innovation, learning, and collaboration. Understanding how to foster a diverse, equitable, and inclusive work environment is one of our top priorities. This includes efforts to close the gender pay gap and consider greater diversity in leadership positions in future planning.

Our consumers

Co-creation is the answer to providing products that genuinely meet peoples' needs. So, we listen first, design second.

Research tells us 79%³ of consumers are changing their purchase preferences based on social responsibility, inclusiveness, and environmental impact.

And that's why our safety, durability, and sustainability promises resonate with our consumers. We also empower consumers wanting to manage their mental wellbeing through fewer digital distractions, limited screen time, and more in-person interactions by innovating in the feature phone space and designing phone options with simplified features. Our consumer insights continuously inspire us to provide human innovation at every level from enabling smart apps and payment on feature phones to micro financing smartphone solutions that are empowering millions of people to change their lives for the better.

Our customers

Sustainability legislation is rapidly evolving across the globe. As a result, many of HMD's partners have their own sustainability goals and net-zero targets. We form a part of our customers' Scope 3 emissions. We understand that. That's why we actively play a central role in supporting these companies to meet their net zero targets.

Our Communities

To us, business's responsibility towards people extends beyond our stakeholders to include as many global citizens as possible. Our impact through this ethos has been incredibly humbling and heartwarming so far, and we will continue to partner with organizations that empower people within communities across the world. This includes helping to alleviate extreme poverty by paying local people a fair wage to plant trees and manage tree nurseries, as well as donating phones to digitally disadvantaged people so that they can access the internet and improve their lives.

For further information on People, please refer to chapter 4 of this report.

Our People
Our consumers
Our customers
Local Communities

HMD



Planet



Planet

We Believe in Profitable and Scalable Sustainability

We are more motivated than ever to make devices that last longer. From integrating recycled materials into our products to extending the life of our phones, we want style to meet eco-consciousness at a cost you can afford. Our goal is to craft phones that don't just turn heads but are also kinder to the Earth, pocket-friendly, and built to last.

Key Challenges: Emissions and E-Waste

Greenhouse gas (GHG) emissions are one of the biggest challenges facing humanity today. They are causing the planet to overheat, changing the global climate system. These changes are triggering dangerous weather events affecting the safety of millions of people worldwide. Alongside others, the mobile tech industry generates vast amounts of GHGs, particularly carbon dioxide (CO₂), through the sourcing of materials, production, and use of electronic devices. We are committed to finding ways to reduce the emissions we're responsible for and reach net zero emissions by 2050.

Another global challenge is biodiversity loss. The ecosystems we all rely on are struggling due to several different threats, including pollution. One source of pollution is the electronics people throw away. Over 50 million⁴ metric tons of this e-waste is generated every year since 2017. Globally, we don't have enough recyclers to process it. 80%⁵ of e-waste ends up in landfills, with a significant portion dumped in developing countries. When left in landfills, electronics leach toxic chemicals like lead, mercury, and cadmium into the soil and water, including the drinking water supplying local populations.

Playing our part in solving these problems is what drives our product propositions, designs, materials, packaging, transportation, and end-of-life recycling initiatives.

Our Solutions

Made to last longer

HMD aims to be a leader in sustainable design and materials. We want to be known for creating devices with a superior build quality that last longer. That's why our teams are developing products at all price points to be more durable without compromising look and feel.

At the same time, we're always exploring new ways to limit the amount of energy used during the product's production and use and limit waste at the end of its life. Our policies ensure we don't use hazardous materials in our production processes.

The circular economy

Given the seriousness of e-waste and the GHG emissions and pollution associated with sourcing raw materials, creating a circular economy is essential for sustainability in mobile tech. We will continue to explore partnership opportunities to close the loop and drive circularity in our sector, including initiatives such as:

- Enabling consumers to buy refurbished devices.
- Donating used devices to digitally disadvantaged people.
- Offering free end-of-life recycling to customers in 33 countries.
- Creating new phones with a high percentage of recycled materials.

Right to repair

Repairing a device means generating less waste and reducing greenhouse gas emissions (GHGs) by up to 89%⁶ compared to replacing it. DIY reparability can extend the life of our products while making affordable technology accessible to everyone.

We will continue to champion the right to repair by creating products that empower people to fix their phones themselves.

Reducing CO₂

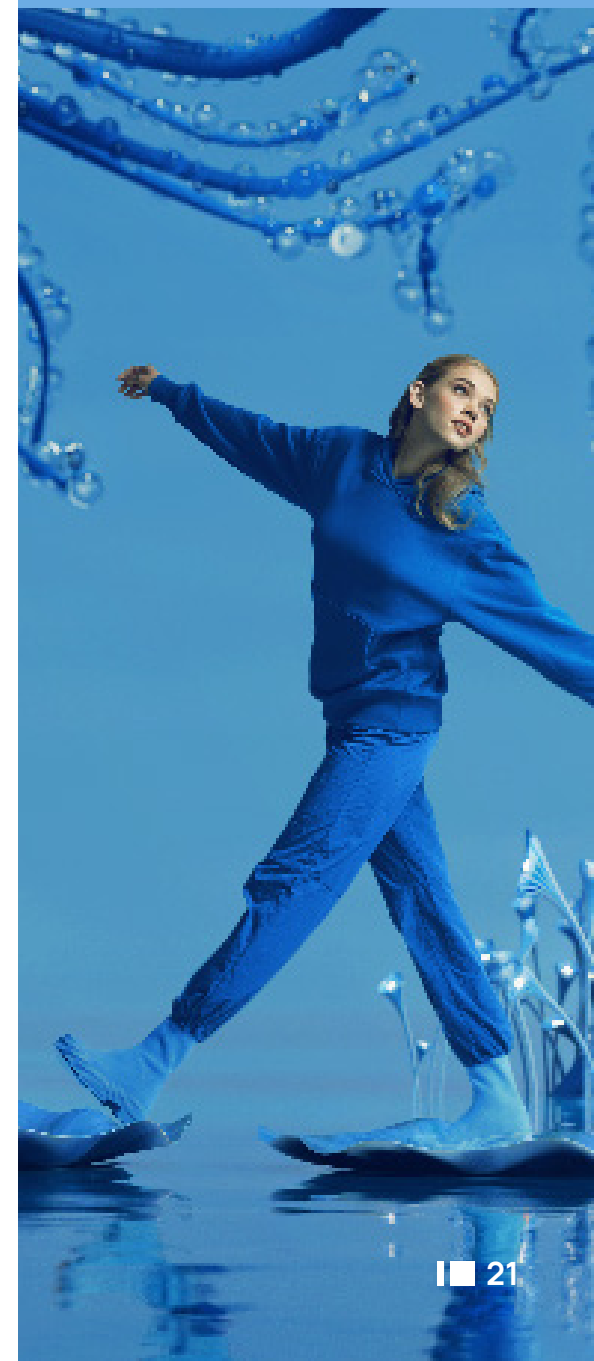
We have committed to reducing our carbon footprint by 42% by 2030 and reaching net zero by 2050. To ensure accountability, we have partnered with the Science Based Targets initiative (SBTi) to have our targets evaluated, approved and be able to report on progress on annual basis.

Internally, we will innovate in all relevant areas to meet these targets. Our emissions reduction roadmap considers various aspects of our business. Major areas from an emissions perspective include production, e-waste, and transportation. Additionally, we address areas with a lower percentage of emissions but within our control, such as energy usage in HMD offices disadvantaged people so that they can access the internet and improve their lives.

For further information on Planet, please refer to chapter 5 of this report.

Circular initiatives
to reduce e-Waste |
Made to last longer |
Reducing CO₂

HMD



Positive Practices



Positive Practices

Go-to-Market Governance

Our positive business practices and robust governance processes underpin, guide, and support all our commitments to people and planet while also delivering value for our stakeholders.

Sustainability and Governance

To ensure we make responsible decisions in everything we do, we have leadership team and board sponsorship for all our sustainability strategy initiatives.

Implementing the highest standards of governance enables the progression of our sustainability journey year after year and results in tangible outcomes.

Stakeholder Engagement

So that we can continue to meet stakeholder expectations and needs regarding sustainability, we actively and openly communicate with them to understand which material topics our Sustainability Strategy should cover.

Sustainable procurement and a responsible value chain

We value our suppliers highly and ask that they share our business ethics and standards concerning society and the environment. All our suppliers commit to our Supplier Code of Conduct⁷. They are assessed according to our Environmental Requirements, Health and Safety Policy, and Management practices, as well as our new Sustainable Procurement Policy.

Supplier Assessments: CSR audits and compliance requirements

We have further requirements for all suppliers to meet Corporate Social Responsibility rules, and we ask them to ensure their own suppliers meet standard CSR requirements. These requirements include audits and compliance to ensure no child labor, freedom of association, and zero tolerance for discrimination.

Sourcing sustainable materials and substances

We recognize the negative impacts that mining can have on the environment and human rights. To ensure that the materials and substances sourced for our devices avoid these risks, we are participating in the Conflict-Free Sourcing Initiative, our official stance on conflict minerals is included in our Code of Conduct, and we follow the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals and Conflict-Affected and High-Risk Areas. HMD has also own Conflict Mineral Policy in place.

Anti-corruption and anti-competitive practices

HMD is committed to complying with the highest ethical standards, which are embedded in our Business Ethics Policy and Company Code of Conduct⁸. All employees

have access to training and resources on business ethics. Regular compliance assessments enable us to mitigate any risks.

Encouraging our employees to Speak Up⁹

We encourage people to raise concerns to help protect themselves, each other, and the organization, supported by an open, honest communication culture. We provide channels for employees to disclose non-public information anonymously and in confidence.

Responsible information management

We respect everyone's right to privacy and follow all applicable data protection and privacy laws. Our Data Protection Officer helps ensure we hold ourselves to the highest compliance standards.

For further information on Positive Practices, please refer to chapter 6 of this report.

Global Sustainability Standards

To make sure we're meeting the milestones on our sustainability journey, HMD's sustainability strategy is aligned with several internationally recognized benchmarks and associations, including:

- **EcoVadis**
ecovadis

- **Global Reporting Initiative (GRI)**



- **Carbon Disclosure Project (CDP)**



- **Science Based Targets initiative (SBTi)**



- **United Nations Global Compact (UNGC)**



Aside from reporting according to these standards year-on-year and demonstrating our progress publicly, we also act in line with the Global Compact and The United Nations' ¹⁰ Sustainable Development Goals (SDGs) ¹¹.

In 2023 along with our materiality survey we asked our internal and external stakeholders about importance of SDGs for them and their business. As result of that study and following sustainability strategy principles the SDGs we've chosen to focus on are:



Quality Education



Gender Equality



Affordable and Clean Energy



Decent work and Economic growth



Industry, Innovation and Infrastructure



Responsible Consumption and Production



Climate Action



Life on Land



Partnerships for the Goals

2024 Goals



2024 Opportunities for Impact

We believe that sustainability is a foundation pillar of HMD's future success.

Our new multi-brand strategy marks the next chapter of our journey, a chapter in which we chart our own course. That includes our unwavering commitment to progressing our sustainability strategy year-on-year.

There are many exciting things on our impact horizon in 2024 and beyond. Here is just a snapshot of what we're aiming for this year.

People

By leveraging our new multi-brand strategy, we will strengthen stakeholder engagement and continue to listen to what's important to them. We aim to protect their priorities, especially the need for a safe, equitable, and sustainable world.

We will create more affordable devices, enabling improved access to communication.

Internally, we will continue increasing training offer for all employees including sustainability trainings, increase the number of female staff at HMD, close the gender pay gap as soon as possible, and pursue diversity and inclusion across all teams.

Planet

We will continue our efforts on responsible environmental practices through conscious product design, strengthening partnerships, and improving processes to align with the highest global sustainability standards. We are committed to run Life Cycle Assessment (LCA) projects for HMD products to make better choices during design and production.

Repairability will continue to be central to HMD's product proposition, and we're exploring far-out ways to promote longevity through innovation.

Circularity remains a priority, and we are going to work hard to strengthen the partnerships and connections needed to implement it wherever possible.

All above efforts are in line with strong GHG reduction targets.

Positive Practices

It's essential for our sustainability ambitions to be grounded in solid governance, in parallel with clearly defined commitments, targets, and measured execution.

To achieve this, we will continue commitments to the following international bodies and frameworks:

- GRI
- UNGC
- CDP
- Ecovadis
- SBTi

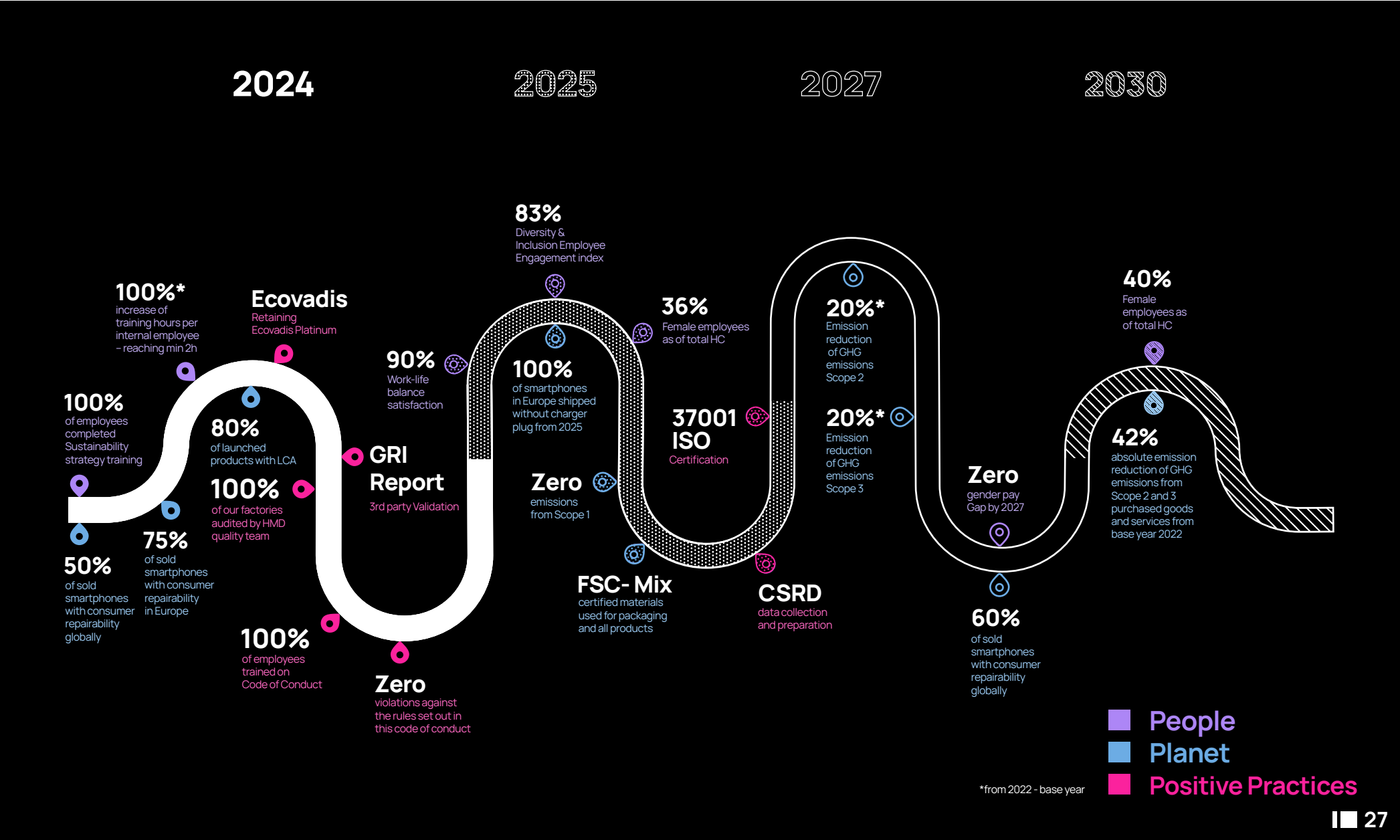
We will also take on new standardization and reporting obligations in 2024, including:

- ISO 20400
- 3rd party validation of our Sustainability report

Maintaining ethical standards continues to be important to us, so we have no plans to relax any requirements in that field.



2024 Opportunities for Impact



Product

03



03

Products In this section

Our passion for repairability

- 2023 - Challenges, achievements, and new aspirations
- A new generation of repairable devices
- Thinking sustainably at every stage
- Product quality
- User health and safety

KPI					
Product development for longevity	% of sold smartphones with consumer repairability	Globally		2023	11%
		In Europe		2023	27%
Packaging and sales box content	Packaging made of certified FSC- Mix materials			2024	50%
				2024	75%
Packaging and sales box content	% of product shipped w/o charger plugs			2022	1%
				2023	5%
Recycled content in products	Contains recycled materials in products (aluminium and plastic)			2025	10%
				2025	5%
Product Energy efficiency	Minimalising energy need during product use phase			2022	0%
				2023	4%
Life Cycle Assessment (LCA)	Products with own LCA calculation			2025	5%
				2025	5%

2023 -

Challenges, achievements, and new aspirations

Our sustainability commitments have tested our product team in many ways, but even more, they have inspired us to continuously innovate. We look forward to taking these developments even further in the future.

Overcoming difficulties to make a difference

“In designing for repairability, we had to find a balance with device dimension and cost. Our research tells us that users certainly don’t want to sacrifice compact size for sustainability. So, our Original Design Manufacturers (ODMs) and mechanical experts reviewed and optimized the design to make the changes in dimension, weight, and affordability as minimal as possible. We refuse to compromise on beautiful design for sustainability. We want to make sustainability desirable and that means we were challenged to create an overall design that’s attractive, long-lasting, and repairable.

Incorporating recycled materials into our products is complex too. We have to consider their durability – both for longevity and safety. So, my team needed to figure out what alternative approaches we could take to make this work.

There were market-specific challenges too. For example, in Sub-Saharan Africa and India we found that consumers are concerned about ease of repairability leading to ease of theft of their device parts. If someone can open their phone

easily, they might steal their battery for example. So, we took this into account when designing the opening mechanism for the back cover.”

Achieving the impossible together

“In 2023, we worked closely with our key ODM partners, vendors, and even certification labs to put EU regulation into action ahead of the due date for implementation through EcoDesign, Energy Labelling, and adopting Type-C charging ports across all smartphones to reduce the number of chargers needed and reduce e-waste.

To add to this, we are using more recycled materials in many of our device designs. We are continuously optimizing and improving our packaging in collaboration with our suppliers to provide more sustainable options.

Our partnership with iFixit to offer repair parts and education for “Right to Repair” activated our sustainability commitments even further by empowering users. Also, by working together with iFixit and other partners, we were able to maintain repairability while taking into account the diverse needs and nuances of local markets.”

Our journey has only just begun

“Our product team is fully committed to continuously improving durability with sustainable materials and repairable design. In the coming years, we will be applying sustainable design to more products, including feature phones. We will also continue to work with partners, ODMs, and vendors to comply with EcoDesign and related regulations.

Importantly, as part of this journey, we want to provide new and innovative product concepts that empower people’s purchase decisions.”

KC Chang
HMD VP Product



2023 was all about

Repairability Repairability Repairability

We have an absolute passion for driving innovative advances in device repairability. It's not easy, we have faced challenges.

We are completely focused on improving the ease, affordability and beautiful design of mobile self-repair for people everywhere.



Fixable phones:

Consumers want them, our planet needs them

By 2030 global e-waste generated is projected to grow to 74.7 metrics tons / 9 kg per person (Global E waste Report 2020). **Only 17% of e-waste is recycled** (UNEP).

Increasing the **useful lifespan expectancy** of electronic devices by **50%-100%** can mitigate up to half of the total GHG emissions (Circular Economy Study 2022).

Two out of three (66%) consumers **damaged their device** over the past year, one out of three **(30%) damaged cracked their screen** (Phonefix 2023).

Globally, **six in ten (60%)** want to keep their smartphone for as long as they can. (Kantar Comtech Survey 2022)

Eight in ten (77%) of EU citizens would **prefer repairing to buying new goods**. (European Commission study)

Every **1 in 4 smartphones** HMD sold in the EU in 2023 was **repairable**. In 2024 this is projected to grow to more than **3 in four (85%)** (HMD Global Sales)

A new generation of repairable devices

In 2023, we released three new consumer repairable devices: **Nokia G22**, **Nokia G42**, and **Nokia G310 5G**. Because people value sustainable, beautiful devices and we believe they shouldn't have to compromise on price to get them.

Also, we continue to focus on **design and affordability** of our handsets, and repairability is now central to our product proposition. Our aim is to help people to make their phones last longer by enabling the overall **longevity of their device**. And it makes people's lives a lot wasier by making it as quick and simple **as possible**.

Parts that consumers can repair themselves

Battery

Screen

Back Cover

Charging Port



Co-creating and collaborating to enable DIY repairs

We listen first, design second

Our consumers want to be able to keep their phones for longer. They told us so themselves. Today, that means being able to repair the major elements of a phone. And we're all about what our users want, so we've made it a priority.

Cracked screen? Drained battery? Damaged cover? Charging port not working? We think people should be able to replace these parts – not with specialist equipment and expert-level knowledge, but with a simple set of tools and some freely available guides. So, we've prioritized making it easier and cheaper to replace the parts of a phone that are most likely to get damaged.

By finding solutions to these common issues, we knew we could help people while also significantly reducing GHG emissions and premature e-waste.

Repairability is a team effort

We collaborate with iFixit – leaders in the repairability space – and we create innovative designs that support our users' right to repair.

For the last 20 years, iFixit has been on a mission to empower people to fix their stuff and save money while keeping electronics out of landfills. They don't repair devices but enable DIY repairs for everyone. They believe repairing will help the world reduce waste, limit the use of natural resources, drive the reuse of materials to combat climate change and restore and bring more inclusive access to opportunity and basic social services.

“HMD's ongoing commitment to designing phones with repairability in mind is an encouraging shift in our throwaway culture.

They're proving that HMD has the innovative culture needed to drive advances in repairability. We're keen to collaborate as they work towards making repairable phones the norm, not the exception.”

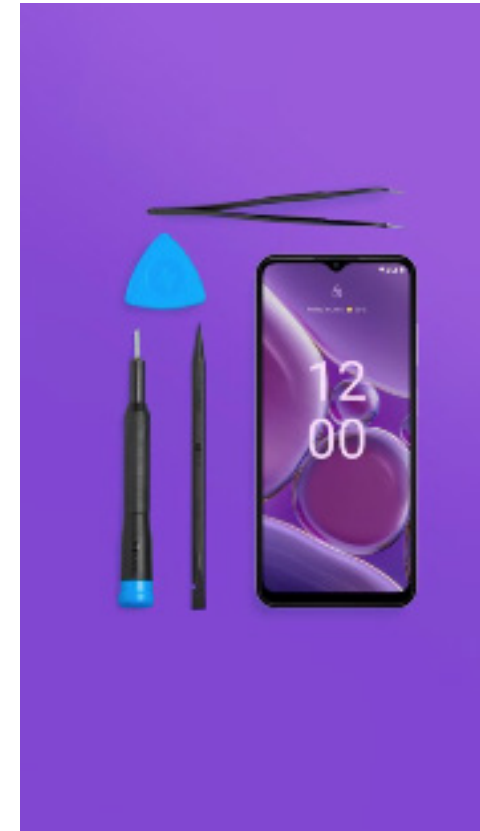
Kyle Wiens,
CEO of iFixit

Innovating self-repair for a sustainable future

Through HMD and iFixit, people can easily access genuine parts for the Nokia G22, Nokia G42 5G, and Nokia G310 5G. We also provide top-quality, user-friendly tools and step-by-step repair guides.

Industry-leading innovation in repairability is the key to our sustainability journey. 1 in 4 of the smartphones we sell in Europe are already repairable, and that will only increase as we lead innovation in this space.

Replace a screen in under **20 minutes**.
Change a battery in under **5 minutes**.
Here's to a **fixable future**.



Trailblazing Nokia G22 named “Best Invention of 2023” by Time

The Nokia G22 is the first Nokia smartphone with repairability at its core. It's packed with features that improve performance and longevity without extra cost. Keeping it in use and out of landfill for longer.

Thanks to its repairable design, users can replace a damaged display, bent charging port, not working battery or scratched back cover.

Voted the Best Invention of 2023 by TIME for ease and speed of repairs and affordability.

TIME

Back cover made with a **100%** recycled plastic back

A whopping **3-day battery life**, capable of 800 full charging cycles*

Replace the display, battery, back cover, and even the charging port with ease

* The 3-day battery testing was conducted using a real-life usage test by HMD Global. The test included active usage of a device for 5 hours per day with a new battery. Usage included e.g. gaming, video streaming, calling, sending SMS, browsing and using apps (such as social media, news, navigation and music). The test was conducted with normal device settings in a lit indoor environment. The device was left on standby overnight.



Mobile World Congress 2023

The world's largest and most influential tech event

10

AWARDS WON

5,000

ARTICLES

40%

SOV AT LAUNCH

+76%

REACH VS 2022

The Verge
 “I hope other manufacturers are paying attention”

HMD in action at MWC 2023

Live demo of our latest quick repair smartphones

“At MWC 2023, we turned up very differently with everyone leaning into the fact that we were able to bring an innovative ‘quick repair’ design to our new 5G smartphone.

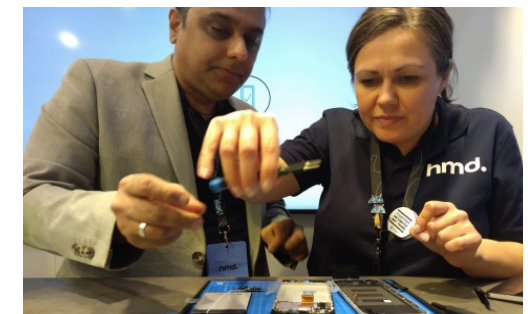
There was a lot of energy and buzz on the ground, our booth was attracting plenty of visitors to see an affordable repairable smartphone on display, and we were showcasing how easy it is to repair. I enjoy tinkering, so joined the demo team at the congress. I replaced a lot of Nokia G22 batteries that day!

Repairability is a key element to making our industry more sustainable. I cannot think of a person who hasn't dropped their phone and smashed the screen at least once. That very often meant either a costly repair or getting a new phone despite the other parts being perfectly fine. Now, being able to order the parts and do the repair at home not only saves money but also time and, most importantly, e-waste.

I am excited about HMD's sustainability initiatives because it gives me an opportunity to do the right thing and contribute to driving change. There's no 'planet B', so we need to take care of the beautiful one that we have.”

Gosia Gornicz

Global Go-To-Market Manager, HMD Marketing Team



Repairability sparks a seismic shift in our product story

“Two years ago, my team and I were assigned to create and deliver a high-quality and reliable, yet easily repairable smartphone product. I had never designed such a mobile device in the past. For me and our partners, it was a huge challenge.

Many people were wondering things like, ‘why a repairable phone?’, ‘what does a repairable device mean for sustainability?’, ‘what’s the advantage of fixing my phone by myself?’ However, I’ve since realized that repairability can bring a lot of advantages to us, mainly:

Less fixing time

Previously, if you had to send your device to the manufacturer for a hardware issue, it could take three to five days or sometimes even weeks to get it back. In today’s world, being without our smartphones for several days is not acceptable. So, enabling easy repairability offers people the convenience of fixing their devices quickly with simple but accessible tools and guidance at home.

Longevity

Sustainability is not limited to the recycled material we incorporate into our products but also how we can extend the device life cycle to reduce e-waste.”

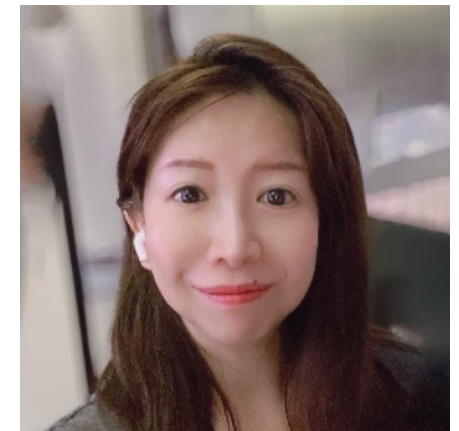
We innovated for award-winning sustainability

“Ever since the Nokia G22 launched in the market, I’m always happy to hear people saying, ‘Even I can fix my own phone!’ I’m proud to have played a role in delivering this product, and it was a great moment when the G22 was recognized by TIME magazine as one of the best inventions of 2023.

From a technology design point of view, it’s a big shift to consider sustainability in our product roadmaps, but we’re planning to integrate this into many more exciting devices in the future.

I believe each one of us can contribute a little to the Earth that we’re living on, and I’m really proud to be working in such a sustainability-focused company as HMD.”

Loaurrine Lin
Project Manager,
HMD Product Development Team



Nokia G42 5G: repairable, beautiful, affordable – Next easy repairable device from HMD

So immersive, So fast
So clear, So entertaining
So seamless, So secure
So stylish, **So fixable**

“Not only does the Nokia G42 5G look great, it’s also a continuation of our repairability journey which is now a fundamental part of the way we design smartphones.”

Lars Silberbauer
CMO of HMD



Launched in 2023, the G42 is fashionable and affordable. It comes with 5G connectivity, AI-powered imaging, long battery life, and QuickFix repairability, all wrapped up in a box made of fully certified FSC® Mix material - with brown kraft paper packaging in Europe.

It’s a **hard-as-nails** phone, **built to last** while enabling users to easily **replace** the display, battery, back cover and charging port.

5G connectivity

Fast network speeds, powered by the Snapdragon® 480+ 5G chipset.

Big screen, big audio

6.56” HD+ display and OZO Playback for immersive videos and music.

Stunning photos

Using AI algorithms, the 50 MP camera takes shareable shots, day or night.

3-day battery life*

Forgot the charger? Nokia G42 5G will see you through the weekend.

* The 3-day battery testing was conducted using a real-life usage test by HMD Global. The test included active usage of a device for 5 hours per day with a new battery. Usage included e.g. gaming, video streaming, calling, sending SMS, browsing and using apps (such as social media, news, navigation and music). The test was conducted with normal device settings in a lit indoor environment. The device was left on standby overnight



Thinking sustainably at every stage

From the initial blueprint of our devices to our commitment to reducing end-of-life waste, we're on a relentless quest to minimize our environmental footprint at every stage of our product lifecycle. This encompasses designing for repairability, incorporating recyclable materials, repurposing components, and staunchly opposing e-waste. Here's a glimpse of our transformative efforts throughout 2023.

560 Trade-In transactions completed: a win-win solution

Our Trade-In program empowers customers to swap their old devices for discounts on new Nokia and HMD models, even accepting non-Nokia phones. Since its launch in March 2022, we've completed 560 Trade-In transactions.

Harvesting components from e-waste: 7729 kg of production avoided

Combatting e-waste is essential for a healthy environment. One way we're helping to achieve this is by salvaging components from retired devices. In 2023, we avoided production of a remarkable 7729 kilograms of products thanks to harvesting old products. Our recycling service spans 33 countries, including the EU, Norway, Switzerland, the UK, and the USA. For detailed insights, explore www.hmd.com

Fostering partnerships for a sustainable Europe

Continuing our commitment to environmental stewardship, we actively participate in the European Take-Back partnership, honoring our responsibility

to collect and recycle waste electrical and electronic equipment (WEEE) across Europe. Upholding this obligation isn't just legal compliance for us; it's a testament to our unwavering dedication to safeguarding the planet.

Introducing recycled devices to the UK market

In 2023, we launched the sale of recycled HMD devices in the UK. We hope to extend this further afield in the future.

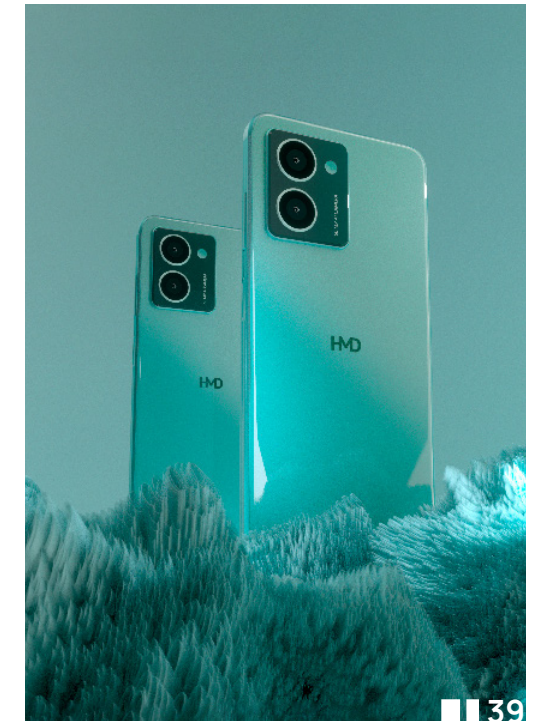
Planting the seeds of change: over 502,000 trees and counting

Our enduring partnership with Ecologi has seen us fund the planting of over 502,000 trees since the start of our partnership. By offering consumers the opportunity to support tree planting, we're fostering a sustainable ethos across the globe. For the latest updates, visit <https://ecologi.com/hmd>.

Upholding environmental transparency and accountability

Transparency is an integral part of our environmental commitments. Detailed environmental profiles for

all our devices, including material information, recyclability rates, and energy efficiency, are available on our website. We've had these in place since 2020 when we joined the operator-initiated scheme, Eco Rating. On top of the Waste Electrical and Electronic Equipment Directive (WEEE), HMD complies as well with RoHS. All of our products are marked in accordance with these guidelines. Our recycling partners are guided by R2 accreditation, which helps to strengthen our dedication to environmental responsibility.



Product Quality

At HMD, we believe in making a difference in the world with a keen focus on how we solve real world problems. We strive to bring innovation across the portfolio, enabling payment on feature phones and repairability and beautiful design on smartphones. HMD recently introduced Universal Payments Initiative - UPI micro payments and cloud technology on our feature phones, proving technology can be both accessible and transformative, enabling millions of people to make payments on their feature phones.

Innovating with purpose, and partnerships are critical to our success. Our partnership with M-KOPA is an excellent example, using HMD Softlock, we are enabling access to life changing technology across Africa for over 1 million people, for as little as 50 cents a day.

Our aim? Empowerment, not overload. And when it comes to challenges like overconsumption, count on us to tackle them head-on. Our innovation is focused on fostering a balanced relationship with technology, one that enhances your life and puts you firmly in command of your interactions.

Quality Assurance

We're sticklers for quality, following ISO9001 and IEEE international standards to a tee. We make sure everyone's on the same page, from our partners to our suppliers, right from the get-go. We keep a close eye on things throughout the whole process, from development to sales, to make sure everything meets our high standards.

Stringent Reliability Tests

Our products go through some serious tests, from tough military trials for our XR series to outperforming the competition with our entry-level devices*. We're proud of our top-notch build quality, thanks to one of the toughest manufacturing standards out there. We put our gadgets through force tests, tumble trials, fatigue checks—you name it. And we don't stop there; we also make sure our suppliers meet our quality standards.

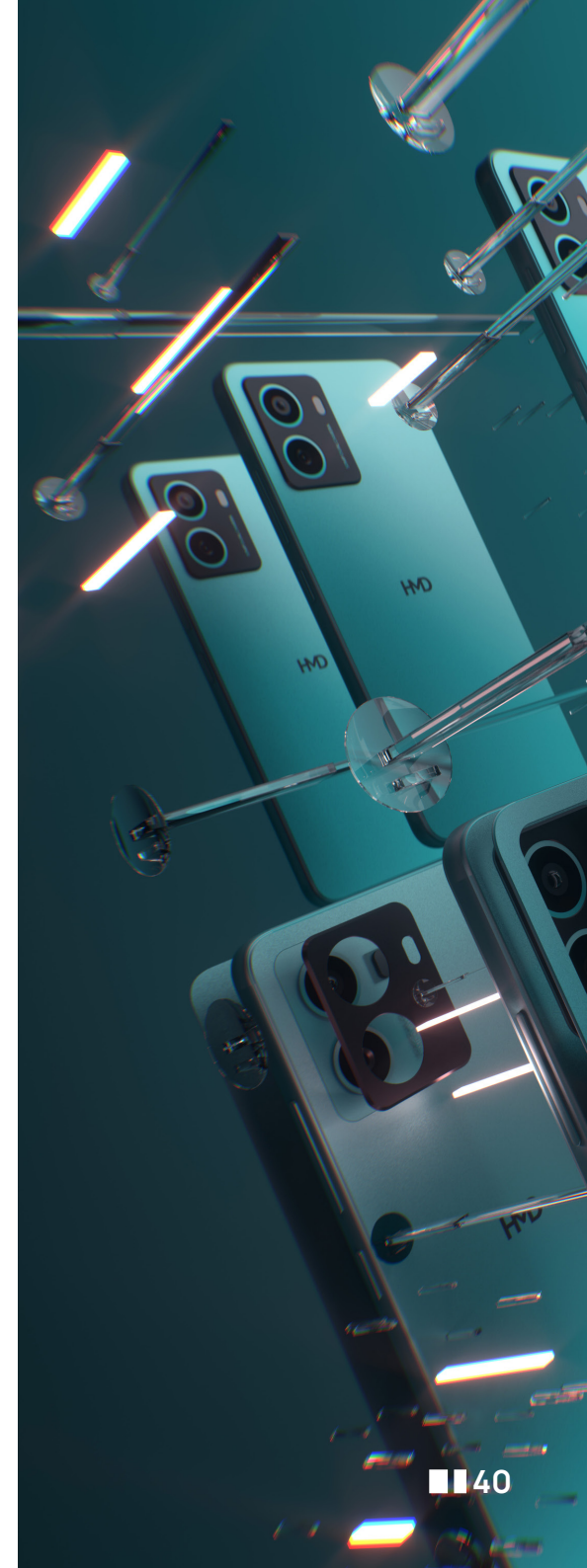
Right from the Start

When we dream up a new device, we leave no stone unturned. We map out features, timelines, and quality plans right from the start. Each step of the way, we've got checklists and documentation to keep us on track. Weekly plans guide us through each phase, and when we hit that final milestone, you'd better believe there's a thorough last round of testing waiting. Plus, we make it easy to recycle our products, with clear instructions in our user guides.

Consumer Feedback

Once our products hit the shelves, we're all ears. We're constantly listening to user feedback, ready to jump on any issues that pop up. We keep a close watch on Net Promoter Scores, tweaking things to improve consumer experience. And if any problems come up, we're on it, digging into the root causes and fixing them fast, whether it's tweaking the software, hardware, or our production process.

*Based on results from 3rd party guided free fall testing (IEC 60068-2-31) against top selling models in IDC 4Q21 75 - 125 \$ price band .



User health and safety

Ensuring the **safety** of our products is **paramount** to us. We collaborate closely with both our suppliers and customers to foster **responsible** usage at every stage of our product lifecycle.

Our robust **Standard Product Requirements** (SPRs) address consumer safety, while strictly avoiding hazardous substances and conflict minerals. These criteria are central to our sourcing procedures for components and services.

We follow detailed environmental protocols and health and safety standards for all our products. This includes careful assessments of materials and substance contents, construction and disassembly procedures, labelling and marking guidelines, compliance with product-related laws and regulations, safety instructions, and sticking to rigorous testing standards.

All our products conform to **RoHS** compliance standards, which are aligned with the European Union's Directive 2001/65/EU and EU 2015/863, ensuring the restriction of hazardous substances in electronic and electrical products.

In 2023, we ran thorough health and safety impact assessments for **100%** of our product line. We are pleased to report that there were no incidents of non-compliance with regulations or voluntary codes pertaining to the health and safety impact of our products or services.

Customer care

Our clear **commitment** to customer care and support throughout 2023 translated into an exceptional overall customer satisfaction rating of 4.67 out of 5.

4.67/5
IN 2023

We offer **round-the-clock** customer support in English, ensuring assistance is available 24/7. Also, during business hours, our support is available in 12 languages. Through global real-time monitoring and analysis, we quickly get to the bottom of any customer concerns and resolve these quickly and effectively for the user.

People

04



04

People

Innovating for Humanity

- An introduction from Emma

- Our people

- People principles

- Health and safety

- Human rights

- Talent management

- Staff retention

- Employee engagement

- Well-being

- Education and professional development

- Diversity, equality, inclusion, and belonging

- Our consumers

- Our customers

- Our communities

	KPI	2022	2023	2025	
Gender	Female employees as of total HC	32%	32%	36%	
	Female employees as of total managerial positions	21%	22%	25%	
Diversity	Diversity & Inclusion Employee Engagement index	78%	79%	83%	
	Wellbeing index	68%	72%	90%	
Wellbeing	Work-life balance satisfaction	76%	84%	90%	
	Training hours per internal employee increase	1 Hour	1 Hour 48	2 Hours	Base Year +80% +100%
Learning	Sustainability strategy training completed	88%	100%		

An Introduction From Emma

My journey with HMD began from its very start, and I've witnessed firsthand how intertwined sustainability has become within our operations. It isn't siloed in different departments within our organization but rather flows across the business. This means we can ensure our ESG initiatives are not a tick box exercise or a marketing gimmick but that they have commercial return on investment, as well as demonstrable social and environmental benefits.

That said, we would be blind not to see the increasing number of challenges facing the world. So, in 2023, we elevated our drive for positive change to a whole new level. Much of that commitment can be seen in our work and achievements around people – both internally and externally.

Sustainability through and for our people

2023 wasn't an easy year for the HMD family as we went through a major transformation. We refocused our resources to create a new business strategy, structure, and culture. Our Chairman/CEO is very passionate, transparent, and committed to our people. Through his leadership, and in close conjunction with his senior leadership team, we support our people. By delivering wellness initiatives, training, and engagement, we continuously demonstrate to the team that they are incredibly important to us and that we care about them.

I was really pleased to see that whilst going through a transformation, our internal employee pulse survey results show a marked increase in positive feedback on leadership, engagement, well-being, work/life balance, and increased employee involvement with community

initiatives. Our 2023 restructure also helped to ensure resource efficiencies, which support the sustainability and longevity of the business. It has enabled us to encourage a culture of unity and zero hierarchy, matched with an open and inclusive work environment. This was further reinforced with the formation of our diversity, equality, and inclusion (DEI) council, HMD Belong.

Furthermore, our people continue to be highly engaged with our ESG commitments. Our sustainability training program was completed by 88% of employees in 2023, and our latest internal pulse survey shows that 94% of our employees understand the importance of sustainability for HMD.

Support from our partners

We have been successful in outsourcing needs to third-party suppliers that understand our sustainability journey and are bringing a lot of value to HMD. Meeting sustainability markers with the longer-standing, traditional mobile businesses in our supply chain can be challenging. However, with the support of our Senior Leadership Team on our sustainable procurement ISO20400, we were able to push sustainability from the top down and overcome resistance to achieve our targets. There has been excellent progress in conjunction with our ODMs, especially as they believe that sustainability has a strong commercial imperative.

Beyond our stakeholders

Along with improvements in social targets internally and among our suppliers, we have extended our impact to communities local to our global locations as well as some further afield. Our employees have enthusiastically embraced the opportunity to volunteer time in social and environmental community initiatives. We continue to support fair employment and environmental gains through accredited tree-planting initiatives, and our partnership to reduce digital inequality is still providing positive results for the people it has empowered.

Sustaining our human focus into the future

We're proud to have achieved a lot this year, and we know there is much more to be done. So, moving forward, we are working hard to achieve future key targets, including, boosting employee engagement, fostering a high-performance culture through training and communication, making progress on placing females in leadership roles, and closing the gender pay gap by 2027.

We recognize that respect, acceptance, and equality are critical for creating and maintaining a healthy workplace culture - free from discrimination and harassment - where members of our company community feel valued and safe. We will have a strong focus on diversity and inclusion, actioned through internal policy, open communication and an anonymous reporting channel, as well as global anti-harassment and anti-discrimination training. To drive these initiatives and the business as a whole, we are also

introducing leadership training to build specific competencies, including new soft skill sets, among our Senior leadership team.

Adding value to people, partners, and the planet is a journey. Our people's journey mirrors our technology's trajectory – endlessly uplifting, innovating, and advancing. Because we know that – together – we're not just making technology; we're crafting a brighter tomorrow.

Emma McDonnell

HMD's Vice President of Human Resources



Our People



People Principles

At HMD, we cherish our people with heartfelt commitment. Our People Principles extend universally, touching every employee across borders. We follow local employment and labor laws wherever we operate. Our Human Rights and Labor Policy and Code of Conduct¹² clearly outline our approach, guidelines, procedures, and standards. They includes regulations on minimum wages, maximum working hours, rest days, immigration, collective bargaining, and freedom of association.

In 2023, we employed 549 people across 37 sites internationally.

By continuously doing better, we ensure a healthy and ethical work environment for our employees and partners alike by requesting that our contractors and local suppliers follow the same people principles that we do:

Competitive Compensation

Our employees receive fair pay in accordance with all relevant wage laws, including overtime and mandated benefits.

Compliance Everywhere

Upholding the highest standards, we expect our partners and suppliers to adhere to local laws and regulations. Wherever local law or law enforcement is weaker than the Electronic Industry Citizenship Code of Conduct (EICC), we ask our partners to meet the standards set by the EICC.

Focus on Well-being

Constantly enhancing employee well-being, we have implemented several initiatives to foster a positive and safe work environment. Our biannual pulse surveys indicate high scores for well-being among our people.

Respect for Family

HMD supports new parents with generous parental leave, ensuring valuable time with their newborns. In 2023, 15 employees took parental leave (four male and eleven female). Thirteen returned to work during the reporting period.

Performance Incentives

We offer a discretionary incentive program tied to company performance, rewarding commitment and dedication.

Comprehensive Healthcare

Every member of our global workforce enjoys access to medical coverage, prioritizing their health and well-being.

Flexibility at Work

We empower our workforce with flexible arrangements, including remote work options, aligning with their needs and roles.

Pension Commitment

Ensuring financial security, we offer pension schemes in all countries of operation, contributing to private schemes as necessary. In 2023, HMD contributed to 34 pension schemes.

Employee Rights

We actively foster an environment where open communication is encouraged, free from discrimination or reprisal. This commitment extends to our suppliers so that their workers can enjoy similar rights. In 2023, collective bargaining agreements covered all employees in Finland, Belgium, Austria, and France.

Health And Safety

A safe and thriving workplace environment is important to everyone at HMD.

In 2023, we obtained the ISO 45001 certificate, which is an internationally recognized standard for workplace health and safety. We have integrated it as our primary health and safety framework and we are fully committed to maintaining the ISO45001 Occupational Health and Safety management system, in line with the Occupational Health and Safety guidelines established by the International Labour Organization (ILO). Simply put, this shows that we've established a strong and inclusive management structure to make sure we meet international standards, while also adhering to local laws and regulations.

Our people safety plan

We have a dedicated Health and Safety Policy that acts as our compass. This policy outlines our strategy for avoiding accidents, handling emergencies, mitigating occupational hazards, and promoting employee well-being. It details our training methodology, hazard assessment techniques, and critical control measures, too.

Building on that foundation, we've crafted a detailed Health and Safety plan that addresses all necessary precautions. We have also appointed a senior manager tasked with ensuring a nurturing and secure work environment for all our people.

In May 2023, we were awarded ISO45001 certification, a testament to our commitment to excellence in safety standards.

Education and Training

It's essential that our team and subcontractors are all clear on what to do to stay safe and healthy. So we provide the trainings and procedures for our people enabling everyone to follow necessary rules.

Including Everyone

We're big on getting everyone involved. So, our health and safety updates are shared on our intranet, and all staff are given the opportunity to voice any concerns.

Controlling risk

Within our management system, we've put a rigorous procedure into place for assessing and managing accident, injury, and occupational disease risks proactively and preventatively. To pre-empt incidents, we conduct thorough health & safety risk evaluations alongside routine internal audits. To add to this, we've devised emergency readiness protocols covering fire safety and first aid procedures.

Safety Forum

We hold a regular Safety Committee meeting. This involves employee representatives, the Physical Safety Manager and Deputy, Office Managers, health and well-being champions, and our HR team. The committee is led by a chosen employee rep from a non-safety background. We need everyone to agree on decisions, and we make sure to note everything discussed and share it via email so it's all recorded for future meetups.

In 2023, we continued our amazing health and safety track record with zero work-related accidents, illnesses, injuries, or fatalities. The total number of hours worked in 2023 was 1 144 853.1, and total recorded number of hours lost due to employee sickness was: 3 475.7 hours.

Human Rights

As a people-focused business, we fully embrace the principles of the Universal Declaration of Human Rights. Our labor and human rights strategy is a reflection of who we are and what we stand for. Through it we align closely with:

- The United Nations Guiding Principles on Business and Human Rights
- The International Labour Organisation's Declaration of Fundamental Principles and Rights at Work
- The Responsible Business Alliance (RBA, former EICC)
- The Organisation for Economic Co-operation and Development's (OECD) Guidelines for Multinational Enterprises

These principles have been translated into action through internal policies, including our Code of Conduct, Human Rights and Labor Policy, and our statement regarding the UK's Modern Slavery Act. They guide and inform every decision we make and action we take.

Empowering our people to protect each other

We foster a culture of mutual care among our people. Our Code of Conduct is accessible to everyone. Plus, our Speak Up Channel is always open, and we put a big emphasis on human rights during our training sessions. This training is key – it makes sure everyone understands potential risks and how to use our whistleblower mechanism if they spot any human rights issues.

Excessive force and limitation of movement

At HMD, we don't have our own security team. Instead, our offices, which we rent, come with security courtesy of the landlord or property management. We're big on flexible working arrangements, so our team members have the freedom to work from home or the office, depending on what suits them best. And when they're in the office, everyone enjoys the same freedom to move around and access various spaces as needed.

Whistleblowing rights

We're 100% behind all acts of whistleblowing. If anyone at HMD retaliates against someone for raising concerns in good faith, we take it seriously. Actions like that could lead to disciplinary measures, and yes, that might even mean saying goodbye to their role with us.

Continual progress is essential

Continuous improvement isn't just a fancy phrase for us – it's a commitment. Our senior management team regularly reviews and tweaks our systems to ensure we stay compliant and keep getting better at what we do.

Upholding Human Rights

We're committed to championing human rights, not just within the walls of our company but throughout our entire value chain. Our Human Rights policies apply beyond our primary premises and direct employees. They provide a sturdy framework that encourages and enables our suppliers to protect the rights of all the people in our value chain, too.

We're absolutely against any form of forced labor, slavery, or human trafficking within our sites or those of our suppliers. We stand firm in protecting the freedom of speech, the right to assemble, and the privacy of individuals. Also, in line with the UK Modern Slavery Act, we transparently report our efforts annually.

We've taken concrete steps to ensure our teams and partners are weaving our human rights principles into their everyday tasks.

Human Rights Risk Assessment Screening

In 2020, we carried out a thorough human rights risk assessment across all our business areas, which helped us map out global risks. This deep dive into potential issues not only shed light on their origins but also guided us in taking steps to mitigate them effectively. This analysis covered risks related to forced labor, modern slavery, child labor, working conditions, wages, and discrimination, especially in countries where we work closely with ODM partners and sales forces. This effort is above and beyond our usual risk management, allowing us to zero in on suppliers in high-risk areas for priority audits. We've set specific human rights KPIs, aiming for zero incidents. In 2023, five Corporate Social Responsibility audits were carried out in our phone manufacturing, and we are happy to share that we didn't find any human rights violations. Human rights are also a focus during our HMD audits. In 2023, we conducted seven Corporate Social and Environmental Responsibility (CSER) audits for phone manufacturing in China, four audits overseas (in Kenya, Bangladesh, Hungary, and Indonesia), and six accessory manufacturing audits in China.

Zero incidents of human rights violations in 2023

Child labor

Child labor has no place in our operations. We strictly follow local laws to ensure nobody under the legal working age is working at HMD or with our suppliers. In places where laws are lacking, we've set a minimum working age of 15 years old or the age at which compulsory education ends, whichever is higher, to protect young individuals from hazardous work and night shifts.

We also conduct regular Corporate Social Responsibility (CSR) audits to ensure that no child labor occurs at our ODM partners, most of which are in China. In 2023, no child or forced labor incidents were found in our partners' operations.

While we generally don't hire young workers, we do offer summer trainee positions in some locations. These trainees receive insurance and compensation as per local laws and are given the same working conditions as our employees.

Talent Management

Sustaining our people at every step

At HMD, we're more than just tech innovators; we're dedicated to fostering a team where our talent grows and our people flourish. Nurturing potential and celebrating every individual, our robust talent management program unlocks opportunities from within.

Our promise to cultivate high-performing individuals isn't taken lightly. Identifying potential talent, we systematically cultivate a culture of achievement, ensuring that individual's capabilities are harnessed to their fullest extent and whenever possible choosing to elevate our own people to pivotal roles. They are the backbone of our innovation and the beacon of our employer brand.

Performance reviews

Twice a year, we gather around to celebrate progress and plot success as we conduct performance reviews for our full-time family. This isn't just about numbers; it's about building a culture that thrives on high performance and cherishing those who bring their best.

Using the Nine Box Grid, we go beyond evaluation, sparking constructive conversations and ignitions for growth across HMD. It helps to guide informed and open dialog among senior leaders and across the regional teams.

For top talent, we're here to support them with bespoke development plans, ensuring that each team member who strides ahead has our full support to go further and dream bigger.

Fair dismissal

On the off chance that our paths diverge, we ensure the employee's departure is forward-looking and enriching. We ask anyone leaving HMD to complete a brief questionnaire so that we can understand their decision and look for ways to improve whatever might not have worked well for them. Leaving HMD isn't an end; it's a new beginning we take pride in facilitating.

Staff Retention

Retention starts from the moment we recruit. In 2023, our attrition rate was in line with our industry at 13.9% (13%-15% in market level). Our tailored approach to managing talent, paired with a commitment to continuous development, keeps our HMD people not just content but driven and poised for what's next. If anyone decides to leave us, we champion their journey ahead with unwavering support while fulfilling the legal requirements regarding notice periods in their location.

Voluntary Attrition in 2023 by geographical region was presenting the following split:

India: **21.6%**
 Europe: **20.4%**
 SSA: **15.2%**
 America: **14.3%**
 MENA: **8.7%**
 GCR: **5.7%**
 APAC: **4%**

In terms of age split percentage of voluntary attrition was the following:

Below 30 years old: **18.85%**
 Between 30-50: **12.2%**
 Over 50 years old: **13.6%**

Voluntary attrition in 2023 by gender was almost equal:

Female: **13.3%**
 Male: **12.6%**

Employee Engagement

In a year of continuous change, HMD remained committed to engagement and culture - with our employee net promoter score (eNPS) increasing in key geographies, a dip in attrition, and our ability to retain our brilliant people.

Our employees leaned into a leadership shift and an exciting new brand evolution, continuously finding innovative ways to keep our people thriving, while maintaining our existing high standards of clear and open communication.

Nurturing engagement through cultural diversity

There's no one-size-fits-all when it comes to engagement, particularly on a global scale. That's why, in 2023, we embraced local heart and spirit, championing customs and celebrations that resonate deeply within each community. Across the HMD landscape, our local HR champions scheduled festivities and learning opportunities infused with regional flair, which led to a tidal wave of enthusiasm, especially among our friends in China.

HMD town halls

In 2023, we kept conversations flowing through our global and regional 'Town Hall' meetings. Here, our leaders presented the latest on our commercial performance, our freshest tech and services, as well as updates on global announcements and business processes. These moments weren't just updates — they were opportunities to highlight every milestone our HMD people have achieved together. 2023 saw three HMD Town Halls.

Everyone has a voice

We encouraged every voice to rise — inviting ideas, conversations, and solutions directly to our leadership team. This 'Open Door' policy was never more crucial than in 2023 when our emphasis on open communication and a lack of hierarchy meant that employees felt comfortable asking for clarification throughout our transition whenever they needed it.

Honoring our diverse cultures

To make employees from all backgrounds feel welcome, we provide our staff the chance to celebrate local holidays. In 2023, we embraced all our heritages

with open arms weaving them into our work calendar and celebrated them together. This included the Chinese New Year and the Dragon Boat Festival in China, Midsummer in Finland, Christmas lunch in the UK, Holi, Diwali for India, Juneteenth, Labor Day, and Independence Day in the US. Honoring our diverse cultures has gone a long way in inspiring enthusiasm and helping to nurture a spirit of togetherness among our people.

In June 2023, our GCR headquarters held a celebration in honor of the region's traditional Dragon Boat Festival. The team savored delicious traditional "zongzi" treats during the Dragon Boat Festival and shared their hopes for the future.



In November 2023, our United States team enjoyed a unique Friendsgiving in Miami. They enjoyed a feast of regional dishes, took a stroll through Brickell, and enjoyed lively discussions over espressos.



Well-Being

We want people at HMD to be happy at work and happy in life.

So, our colleagues in HR are always on their toes, looking for ways to boost our people's happiness and strike the balance between work and personal time. It's encouraging to see how well everyone's taking to the flexible working arrangements we've got in place around the world.

Our internal Pulse survey

Every year, we put a survey out to our team to see how we're doing on the well-being front, and we use it as a roadmap to make things even better. Adding more leisure time and enabling our people to get involved in volunteer work has really paid off. With these initiatives, we saw a 7% jump in employee satisfaction compared to 2022. And we're really pleased that our team members are feeling comfortable and safe to speak their minds with management.

Evaluating our leadership

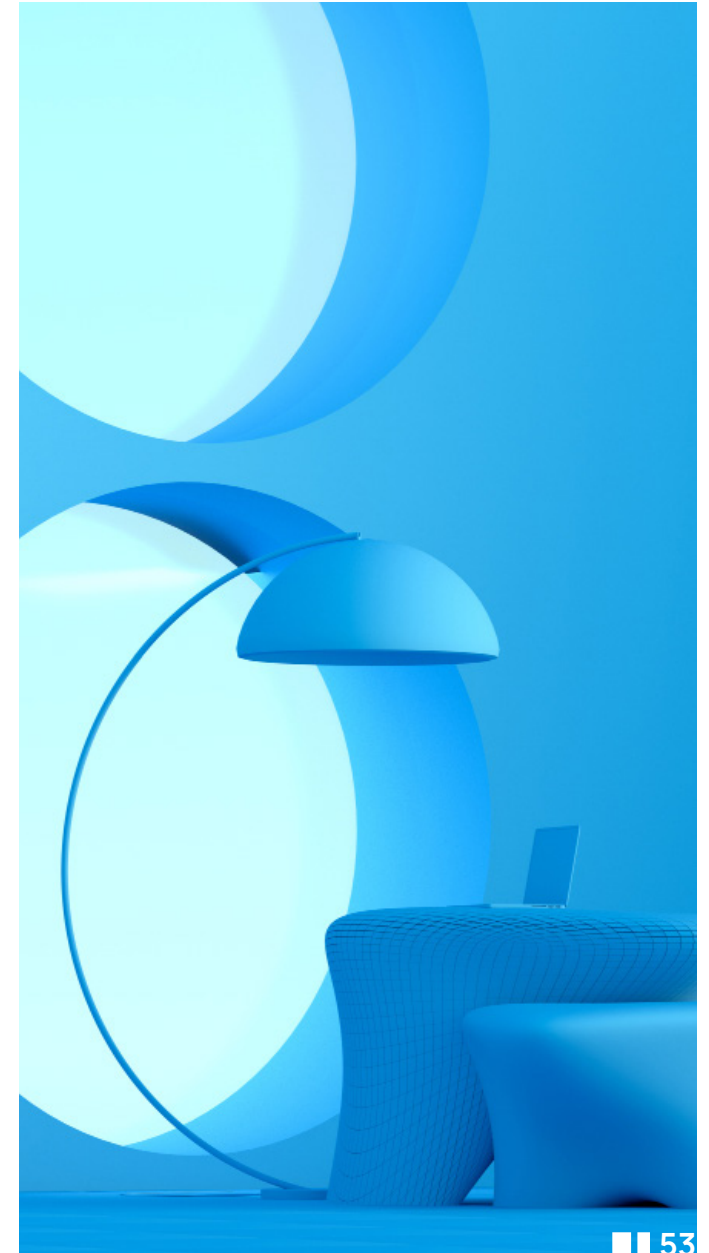
We're giving our managers guidance on the importance of employee well-being in fostering happiness, productivity, and long-term achievement within their teams. Plus, we regularly give teams the opportunity to evaluate their leaders on communication, fairness, and in pushing toward our sustainability goals.

My Mind Matters

In 2023, we unveiled our "My Mind Matters" initiative, providing support and resources to employees navigating mental health challenges and encouraging open dialogue. More than just a webpage, our intention is for "My Mind Matters" to be a catalyst for change, urging all our people to prioritize understanding and compassion for themselves and others. We want mental well-being to be an integral part of our workplace culture.

More to come

We're not relaxing just yet. We've got our eyes on some big milestones, like soaring to a 90% well-being index score, achieving a 38% gender mix, and closing the gender pay gap by 2027.



Education And Professional Development

Training and development

At HMD, we believe in harnessing the collective power of our employees to make technology both empowering and sustainable. In 2023, we soared past our ambitious training objectives, with our team members dedicating an average of **1h 48 mins per person** to professional development - an increase that not only meets but exceeds our goal by 80%! The interactive learning platform, Claned, became the core of this expanding universe of knowledge, offering a roster of courses from how to respect people and planet to mastering management skills.

We introduced over 1200 training hours in total recorded in Claned during 2023. The material covered our Code of Conduct, Supplier Code of Conduct, Harassment, and Anti-Discrimination, Unconscious Bias, Information Security for Managers, and more. Our operations team in China also introduced an external training platform to boost learning, with over 1000 training hours accumulated since the start of 2023. We are continuing to develop further programs on both platforms.

Sustainability training

Sustainability training completed by 88% of employees in 2023.

A sterling **88%** of our employees have enriched their learning with specific content on our sustainability strategy and sustainability goals. This training isn't just a one-off – it has become a cornerstone of our onboarding experience, and we aim to reach a

completion rate of 100% on this course in 2024. With a clear training schedule and plan in place for 2024, we'll concentrate on promoting conflict mineral training among employees, sustainable Procurement training for our Procurement team, and Sustainability training for suppliers. All internal employees can look forward to mid-year updates on our strategy training material.

Internal survey confirms over 94% of employees understand the importance of Sustainability for HMD

Sales team coaching

In 2023, we implemented personal development sessions for our European and US sales and field teams. This focused on subjects such as habit forming, negotiations, and developing a growth mindset. We're making strides to ensure that, in 2024, all our global teams will join in on this journey of personal and professional growth.

Leadership development

In mid-2023, our European leaders gathered for a groundbreaking introspective session. They focused on HMD values, and how those should translate into behaviors and competencies required from commercial staff, starting with General Managers and cascading to other levels later.

These behaviours were nuanced further, and key skills were also added, as well as a formulation of what excellence would look like. A first internal assessment

was done to identify key gaps versus expectations with the aim of investing in a “toolbox” to help individuals close those gaps. For senior managers in Europe, the main focus was deemed to be on behavioural changes, and the main tool for this is executive coaching. Expanding this assessment and executive coaching is a focus point for 2024.



Diversity, Equality, Inclusion, And Belonging

Overview

We are committed to being an equal-opportunity employer.

For HMD, being an Equal Opportunity Employer isn't about ticking boxes or fulfilling quotas – we genuinely believe that a kaleidoscope of cultures, experiences, and beliefs rockets us towards innovation and unity. We are committed to providing equal employment opportunities to all people without regard to age, race, colour, creed, religion, national origin, disability, gender, sexual orientation, veteran status, or any other basis prohibited by statute, and to promote the full realisation of an inclusive employment and service policy. That's why we're prioritising understanding more about how to foster a diverse, equitable, inclusive, and belonging work.

As a global organisation, we want to ensure our employees reflect the vibrant world around us and that they feel comfortable bringing their diverse in their cultures, experiences, and beliefs to work with them. We are adamant that our employees, contractors, job applicants, suppliers and partners – as well as anyone who encounters our company – should never be subjected to abuse, bullying or discrimination of any kind. We have specific policies in place to ensure this, including:

- **Code of Conduct**
- **Supplier Code of Conduct**
- **Anti-bribery and Corruption Policy**
- **Human Rights and Labour Policy**

We also have an **Anti-Discrimination and Harassment Policy** in place, which is available to all our people. It states that no one should be judged or treated differently due to their race, sex, religion, marital status, pregnancy, nationality, ethnicity, disability, sexual orientation, expression, or any other characteristic that leaves a person feeling unfairly treated.

We're also clear that, under no circumstances should our employees or potential employees be subjected to medical or pregnancy testing that could be used in a discriminatory way.

To add to the policies we have in place, we host **Anti-Harassment and Anti-Discrimination Training** to make our employees aware of facilities for religious practices, as well as access for those with disabilities. All of our offices are wheelchair accessible. Currently at HMD we have no workers in wheelchairs.

HMD provides equal employment opportunities to minorities. Our recruitment selection is ability and potential based and it is part of our anti-discrimination policy that HMD is committed to the principles of equal employment opportunity and fair treatment of all individuals.

Zero cases of discrimination or harassment recorded in 2023

We aim to celebrate each person for their unique brilliance and ensure minorities have a voice as loud as any other. So, should anyone fall victim to discrimination or harassment of any kind, we actively encourage them to report the incident through our **Speak-up** channel. Also, to ensure that existing and

new employees from all backgrounds feel welcome, we celebrate local holidays and hold local parties to honour events.

In 2023, we launched **HMD Belong**, which is a DE&I committee formed by employee representatives from our global team. HMD Belong will drive DEI initiatives to make HMD an even more wonderful place to work. By the end of 2023 the HMD Belong launched a DEI survey which gave us a solid ground to define the improvement areas.

To add to these efforts, in 2024 HMD line managers will be levelling up with unconscious bias training designed by the Belong team. This program is designed to ensure we're designing a work environment where everyone, and every voice, is empowered.

Now, that's innovation with heart.

DEI

Representation and recruitment

To us the best talent is diverse talent. That's why we have clear and transparent recruitment principles, designed to promote equal access.

Our **Recruitment Principles** include:

- Recruitment procedures shall be fair and transparent while complying with the legal requirements of the country HMD operates in.
- HMD seeks to recruit the best candidate for each role. The recruitment and selection process should ensure the identification of personnel who are competent to carry out the tasks that they are employed for.
- We advertise roles internally, either before or at the same time as they are advertised publicly, and – to ensure career progression for our people - internal candidates will always be our first preference.
- There shall be no discrimination on the grounds of religion, ethnicity, gender, sexual orientation, disability, or other factors such as marital status or political opinions.
- HMD will comply with all applicable labour requirements and international labour standards .
- HMD will ensure that the recruitment and selection of staff is conducted in a professional, timely and responsive manner.
- Language used in the recruitment process will be gender-neutral and reviewed to ensure there is no other bias.
- HMD will provide appropriate training, development, and support to those involved in recruitment and

selection activities to meet this core principle.

- If a member of staff involved in the recruitment process has a close personal or familial relationship with an applicant, they must declare this as soon as they are aware of the individual's application and avoid any involvement in the recruitment process.
- All documentation relating to applicants will be treated confidentially and in compliance with the personal data protection and privacy laws. Our Recruitment Privacy Policy can be found at www.hmdglobal.com/privacy-portal/recruitment-privacy-policy

Age verification before hiring

HMD defines its organisational structure and job roles as business needs. HMD does not own any manufacturing activities so far; therefore all our job openings require high-calibre expertise and resonant professional experiences, reflecting the sophistication we aim to bring to the tech world. That said, we still verify every candidate's age before hiring them.

- As part of our hiring process, we look at CVs, IDs, and in some locations, educational certificates.
- All our employees are registered in the social security systems that are required by local legislations.
- We also keep all our employee information in Sage People (HRIS), including age.

DEI

2023 new hires and graduate trainees

We know that to be non-traditional and exceptional, we need to move away from hiring stereotypical mobile tech profiles and instead welcome fresh, innovative thinkers. So, when we hire new talent from outside the organization, we aim to encourage diverse skills. We also encourage our hiring managers to consider people from outside the mobile tech industry where appropriate.

In 2023, we initiated a new talent strategy to attract young talents to our team through graduate training program in Finland. We hired two trainees in our legal team, two in marketing, two in Finance and two in Enterprise Solutions. The great passion and professional skills from our young HMD team members is impressive and we hope they continue their professional development with us.

In terms of recruitment in 2023, outside of our trainee program, we hired 13 employees globally, and many of the new hires were sales roles in our India team.

An overview of these new hires, including their ages and gender, can be seen in the tables shown here.

Age Group	Female	Male	Grand Total
20-29	2	3	5
30-39	2	3	5
40-49	1	5	6
Grand Total	5	11	16

Diversity, Equality, and Inclusion in numbers: Gender and Age

We **believe** in the **power of diversity** and the undeniable strength it brings to innovation and creativity. In 2023, we took a closer look at the diversity of our employees and governance body by gender and age groups.

We are working towards including the ratio of basic salary and remuneration at HMD Global by gender for future reports. Also, based on this and previous data, we are keeping our target of **no gender pay gap** by 2027.

Our Teams

We're delighted that the citizenship of our employees accounts for 48 countries across the globe. This is one of our business's greatest strengths, and it makes international collaboration invaluable.

To break down the numbers, the majority of employees in 2023 were between 30 and 59 years old. Six percent of employees represented under 30-year-olds, and 15% were over 50 years old.

In terms of gender split, approximately one-third of our employees are female, and two-thirds are male. We are looking to make the ratio between male and female employees more equal with a 38% gender split by 2027. In terms of contract split, the majority, 543 employees, held permanent contracts in 2023, and only six people had fixed contract agreements. In 2023, 547 employees were employed on a fulltime basis and two on a part-time basis.

Data displayed here was gathered in our internal Human Resources Information System, called Sage People. We have used monthly data from December 2023 to January 2024 to calculate our people, gender, and contract-type breakdown.

Age Group	Female	Male	Grand Total	Female ratio
20-29	15	17	32	47%
30-39	68	104	172	40%
40-49	73	191	264	28%
50-59	18	62	80	23%
60-69		1	1	0%
Grand Total	174	375	549	32%

	Total HC	Total Ratio	Manager HC	Manager Ratio
Female	174	32%	35	22%
Male	375	68%	122	78%
Grand Total	549		157	

Diversity, Equality and Inclusion in numbers:

Senior Leadership

Our senior leadership team (SLT) is invaluable to our organization and has been key in steering and implementing our journey of sustainable innovation.

In 2023, the HMD board consisted of men over 45 years old. The SLT is larger and more diverse. It consists of our CEO and his direct reports. In terms of age, 50% of the SLT is between 40-49 years old and close to 13% are women. The citizenship of our SLT covers 6 different countries.

As we grow, and as part of our sustainability strategy, we are committed to ensuring a more diverse and balanced workforce and leadership.

When it comes to remuneration, our SLT is subject to the same process and policy as all our employees and there is not a different salary structure or variable pay scheme. We offer sign-on bonuses on a case-by-case basis, and this is typically to offset any loss of earnings through a role move (e.g., unvested stock). We do not offer recruitment incentives. Any sign-on is subject to a recoupment clause that is prorated over a 12-month period.

Retirement benefits are in line with the country of employment and, again, are the same as those offered to all employees in that country. SLT members are not specifically measured or remunerated in relation to specific Sustainability targets. However, as Sustainability underpins the overall business strategy then our commercial performance will dictate the level

For more details pls check appendix on page number 142



DEI

HMD Belong

HMD runs global pulse surveys bi-annually to we listen closely to our global family and track everything from the level of understanding of our sustainability strategy through to measuring how our employees feel about Diversity, Equality and Inclusion (DEI), Compensation, Well-being and Performance of the Senior Leadership Team. Based on feedback from our 2022 survey, we set up a Diversity Equality & Inclusion Council. The council is called HMD Belong.

It has clear KPIs to implement initiatives across our organisation and monitor these through analysing survey data and assessing the impact of our DEI initiatives. HMD Belong is majority women-led with regional representatives from India, Hungary, Poland, South Africa, China and the UK. As a collective, they bring global vision with unique local perspectives to drive internal initiatives that will create lasting change within HMD and beyond.

From 2024, the Belong team will set ambitious targets and work towards integrating elements of DEI more meaningfully into every aspect of work life at HMD. Key immediate goals include:

Women in the Workplace

- Implement the unconscious bias training created by the HMD Belong team council via our internal training system (Claned).
- Investigate how to encourage women back to work (e.g. after maternity, after ill health, bereavement).
- Increase diverse female talent visibility and representation in the company, particularly at higher levels of management.
- Ensure we meet gender-pay gap reduction goals.

Non-badging exercises

- Determining how to address gender and sexuality representation from an internal perspective, in a caring and compassionate way.



Meet the HMD belong Team



**Michelle
Wynne**

At HMD I head up Marketing for AMEA based in Johannesburg. I am incredibly passionate about DEI and feel honoured to be selected as Chairperson Of the Diversity, equity and inclusion council.

I look forward to driving positive change, fostering inclusivity and creating a workplace where everyone can thrive and contribute their unique perspectives.



**Csilla
Bors**

I'm Csilla from HMDs Global Quality and Customer Compliance team, based in Budapest. I believe by creating initiatives that increase diversity, equality, and inclusion, we will boost decision making, employee engagement and benefit our financial goals too.



**Wayne
Baxter**

I'm Wayne and I am super excited to be working with the hive mind Of the DEI team...I lead Global Media out of the London office. DEI is something that is incredibly Close to my heart – particularly being a Londoner where fortunate enough to have lived with, worked with, and befriended Some Of the best Out there, regardless of background. It's my intention to support HMD in driving a step-change to ensure not only are we seen as a shining example of DEI for Our employees, but externally too.



**Lina
Ma**

I am Lina from the global product team taking care of all feature phones and based in Beijing. I strongly believe that by promoting diversity, equality and inclusion, aimed at enhancing these values, we can drive positive change, both within our organization and in the broader community, to appreciate the uniqueness and value of people of different backgrounds, cultures, races, experiences, genders.



**Kasia
Mroczkowska**

I am Kasia, East Europe marketing lead based in Warsaw, Poland. I'm thrilled to be part of the council. I'm passionate about contributing to meaningful changes. Let's foster inclusion, value diverse voices, and create an equitable workplace. Together, we'll make a lasting impact.



**Rachna
Chothani**

Hello, I am Rachna, Commercial Controller at HMD India, based out of Gurugram. As a member of the DEI Council, I look forward helping HMD employees to bring unique self to work every day. Together, we aim to create a fair and welcoming environment where people can reach their full potential and power HMD to greater heights!

Our Consumers



Human-centred design

Let's get right to the heart of it: our users are our universe. Without them, we wouldn't have a business.

Today's consumers are choosing brands that walk the talk when it comes to social responsibility, inclusiveness, and environmental impact. For many, sustainability is as much of a necessity as safety and durability.

So, taking consumers' environmental and social concerns, as well as their health and safety, into account is crucial for HMD. We strive to take this a step further by conducting careful audience listening before creating products that meet genuine needs.

Find out more in the Product section of this report.

Leveraging Consumer Insights

There's a powerful global chorus calling for corporate action against climate change and pollution. At the same time, there is also a rapidly increasing demand for simple and convenient phones that people can self-repair. We are delivering on both fronts.

Customer Care

Customer Support's exceptional customer care resulted in a high satisfaction rating in 2023. Thanks to our 24/7 assistance in English and multi-language support during business hours, we're there for users whenever they need us.

User Health and Safety

Keeping consumers safe is paramount at HMD. 2023 saw a rigorous Health and Safety impact assessments conducted across our product line, to check that we are maintaining full compliance with regulations. We're pleased to have met all the requirements.

Mental Health

The digital cosmos is vast—if not a little overwhelming. That's why HMD is on a mission to dial back the noise. We're designing devices that ease off digital clamor, favor healthier screen-time habits, and bring back the joy of real-world hellos. Keen to hear how we're bringing serenity to the screen? Check out our strides on the next page.

Detoxing your digital diet

Empowering consumers to manage their mental well-being

Smartphones are great. They enable a lot of social and economic good for people all around the world, and we're not here to convince anyone otherwise. They help us share, find inspiration, find the best route from A to B – they even help us pay for things at the till.

But sometimes, too much of a good thing can become... well, not so good. Studies show that excessive screen time is damaging to our health, and many consumers are looking to limit their screen time and reconnect with each other, themselves, and their surroundings.

So, 25 years on from the first-ever launch of a Nokia flip phone, there has been a huge surge in sales of these paired-back feature phones. Otherwise known as 'dumbphones,' HMD's Nokia 2660 Flip allows users to make calls, send SMSs, take lo-fi photos, play snake, and – most importantly – avoid overloading their brains with digital distractions. And they're affordable, too.

User feedback and large-scale experiments among teenagers in high schools suggest that using a feature phone, or 'dumbphone', for a digital detox has many benefits. Here are just three:

#1 Better sleep

Spending too much time glued to screens can make it harder to wind down and relax when it's time to hit the hay. With a flip phone, that temptation is pretty much taken out of the equation.

#2 Improved well-being

Studies have shown that overusing social media can lead to feelings of depression and loneliness. A flip phone lets you get offline, even for just a day.

#3 The battery life

Smartphones, with their larger, more powerful screens and impressive computing power, understandably use a lot more energy. And this can stimulate low-battery anxiety. A flip phone with a long-lasting battery can reduce that stress and ensure you're still reachable.

More details about Digital detox benefits can be found on our blog¹³.

Explore some of the exciting content we developed together with social media influencers and dumbphone experts
[Digital Detox Series](#)

Millions of Nokia feature phones are sold monthly on a global level as many consumers crave going back to basics .

**Say goodbye to reel life.
And Hi to real life.**

“There's been a surge of interest in Flip phones, and we believe that the interest is coming from a need to take a break from the constant flow of incoming digital notifications, social media posts and more. People want more simplicity, more face-to-face time, more time to think, and time to have an uninterrupted conversation! I'm sure we all have examples where a beautiful life moment has been spoiled by a distraction or notification. That's why we are re-introducing the Nokia 2660 Flip, to give people these important beautiful life moments back.”

Lars Silberbauer,
HMD Chief Marketing Officer

Our Customers



Being responsible suppliers

Sustainability legislation is evolving at pace across the globe. As a result, many of our partners have their own sustainability agendas and net-zero targets.

We recognize that we often form part of our customers' Scope 3 emissions, and we are care about playing a central role in supporting both public and private sector organizations to deliver on their net-zero targets.

Advancing climate goals in the public sector

“In July 2019, the Isle of Wight Council declared a climate emergency. We stated an aim to achieve net zero emissions across the Island by 2030. In September 2021, we approved our “Mission Zero - Climate and Environment Strategy 2021-2040” which sets out our aspirations and targets to achieve net-carbon zero in our own operations and as an island.

When selecting our latest mobile phone provider, we wished to ensure we picked a company that provided great value whilst also ensuring our selection aligned to our published sustainability strategy.

We selected the Nokia G42 5G because its packaging contains up to 86.16% recycled material, and it is 100% recyclable. All materials of the device can be recovered as materials through appropriate recycling processes when the device is end of life. The recoverability rate of device material in this model is up to 82%.

Accidents happen and during the life of the devices they have the ability to be fixed by our own engineers. This model is supported by HMD and iFixit. iFixit sell kits for replacing flat batteries, broken screens, bent charging ports, and scratched back covers - these have historically been the most common effected parts from accidental damage. We have the assurance from HMD that if we carry out a repair on a Nokia phone using the designated parts, tools and guides from iFixit, the repair will be considered an authorised repair and will not affect the Manufacturer's Limited Warranty.

Thanks to HMD's partnership with Ecologi, the Isle of Wight Council is actively putting trees in the ground. In January 2003 there were 1,750 trees planted on behalf of the council. In 2024 there will be an additional 3,250 trees planted.”

Roger Brown,
Strategic Manager for
ICT & Digital Services (SIRO) ICT,
Isle of Wight Council



Read more about these efforts in the Positive Practices section of this report.



Our Communities



A global company for global citizens

To us, a **business's responsibility** towards people goes way beyond our stakeholders and includes **as many global citizens** as we can reach.

We want to make **an impact**, and we'll continue to partner with organizations that **empower people** within communities across the world.

Community highlight:

Breaking barriers to financial and digital inclusion with M-KOPA

In Africa, many people have benefited from the rollout of **smartphone microfinancing** through our partners **M-KOPA**.

Founded in 2011, M-KOPA operates in South Africa, Kenya, Uganda, Ghana, and Nigeria, with more countries to be added soon. The company is uplifting the lives of millions of underbanked citizens by providing fair and flexible financial services that enable them to access life-enhancing assets, including smartphones, digital financial services, and more - for as little as 50 cents a day!

Why unlocking access to credit matters

Did you know that there are over 350 million financially excluded adults in Africa?

They lack access to a bank account and/or credit. Financial exclusion is even more pronounced among traditionally marginalized groups such as women and young people looking to enter the labor market and digital economy.

Financial inclusion is a key enabler to advance prosperity and well-being, improving the quality of people's lives. Being able to access financial services creates a virtuous cycle: it unleashes greater access to opportunity, enables income generating opportunities, and improves well-being. The positive impact of access to financial services accumulates over time, generations, and communities.

A smartphone is a gateway to financial inclusion.

M-KOPA 2023 highlights

- In January 2023, the company opened the first-ever smartphone assembly plant in Kenya, catalyzing a new market and employment opportunities with 300 new staff who have built over 500,000 new HMD phones in 2023 alone.
- By June 2023, M-KOPA had reached 3 million customers across 4 markets, impacting over 16 million lives.
- Overall, they have unlocked \$1 billion in fair access to credit for the underbanked, and over US \$250 million in new sustainable investment to grow our business and impact.

The M-KOPA X1

We developed the M-KOPA X1 for our rapidly growing partner. This phone is co-branded with the HMD logo and launched with all the features a person might need to kickstart their digital journey.

M-KOPA utilizes HMD Softlock

Softlock is the software solution HMD has developed and executed with M-KOPA. It enables customers to own a smartphone when that was impossible for them previously. They can use their device to empower themselves with endless social and economic benefits, while Softlock reduces risks for M-KOPA.

“HMD’s Softlock solution has allowed us to rapidly scale up our smartphone solution across Sub-Saharan Africa. Regardless of volume, the technology is robust and reliable, and the team are both knowledgeable and accommodating to our needs as a growing business.”

Jesse Moore,
CEO and Co-Founder, M-KOPA



Community highlight: Funding Reforestation with Ecologi

Ecologi is a climate action platform helping businesses reach their sustainability targets by facilitating the funding of responsible tree planting and carbon reduction projects around the world.

The trees we've funded through Ecologi are planted by one of the company's carefully chosen partners, Eden Reforestation Projects. They use an "Employ to Plant" methodology, helping to alleviate extreme poverty by paying local people a fair wage to plant trees and manage the nurseries.

Our collaboration with Ecologi ensures we are funding the planting of ecologically appropriate trees in the right areas, at the right time of year to maximise chances of survival, utilising invaluable local knowledge while also creating jobs. By planting a mix of native tree species on a large scale, Eden's reforestation projects rapidly transform landscapes as well as communities, bringing numerous environmental and social benefits to the area.

Explore our virtual forest to learn more about the trees we've funded for planting across sites in Madagascar, Mozambique, and Kenya (<https://ecologi.com/hmd>).



502,000+ trees funded for planting by **February 2024** across **17 projects**

The majority of our trees have been planted in **Madagascar, Kenya, Mozambique, and Uganda**, helping local communities **grow**.

Tree planting + supporting local people communities helps meet the **UN Sustainability goals**



Community highlight:

Decreasing digital inequality with unconnected.org

As we've seen with our M-KOPA partnership, when someone is cut off from having a phone and the internet, they are cut off from so much more. A smartphone can empower them with much greater access to social connection, financial support, business and employment opportunities, and – ultimately – a better life or simply a life that the rest of us take for granted.

So, in our continued effort to decrease digital inequality, we actively support a charity called unconnected.org in their mission to connect one billion digitally disadvantaged people globally to the internet.

unconnected.org works with many organizations both in the UK and across the world. By collectively supporting charities in the UK, we can make a big difference in getting a connected device into the hands of people who need it most. In 2023, through our partnership, we made a significant donation to Crisis, the UK homelessness charity, which made a substantial difference to many of the people they support, helping to get them on their feet again. These groups of people are often overlooked by society, and through different support mechanisms, they can

again become valuable contributors and fully participate in society again.

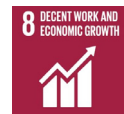
Our collaboration doesn't stop here. We are working on activities related to digital detox that unconnected.org has developed, and that HMDs is keen to become a part of. We jointly believe that promoting healthier habits and balanced technology usage in today's digitally driven world is crucial to the wellbeing of all of us.



“unconnected.org are incredibly grateful for the continued support of HMD Global to make a profound difference to peoples' lives and it's only with partners such as HMD Global we will achieve our goal of reducing digital inequality and connecting 1 Billion People to the Internet.”

Ben Mansell

Founder & Chief Operations ,
Officer for Unconnected



Community Highlight:

Global employees make local impact

In 2023, we connected directly with local disadvantaged communities through our new employee-led volunteering days. Here are some of the initiatives we supported:

Gurugram, India

Our India team have taken over a park near Bagiya School, previously used as a garbage dump. Our people took it upon themselves to transform the space and restore it back to a community area for local children to play and breathe clean air. To add to this, HMD India sponsored 10 smartphones, two tablets, meals, and furniture for grade two classrooms in Bagiya School.

Beijing, China

HMD's Beijing team took the lead in revitalizing a public park, working enthusiastically to clear debris and litter, transforming it into a clean and welcoming space.

Delhi, India

To promote e-learning, HMD India gave away 100 smartphones and tablets in five schools for underprivileged children across Delhi NCR. Our India team got tremendous response and support from the students and the teachers. The first distribution was organized at Neev School for Underprivileged kids in Gurgaon, where Sanmeet and Shikhar Dhawan, a well-known Indian cricketer, handed over smartphones to the students and tablets to the teachers.

Taiwan

In Taiwan, the team collaborated on a touching project at the Toy Bank, meticulously arranging toys to bring joy to underprivileged children. By extending the lifecycle of toys and spreading kindness, these efforts enhanced our corporate image and fostered unity among team members.



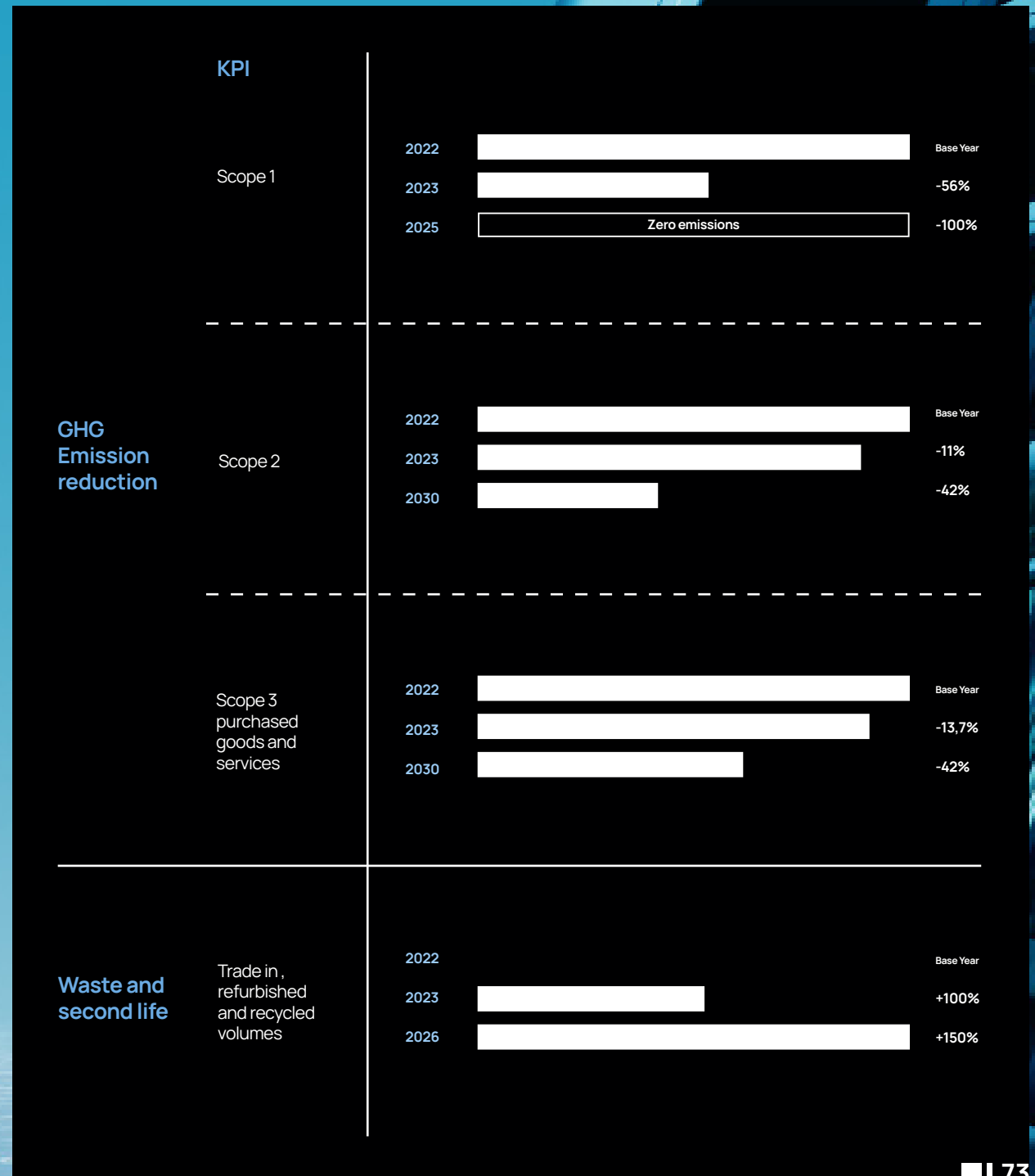
05

Planet

In this section

Business can be kinder to the planet

- A personal note from Reza
- Planet-friendly policy and processes
- Tackling greenhouse gas emissions
- Resource efficiency
- Conflict minerals



Business Can Be Kinder To The Planet

The very essence of our existence – from the water we drink to the air we breathe – depends on the Earth’s health. It’s crucial for us, both as individuals and across our sectors, to rally together in safeguarding our planet and averting the adverse effects of climate change, ensuring a prosperous and secure tomorrow for all.

HMD is proving that business can be kinder to the planet.

Environmental stewardship is at the heart of our decision-making, guiding everything from our product design to our choice of partners. In 2023, we demonstrated this commitment through:

- Designing robust mobile devices that stand the test of time.
- Championing the right to repair, thus enabling users to extend the life of their gadgets.
- Actively driving initiatives aimed at reducing e-waste and cutting carbon emissions.
- Integrating recycled materials into our devices and their packaging.
- Breathing new life into phones through refurbishment, encouraging reuse, and advancing innovation for sustainability.
- Supporting reforestation efforts, aiding in CO2 sequestration and increased biodiversity.

By embracing these practices, we’re not just reimagining business as usual – we’re championing a future where both business and nature thrive for the collective benefit of everyone in societies everywhere.

A personal note

“In 1994, whilst studying for my Ph.D., I was one of the first few people to learn about the internet and the potential this new connectivity evolution will have on the future of work. I now live in that future, and it’s still astonishing to me to see the whole world depend on it so critically. Understanding the amount of power we consume to fuel this connectivity reminds me daily that the resources of this earth will not be able to sustain

our consumeristic behaviors forever. If we continue this way, we will not be able to thrive in life, and nor will nature.

I have a garden, and I feel and see the changes every year; I see the behavior of plants and animals changing before my eyes. The impact on all life, if not taken seriously, will not only destroy the happiness of future generations, but they will also inherit the problems that technology, especially the internet, has created since the 1980s. They will have to deal with a lot more complexity than we will ever know.

This is why I am so passionate about championing sustainability through my role at HMD, especially leading any potential reductions of fossil fuel-related energy use by our ODMs and other suppliers.”

Reza Serafat

HMD GM, Global Quality and Customer Compliance and Sustainability Champion



Planet-Friendly Policy And Processes

Our Global Environmental Policy

At HMD, we're united under an environmental policy that's more than words – it's a compass that guides every team member and partner in their daily actions. It helps us navigate towards sustainability by:

- Meticulously tracking our use of resources
- Actively reducing waste generation
- Minimizing carbon emissions

For details, you can refer to our [Supplier Code of Conduct](#) here¹⁴.

Maximizing Impact, Minimizing Footprint

In 2023, we took substantial strides in our ongoing mission to combat e-waste, slash CO2 emissions, and minimize overall environmental harm more effectively than ever before.

To achieve this, we continuously scrutinize and enhance our practices throughout the lifecycle of our products - across product development, production, transportation, and eventual disposal. Aligned with the international ISO14001 standard, we keep a close eye on several critical aspects:

- Energy use,
- Water consumption,
- Raw material inputs,
- Recycled material inputs,
- Control of hazardous substances,
- Regular waste reporting.

We proudly uphold our commitment to environmental standards and policies, standing tall in our unwavering compliance. Throughout 2023, no non-compliances were reported through our Speak Up channel regarding environmental matters.



Tackling greenhouse gas emissions

Quantifying our carbon footprint

Our journey towards emission reduction started in 2018 with the measurement of our Scope 3 emissions stemming from product transportation to customers. Since then, our dedication has only grown stronger. We've intensified our efforts, focusing on robustly defining a net-zero strategy fit for the future.

In 2022, we joined forces with an accredited third party to refine and authenticate our approach. This partnership wasn't just about dotting i's and crossing t's—it was a step towards aligning our efforts with the rigorous standards of science-based targets. It also paved the way for setting crystal-clear Key Performance Indicators (KPIs) to guide us in the forthcoming years. The findings of our emissions study for 2020 and 2021, inclusive of Scope 3 Greenhouse Gas emissions, were publicly disclosed in 2022, marking our commitment to transparency and annual reporting.

To add to this, we've established clear processes for continually tracking our emissions. This isn't just about keeping score; it's about leveraging this information to set ambitious yet attainable goals for the future. We regularly refine our data-gathering techniques, ensuring that every figure we include in our emissions data, which we have committed to reporting annually, is as precise as possible.

Announcing our targets

In 2022, we pulled back the curtain on our ambitious blueprint to dial down GHG emissions. The year that followed saw us align with the SBTi, a move that

underscored our unwavering commitment to set emission reduction goals that fall in line with climate science. Our targets are actionable commitments that reflect our responsibility to the planet and future generations:

We're on a mission to cut our emissions by 42% by 2030, paving the way for achieving net zero emissions by 2050.

As the last quarter of 2023 unfolded, we participated in a rigorous assessment process with the SBTi, a journey that provided invaluable insights and opportunities for progress. We welcomed their expert feedback, treating it as a catalyst for our ongoing efforts to move the needle on climate change mitigation. We are pleased to say that the SBTi's Target Validation Team has taken a close look at HMD's Scope 1, 2, and 3 target ambitions and given it the green light, confirming it marches in step with the 1.5°C pathway.

Our SBTi-verified targets are:

HMD Global Oy commits to reduce absolute scope 1, 2, and scope 3 GHG emissions from purchased goods and services by 42% by 2030, from a 2022 base year.



Our greatest challenge: scope 3

In the mobile tech industry, the challenge to lower emissions is focused on Scope 3 activities, particularly purchased goods and services. To achieve this, we're continuously innovating products that are not just built to last but have sustainability at their core. Our focus is on creating solutions that significantly reduce energy consumption from the get-go and throughout their lifecycle, all while prioritizing ease of repair, repurposing, harvesting, and recycling.

Our journey towards a clearer, more accurate picture of our energy footprint took a step forward in 2023. We focused on enhancing our understanding of how much energy our ODMs consume by installing power meters on the factory lines where our products are being produced, assembled, and tested. This is part of our collaborative venture towards a leaner, greener future with our ODM partners. We are also pleased to share that, in 2023, we kick started our transition to clean energy sourcing with one of our partners using solar energy for 10% of our device production at their premisses.

We're also actively looking for solutions to reduce Scope 3 emissions generated by the upstream and downstream transportation of our products. Over the few past years, we've been actively moving transportation of goods from air to sea and rail when feasible.

2023 saw us embrace train transport more than ever before, a move that demonstrates our commitment to cutting GHGs while maintaining operational efficiency. This is helped greatly by our local production initiatives, too. Through them we can satisfy local demand and avoid those volumes having to be distributed via air from China or elsewhere.

Also, following the SBTi guidance implemented from 2022 onwards, we have given our emission reporting strategy a facelift. We're no longer aggregating emissions related to leased assets under Scope 3. We have recalibrated our 2022 emissions to neatly separate Scope 1 and Scope 2, all in line with SBTi guidelines.

This makeover not only helps us keep an eagle eye on our emissions reduction progress but also allows us to showcase the impact of our initiatives. Plus, by adjusting our baseline year from 2021 to 2022, as per SBTi's advice, we're able to highlight our advancements in emission reduction more effectively.

Office Energy, Business Travel and Employee Commuting

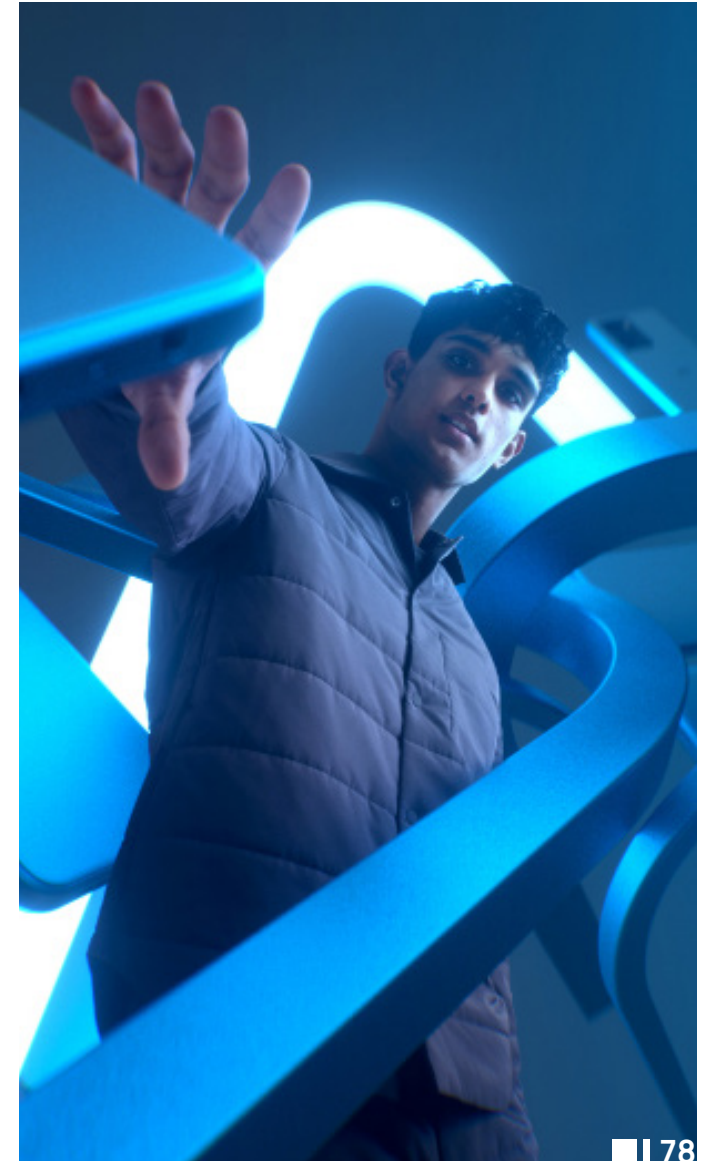
In 2023, our office energy usage totalled 542 MWh. This was a reduction of 3% when compared to 2022 and can be attributed to more efficient energy usage and office space reduction. Across our Espoo headquarters and other offices in Finland and the UK, we're proud to be powering our operations with 100% renewable energy sources. To enable this, we've secured 63 MWh of certified renewable energy drawn from solar, wind, or hydro sources. Twelve percent of our total office energy consumption in 2023 was from clean energy sources.

Internal Efforts

We actively nurture sustainable behaviors among our employees through relevant sustainability training programs. The genuine enthusiasm and engagement of our people in our sustainability strategy efforts shine through in both survey feedback and the myriad of small-scale sustainable projects undertaken by our teams.

As a continued practice at HMD, we are minimizing business travel and embracing virtual meetings whenever possible. For those times when flying is the only option, we ask our employees to consider making more responsible choices. This includes selecting flights with lower CO2 emissions, opting for carriers offering biofuel options, choosing economy class over first class, favoring direct flights over those with connections, packing light, and practicing onboard recycling. More guidance and training in this matter will follow in future.

In our 2023 emissions calculations, we took a closer look at the emissions stemming from employee commutes. By conducting a survey among our team members, we aimed to gain a deeper understanding of their commuting habits and identify potential areas for improvement. This survey will serve as a foundation for analyzing and shaping our future initiatives. In 2023 employee commuting was contributing 0,1% of our total GHG emissions.



2023 Emissions Results

Guided by the Greenhouse Gas Protocol, we carefully measure, record, and transparently report on our energy consumption and resulting greenhouse gas emissions (GHGs) every year.

In 2023 we conducted our fourth comprehensive study alongside an accredited third-party partner. This detailed analysis calculated our greenhouse gas emissions generated by HMD operations.

Our total carbon footprint in CO2-eq:

2020: 1,097,526
 2021: 1,173,823
 2022: 672,374
 2023: 571,091

Breakdown of our 2023 emissions:

Scope 1 0,0005%
Scope 2 0,1%
Scope 3 99.89%
Key categories

Scope 3

82 % - Purchase goods and services
 12 % - Use of sold products
 3,8 % - Transportation/distribution
 1 % - End of Life



GREENHOUSE
GAS PROTOCOL

		2023	2023	
Scope	Category Name	Operational control approach	Operational control approach	
		Total emissions, t CO2-eq	Shares %	
Scope 1	Direct emissions (Scope 1)	3	0.0005%	
Scope 2	Purchased energy - total (Scope 2)	449	0.1%	
	Electricity	356		
	Heat (warrenty warehouse included)	93		
	Cooling	NA		
Scope 3	Purchased good and services total	471,028	82,5%	
	Phone / Tablet production	452,131		
	Services	18,566		
	Warrenty operations	331		
	Capital Goods	424		0.1%
	Fuel and energy related activities (in total)	85		0,0%
	T&D loss	38		
	Fuel Production (Scope 2)	43		
	Fuel Production (Scope 1)	4		
	Upstream transportation	18,970		
	Phones & Tablets	18,956		
	Warrenty	15		
	Total Waste	57		0,0%
	Waste generated in operations	14		
	Waste from warrenty operations	43		
	Business travel	588		0.1%
	Employee commuting	293		0.1%
	Upstream leased assets	0		0.0%
	Downstream transportation and distribution	2,711		0.5%
	Processing of sold products, warrenty operations	0		0.0%
Use of sold products	70,540	12.4%		
EoL sold products	5,945	1.0%		
Total emissions		571,091		

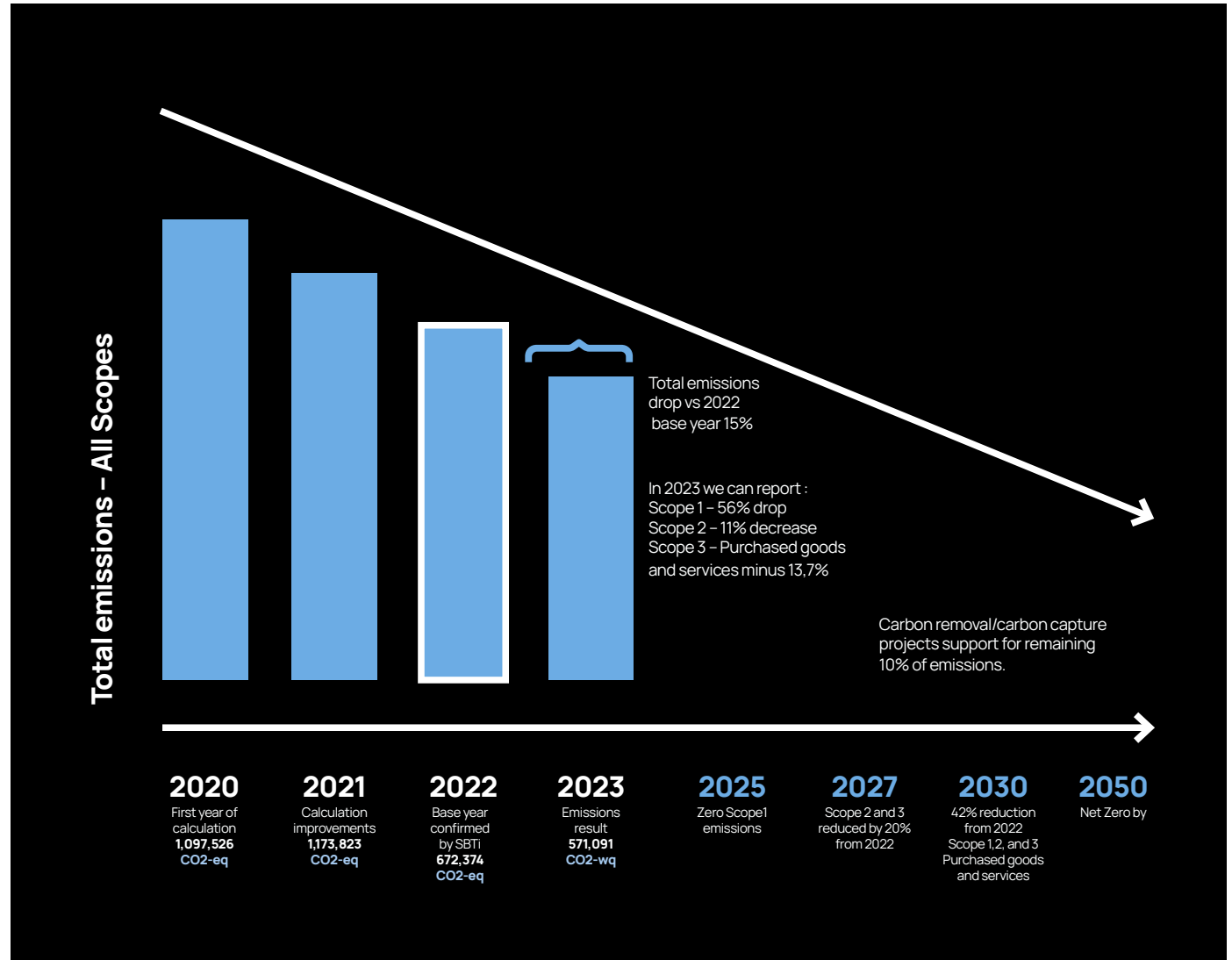
Looking To The Future: Our Roadmap For Emission Reductions

Scope 1 and Scope 2 are tiny part of total HMD emissions

Over 80% of emissions are generated by production: parts+ electricity –
Scope 3 Purchased goods and services

Our emissions reduction enablers for the future include:

- Conducting Life Cycle Assessment (LCA) calculations, encompassing materials selection, process identification, and exploration of positive impact scenarios.
- Incorporating Green Energy in both production facilities and offices,
- Emphasizing the efficient use of sold products to achieve reduction in energy consumption.
- Implementing sustainable transportation practices, resulting in a decrease in emissions achieved through a shift away from air travel and the utilization of biofuels.
- Applying effective End-of-Life (EOL) waste collection initiatives
- Progress continued toward eliminating charger plugs from product packaging
- Enhanced precision in our calculations.



Resource Efficiency

Water

In 2023, we conducted an analysis to understand water usage in our business operations. Our direct water use is modest, mainly in our offices for daily needs. Although it's relatively minor, we tread lightly and thoughtfully, ensuring our water consumption is as efficient as possible. HMD total water consumption in mega liters in 2023 was 1.6, Water use in 11 main offices in mega liters was: 0.95, same value for other offices accounted for 0.66 of mega liters.

We outsource our manufacturing process to our ODMs, and their compliance with wastewater management obligations, including obtaining all necessary permits and approvals, is expected. We will be working with our ODMs to understand their water usage more clearly in the future.

Waste

Our commitment to waste reduction goes hand in hand with our approach to sustainability.

Offices

HMD employees generate waste while working in offices. To calculate the waste, the number of employees was used to estimate the amount generated. The total waste generated in 2023 was

29.8 tons. Of this, 20.8 tons were generated in the 11 main offices, and 9.0 tons were generated in the remaining offices. No hazardous waste was present in any of the offices. The breakdown of waste is presented in the table below:

Suppliers

We urge our suppliers to regularly monitor waste generation and secure permits and approvals as required. We also expect them to align their operations with the 'EU Waste Hierarchy' model. This means striving to reduce, reuse, recycle, and reclaim wherever feasible to minimize waste during production. The same applies to any internal waste management process.

Internal Recycling Guidelines

We conduct regular waste audits and have implemented strategies to repurpose or recycle waste. We encourage every HMD family member to play their part with dedicated bins for cardboard, bottles, and organic waste. Plus, we partner with experts to ensure batteries and ink cartridges find new life through safe recycling processes.

Reducing Internal E-Waste

As part of the tech industry, we're extremely mindful

of our own e-waste. Limiting our internal gadgets to essential laptops and printers, and leveraging cloud-based servers, helps us stay nimble and environmentally responsible. We breathe new life into older laptops by refurbishing them for new joiners to mitigate any unnecessary e-waste. And when it's time to say goodbye to our electronic assistants, we trust them to specialized electronic recyclers for a responsible farewell.

Combatting E-Waste In Our Product Life Cycle

Aside from our internal waste reduction actions, we are working hard to limit e-waste in our product life cycle by increasing the longevity of our products, and giving them a second life through our recycling programs. In 33 countries, our consumers have the option to recycle old phones. In some territories we enable people to purchase refurbished devices or Trade In their old products.

You're welcome to read more about our repairability and recycling efforts in the Product section of this report.

Also, our charitable initiatives donate refurbished and demonstration models to worthy causes.

Discover more about these exciting partnerships for positive action in the People section

Waste type	Biowaste	Paper Waste	Cardboard	Mixed Waste
kg Total	2, 805	12, 857	351	13, 792
Estimated kg per employee per year	6	26	1	27

Conflict Minerals

Responsible Sourcing

We have taken a number of steps to ensure the responsible sourcing of minerals needed to create our products. Tin, silver, tungsten and gold are all essential to manufacturing our devices. However, we know that the illegal extraction and trade of these minerals is fuelling military conflict in some countries and may cause human rights violations, as well as environmental degradation. To mitigate this risk, we actively collaborate with industry peers through the Conflict Free Sourcing Initiative, set up by the EICC. This group helps us to improve traceability and ensure responsible sourcing.

Our Policy For Suppliers

Our stance on conflict minerals isn't just talk; it's embedded in our Code of Conduct¹⁵. This stipulates that our suppliers must procure these materials from sources that are kind to both people and the planet. Any material that whispers of conflict is a hard pass, leading to strict exclusion during supplier pre-selection. This commitment isn't just a handshake; it's sealed and delivered in the legal contracts between us with our suppliers. Link to our conflict mineral policy can be found on our website under ethics section¹⁶.

Responsible Supply Chains

We diligently follow the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals and Conflict-Affected and High-Risk Areas. It's our guide rail as we meticulously vet our suppliers, ensuring they're in step with our high standards. But it doesn't stop with us – we expect our suppliers to echo this down their own supply chains, keeping a keen eye on mineral sourcing and safeguarding this data for five years. It's all about creating a ripple of responsibility.

2023 Results

2023 was a year to remember: a gold star for every HMD supplier, achieving a stellar 100% compliance in submitting their Conflict Mineral Reporting Template (CMRT) for all our phone and tablet models.

We welcome any concerns about conflict minerals through our Speak Up channel. And, to further our cause, we gather for regular discussion forums with key suppliers, fostering an environment where solutions and strategies can bloom.

Since 2022, our dedication to annual conflict mineral due diligence reporting has been unwavering. And in the last quarter of 2023, we took a significant step forward by rolling out comprehensive conflict mineral policy training companywide, focusing on:

- Introducing the concept of conflict minerals to employees.
- Emphasizing the importance of conflict mineral mitigation to HMD.
- Detailing the expectations from our partners.
- Outlining our targets in this regard.



Community Highlight:

Empowering Australia's community clean-up and device recycling

In 2023, we took part in several local, community-based sustainability initiatives in Australia. The first was a donation campaign in collaboration with Clean Up Australia. Clean Up Australia inspires and empowers communities to clean up, fix up and conserve the country's environment. It's one of Australia's most recognised & trusted environmental charities.

Our collaborative campaign ran from March 1st to June 7th, 2023. During this period, for every sale of the Nokia G60 5G, Nokia X30 5G, and Nokia G22, HMD donated \$20 to Clean Up Australia to support various environmental clean-up activities nationwide.

We worked together again on a second initiative; a recycling competition in partnership with MobileMuster, Clean Up Australia, and Wander & Freely. According to IPSOS 2022 data, Australian households collectively hold onto more than 4.9 million broken phones, with an average of 2 unused mobile phones per household. So, our competition encouraged Australians to recycle their old mobile phones, keeping them out of landfills. Consumers could recycle their old devices through MobileMuster's free return service to participate in the competition. By doing so, they were automatically entered into a draw to win one of two luxury eco vacations. The competition took place from July to October 2023.

HMD is a founder member and active participant in MobileMuster, contributing to the sustainable recycling and management of electronic waste in Australia. MobileMuster is the product stewardship scheme of the telecommunications industry, voluntarily funded by telecommunications companies and managed by the Australian Mobile Telecommunications Association. MobileMuster offers a free recycling service, ensuring that mobile phones (batteries, chargers and accessories) are recycled to the highest environmental standards. The scheme has established a vast collection network of 3,000 public drop-off points nationwide and a free post-back option for further accessibility.



Positive
Practices

06



06

Positive Practices

In this section

Our commitments to operating a responsible business

- A letter from Mark
- Sustainability and governance
- Stakeholders and materiality
- Sustainable procurement
- Corporate Social Responsibility
- Empowering our people to Speak Up
- Responsible information management
- Compliance and transparency

Ecovadis	KPI	2022	} Platinum status achieved ----- Target - Retain Platinum
	Received Ecovadis Score	2023	
	2024 - Target		
Ethics	% of employees trained on Code of Conduct	2022	All new hires
		2023	83%
		2024 - Target	100%
	0 violations against the rules set out in this code of conduct	2022	} Reached Target continuous unchanged
		2023	
		2024 - Target	
	100% of our contractors and suppliers to follow the standards set by the EICC, adhered to our SCoC and provided their conflict mineral reporting template	2022	} Reached Target continuous unchanged
		2023	
		2024 - Target	
Sustainable Procurement	100% of our factories audited by HMD quality team	2022	} Reached Target continuous unchanged
		2023	
		2024 - Target	
	minimum CSR B score for our global device factories	2022	} Reached Target continuous unchanged
		2023	
		2024 - Target	

Our commitments to operating a responsible business

At HMD, we're not just about talking the talk; we're walking the walk toward responsible business practices.

With uncompromising policies and solid processes in place, we're dedicated to making decisions that align with our high standards. It's all about integrity — from the inside out. Our governance is not just a structure but a framework that breathes accountability into every level of our leadership. It is comprised of several elements, including:

- A robust strategy
- A governance structure for sustainability
- A leadership team with clear reporting lines
- Regular updates and meetings to drive change
- A robust stakeholder engagement process
- Sustainable procurement processes
- An in-depth materiality assessment
- A reliable and ethical value chain
- Stringent policies in place



A Letter From Mark:

Let's Do More And Make A Real Difference

“I’m extremely proud of what we have achieved on our sustainability journey at HMD this year. Pulling together our annual sustainability report gives us a great opportunity to reflect on our progress against our goals. What we’ve achieved, where we can do better, and put in place actions and rigour across our teams to do more!

What’s particularly pleasing is that our sustained commitment to ‘making a difference’ is recognized by our partners, our customers, and everyone who works for HMD. Our people are clearly proud to work for a business with an honest and authentic approach to ESG.

We have set ambitious targets to challenge ourselves to do more and make a real difference. I’m delighted that I have the backing of our leadership team through robust governance to wrestle with the challenges that we face and build a clear roadmap to achieve our goals. I’m fortunate that my joint responsibility in leading Go To Market and Sustainability enables me to work closely with our teams to execute our sustainability goals through our ‘go to market’ strategy across our products, operations, marketing, and people.

Always learning, always innovating

As a business and as a team, we’re learning all the time about what we can tackle and what will have a material impact. One area that makes me particularly proud is a single-minded commitment to making phones that through our ‘quick repair’ design enables customers to keep their phones for much longer. This, of course, means less waste and less energy used in production and transport. In the short term, some might argue that we sell fewer phones, but we have faith that over a longer-term horizon, this will shift more consumers to buy phones that they can easily repair themselves and therefore extend the life of their phone.

An exciting year ahead

Over the next 12 months, we will accelerate initiatives with our partners and will invest in lifecycle analysis (LCA) for all our products, which will help inform our future product design choices to meet our greenhouse gas emission (GHGE) targets. One of the areas that I’m personally keen to accelerate is working with partners to tackle the global problem of e-waste. It’s a big one to

wrestle with but we’re actively discussing with partners initiatives that we know can make a material difference. To add to this, we will focus on sustainable procurement and enhancing our collaboration with suppliers. We’ve also engaged an external expert to independently audit this 2023 report. I believe that this critical review will challenge us on areas where we can still improve as well as preparing us to comply with the forthcoming CSRD directive.

We’ve achieved a lot, and I’m delighted that our progress has been recognized for the second year in succession with a platinum award from Ecovadis. We’ve got lots more to do, but we have clarity and a can-do mindset to tackle topics with topics that have material impact.”

Mark Dence

GM,

Go To Market and Sustainability



Sustainability And Governance



Leadership for sustainable action

From our CEO to our most junior employees, everyone plays a crucial part in delivering on our people and planet targets. Our governance structure is designed to monitor and manage risks around material topics.

About our CEO

Our CEO has a dual role of chairman and CEO. This has led to more agile decision-making and speed of execution, as we implemented a rapid transformation in a short timeframe. It ensures the commercial success of HMD and provides our employees with a stable and progressive working environment. HMD runs regular compliance and conflict of interest protocols to guarantee full transparency and visibility. We have a strong code of conduct in these areas.

Our senior leadership team

At HMD, our Senior Leadership Team (SLT) is a powerhouse of passion and expertise, consistently driving us forward. This group of leaders represents all areas and functions within the business – from finance to marketing, sales to legal, and general management.

All SLT members are carefully selected based on a combination of each individual's professional experience and competences as well as their commitment to people and our planet. Their experience in relation to strategic areas has been mapped as presented in the table on this page. We thrive on unity, and only welcome a new face onto the SLT when everyone on both the SLT and our board gives a resounding "Yes!".

Independence? Check. No conflicts of interest? Double-check. Our processes ensure this. And diversity? We have a clear goal to increase SLT representation as we develop our future leaders.

To ensure every strategy we devise and share is not just well-considered but also innovative, current SLT profiles include professionals with deep functional and industry experience. This ensures a qualified approach to setting, communicating, and executing strategy so that our technology enriches and empowers every life it touches.

Sustainability Leadership Team Experience and Skills Matrix

Skills & Experience	Jean-Francois Baril	Mark Dence	Lars Silberbauer	James Robinson	Emma McDonnel	Alain Lejeunew	Anssi Rönnenmaa	Jarl Koljonen	KC Chang
Global Business Operations	●	○	●	●	●	●	●	○	○
Corporate Strategy	●	○	○	○	●	○	●	●	○
Sales and Trade Management	●	○	●	●	○	●	●	○	●
Sustainability and ESG	○	●	○	○	○	○	○	●	○
Sustainable Product Development	○	●	○	●	○	●	○	○	●
Manufacturing and Supply Chain Management	○	○	○	○	○	●	○	○	●
Logistics	○	○	○	○	○	●	○	○	●
Marketing, Digital Marketing	○	●	●	○	○	○	○	○	○
Accounting and Finance	●	○	○	○	○	○	●	○	○
Legal, Regulatory and Government Affairs	○	○	○	○	○	○	○	●	○
Human Capital Management	●	○	○	○	●	○	○	○	○

Embedding sustainability across the organization

In our journey to a better future for all, in Q4 of 2022 we appointed a senior team member, Mark Dence, as the General Manager of Go To Market and Sustainability. With a direct reporting line to our Senior Leadership Team, Mark not only steers the progression of our sustainability game plan, but ensures it's embedded across the organization. This starts with product conceptualing and design, through to how we market our products to our customers, and how we execute with our channel partners. This role is instrumental to delivering on our goal to integrate sustainability authentically into the heart of HMD.

To follow through on our commitments and turn them into tangible actions, we have regular get-togethers with our key stakeholders, to closely track our progress. A strong focus is put on specific deliverables within set timeframes. We've set our sights on specific, measurable outcomes because we believe that when we empower our team with clarity and purpose, innovation for a sustainable world isn't just a dream – it's reality in the making.

Precautionary principles

In 2022, we announced our overall sustainability strategy and goals for the coming years. This included the application of the precautionary principles to sustainability, and we have processes and policies in place to prevent any unwanted incidents. We're not just meeting standards; we're setting new ones, ensuring our device software (SW) and hardware (HW) are the epitome of reliability.

Leadership for sustainable action

Aligning with industry standards

As a part of our people, planet, and positive practices journey, we feel it's essential that we meet the best global standards in responsible business.

Proving this, we have maintained our ISO9001 certification for Quality Management since 2018, and ISO14001 for Environmental Management since 2020. In 2022, we achieved ISO 27001. 2023 saw us achieve ISO 45001 certification for Safety and Wellbeing and ISO 27701 for Privacy Information Management System (PIMS). Our ISO 20400 certification for Sustainable Procurement was confirmed in early 2024.

We take the same stance on sustainability reporting standards. Since 2020, we've been an active part of the EcoVadis initiative. Our reporting is undertaken in accordance with the GRI and CDP standards, and we measure our emissions based on the GHG Protocol. In 2023, we signed up to the Science Based Targets initiative (SBTi), and our GHG emissions targets have been approved.

Since 2021, HMD has been a partner of the Ecorating initiative, established by a group of mobile operators aiming to create a more harmonized environmental scoring system for mobile phones. Our scores for assessed products are publicly visible on the consortium's pages. Additionally, environmental profiles for all our products are published on our website, [hmd.com](https://www.hmd.com).

Driving progress and transparency

In 2023, we maintained the consistency of our steering group meetings, which continue to augment the collaboration among our monthly working group. Sponsored by our General Manager for Go to Market and Sustainability, the sustainability working group is formed of senior managers and directors from across all business functions, including Human Resources, Marketing, Supply Chain, Quality Management, Product Design, and Finance. These guardians of rigorous governance vigilantly track and review our strides towards our sustainability goals, mitigating risks, and highlighting opportunities for positive change.

Our CEO chairs the steering committee, which consists of our Senior Leadership Team, Regional VPs, and our GM for Go to Market and Sustainability. The Steering Committee convenes every 6 months to review progress against our targets and ensure continued support from our Senior Leadership.

The highest governance body for sustainability is our CEO. He ensures that all reported information, including material topics, is thoroughly reviewed, and approved.

When it comes to publishing our annual sustainability progress, it's the Sustainability Team's responsibility to prepare our GRI report with precision and care before it's reviewed by the keen eyes of our Legal, HR Operations, and Marketing teams. After securing the CEO's approval, this report is housed securely on HMD's SharePoint and shared with the world via our website at www.hmd.com.



HMD's Sustainability Sponsors

Driving our cross-functional sustainability journey

Quarterly updates are presented to HMD's Senior Leadership Team by our GM for Go-to-Market and Sustainability. Here, we cover the status and progress of our people and planet goals. Each member of the Senior Leadership Team then takes responsibility for ensuring their teams continue to actively implement and progress the strategy.



Jean-Francois Baril

Chairman & CEO
Programme Sponsor



Mark Dence

GTM & Sustainability

Sustainability Governance
Execution of sustainability through 'Go to Market'



Lars Silberbauer

CMO / DTC

Dialing up sustainability in our narrative and marketing



James Robinson

VP: Europe /Smart Phones

Commercial leadership



Emma McDonnell

HR

Diversity, equality & inclusion
Safety & wellbeing of our people



Alain Lejeune

COO / Core BU

CO2e emissions
Ethical sourcing & manufacture
Safety & wellbeing (ISO45001) of our partners
Reducing e-waste



Anssi Rönnemaa

CFO

Data security
ESG financial reporting aligned to EU/IASB standards



Jari Koljonen

GLC

Corporate governance



KC Chang

VP Product Management

Product development
Designed with longevity in mind

Area of expertise

HMD's Sustainability Sponsors

Nurturing collaboration and inspiring positive

Our champions leverage their expertise in their specific fields and departments to both drive sustainability across the organization and provide relevant and timely input on how we can best achieve our ESG targets.



Sustainability

Alicja Rdzanek

Senior Global GTM and Sustainability Manager

Overseeing and coordination of all projects and reporting initiatives related to sustainability



Sales

Brenden Folitarik

Country Manager Australia, New Zealand, and Pacific Island

Clean Up Australia
Stewardship programmes
Reparability initiatives



Operations

Reza Serafat

GM, Global Quality & Customer Compliance

GHG emissions
ODM collab
LCA
Sustainable procurement (ISO 20400)



Head of Proposition

Adam Ferguson

Head of Product Management

Customer propositions creation. Lead for Circular Design Forum initiative



Design

Raun Forsyth

VP, Head of Design

Product concepting, design and sustainable materials



Legal

Karolina Hannonen

Senior Paralegal

New regulatory requirements
Policies
GRI
Submissions review

Area of expertise

Stakeholders And Materiality



Listening to our stakeholders

Understanding and collaboration

Understanding the aspirations and requirements of our stakeholders with respect to sustainability is vital to our operations, and to collaborating with them to realize our objectives. So, to cultivate honesty and confidence, we maintain open dialogue with our consumers, partners, shareholders and investors, employees, suppliers, financial institutions, the media, competitors, governments, regulatory bodies, and specialized institutions.

Engaging internally

We regularly engage with our internal stakeholders, listening carefully to their perspectives and input on the material topics we're addressing through our sustainability strategy. So that we can improve the positive impacts of our actions, we try to continuously improve our ways of communicating with all other stakeholders, too. The tables that follow provide a quick overview of who our stakeholders are, how we engage with each group, what their interests are, and the steps we take to address their concerns.



Key stakeholder insights

	Consumers	Partners	Shareholders & Investors	Employees	Suppliers
Key topics and interests	<ul style="list-style-type: none"> Product and service quality Product safety and reliability requirements Information accuracy Confidentiality 	<ul style="list-style-type: none"> Product and service quality On-time delivery Brand reputation Marketing initiatives 	<ul style="list-style-type: none"> Financial performance Risk management Corporate social responsibility 	<ul style="list-style-type: none"> Workplace Health and Safety Training and career development Employment stability Competitive pay and benefits Work-life balance Labor relations Corporate reputation 	<ul style="list-style-type: none"> Respectful business partnerships Shared growth Labor and human rights protection Compliance
Engagement channels	<ul style="list-style-type: none"> Care centres, calls, emails, HMD Community Customer, customer satisfaction surveys, NPS, contracts, company web page and social media, and our Speak-up channel 	<ul style="list-style-type: none"> Regular meetings, workshops, partner communication letters, contracts, and our Speak-up channel. 	<ul style="list-style-type: none"> Investor meetings, board meetings, and launch events. 	<ul style="list-style-type: none"> Work council, town halls, employee satisfaction surveys, Speak-up channel, newsletters, training, performance reviews, and online social events. 	<ul style="list-style-type: none"> Speak Up channel, requests for proposals, purchase agreements, regular meetings, emails, phone calls, workshops, contracts, and our Supplier Code of Conduct (SCoC).
Actions taken to address stakeholder concerns	<ul style="list-style-type: none"> Providing easy-to-access product and service information. Addressing customer feedback. Offering competitive pricing Industry-leading hardware and software reliability. Information security management system (ISO 27001). 	<ul style="list-style-type: none"> Enhanced partnerships to aim for joint growth Certified management systems in place, with many being ISO-accredited 	<ul style="list-style-type: none"> Robust risk management Regular supplier base audits to ensure CSR compliance 	<ul style="list-style-type: none"> Implementation of work/life balance improvements Regular "Town Hall" meetings Investment in employee career development Compensation Benchmarking Diversity and gender equality promotion ISO 45001 certification ISO 20400 compliance statement 	<ul style="list-style-type: none"> We have clear contracts Actively working to build trust Conduct regular CSR audits to ensure compliance with our SCoC

Key stakeholder insights continued

	Financial institutions	Governments, regulatory bodies & specialized institutions	Media/ Analysts	Competitors
Key topics and interests	<ul style="list-style-type: none"> • ROI • Corporate reputation • Business ethics 	<ul style="list-style-type: none"> • Compliance • Health and Safety 	<ul style="list-style-type: none"> • Transparent and on-time disclosure of information 	<ul style="list-style-type: none"> • Product information
Engagement channels	Regular meetings	Meetings and communication, including letters and emails.	Press releases, comments, interviews, and social media.	Press releases and market trends.
Actions taken to address stakeholder concerns	<ul style="list-style-type: none"> • Financial audits • Efficient and accurate payment processes • All policies kept up-to-date 	<ul style="list-style-type: none"> • Monitor new regulations and laws • Ensure all required policies are in place and maintained 	<ul style="list-style-type: none"> • Communicate with the media via press releases • Interact with the media at events 	<ul style="list-style-type: none"> • Conduct market analysis and benchmarking

Defining what really matters

We understand that defining our material topics is crucial – not only to shape the most effective sustainability strategy for our business but also to know how to measure the results and what information is important to HMD's stakeholders.

Our materiality assessment process

In 2023, we continued to use the materiality assessment that was established in 2021. Our materiality assessment process aligns with the Global Reporting Initiative (GRI) 2021 Standard. This ensures transparency, accountability, and stakeholder engagement in identifying and prioritizing the most important sustainability topics for us to address.

We defined our material topics using sector standards to understand the context in which our organization operates. This process included cross-functional internal reviews. After identification, we assessed the actual and potential impacts – as well as negative and positive impacts – of each topic. We also prioritized the impacts for reporting based on their significance. Once the full analysis was complete, our Senior Leadership Team approved the material topics.

Gaining a deeper understanding

Our stakeholder groups include employees, business partners, suppliers, customers, media, analysts, and consumers. Since 2021 we have communicated regularly with these groups via the channels outlined in the tables on previous pages of this report to identify and monitor their key concerns, interests, and expectations. However, with sustainability becoming more crucial every year and collaboration within industry mandatory for scaling positive change, in 2023, we decided to engage our stakeholders in closer discussions about HMD's defined material topics.

This took the form of two Materiality Stakeholder surveys with our key stakeholder groups:

- ODM partners, other collaborating partners, customers, operators, suppliers, and industry analysts

- Our people, including members of our Sales and Marketing, Operation, Product and R&D as well as Finance teams.

We asked both groups to rank the importance of key teams related to our business activity and its impact on the planet. Questions were split into two sections: Environment and Social, Labor and Ethics. Within each section there were various topics, and we asked participants to tell us which of those are most important to them. We also asked them to identify potential collaborations for HMD that might progress the UN SDGs.

Great engagement and a clearer picture

We're pleased to have received many in-depth and honest responses from our stakeholders. Our internal teams were especially enthusiastic about sharing their views. In total, for both surveys, we received 167 answers. All of the topics we discussed with our stakeholder groups are important to them. This confirms that the material topics definition was done correctly and covered key concerns. The feedback ranking the topics in order of importance has helped us understand where we need to improve and what we can celebrate within each pillar of our sustainability goals. See this data in detail on the next page.

One area that was of particular interest to everyone is waste. As a result, closing the loop on waste in our production processes is now a strong focus for us. We aim to play an increasingly active role in eliminating the global e-waste problem.

Read more about how we are achieving this in the Planet section of this report.

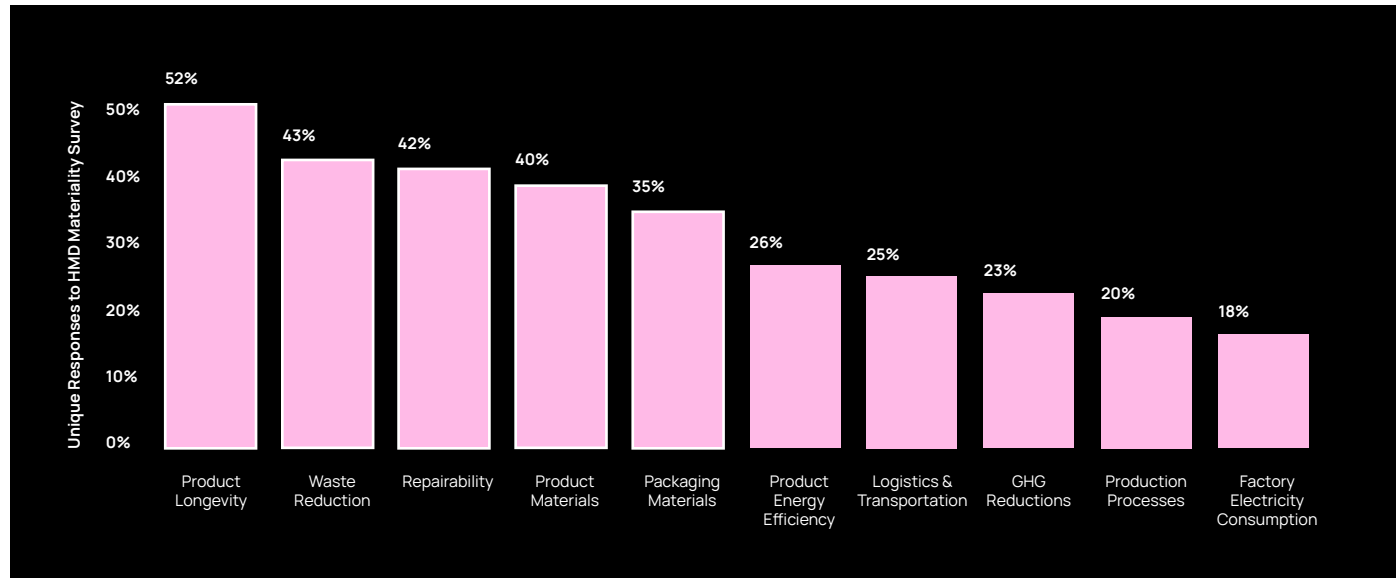
What's most important to our stakeholders?

Here's a visual overview of our stakeholders' feedback.

Environment

The most important topics related to Environment for our stakeholders are:

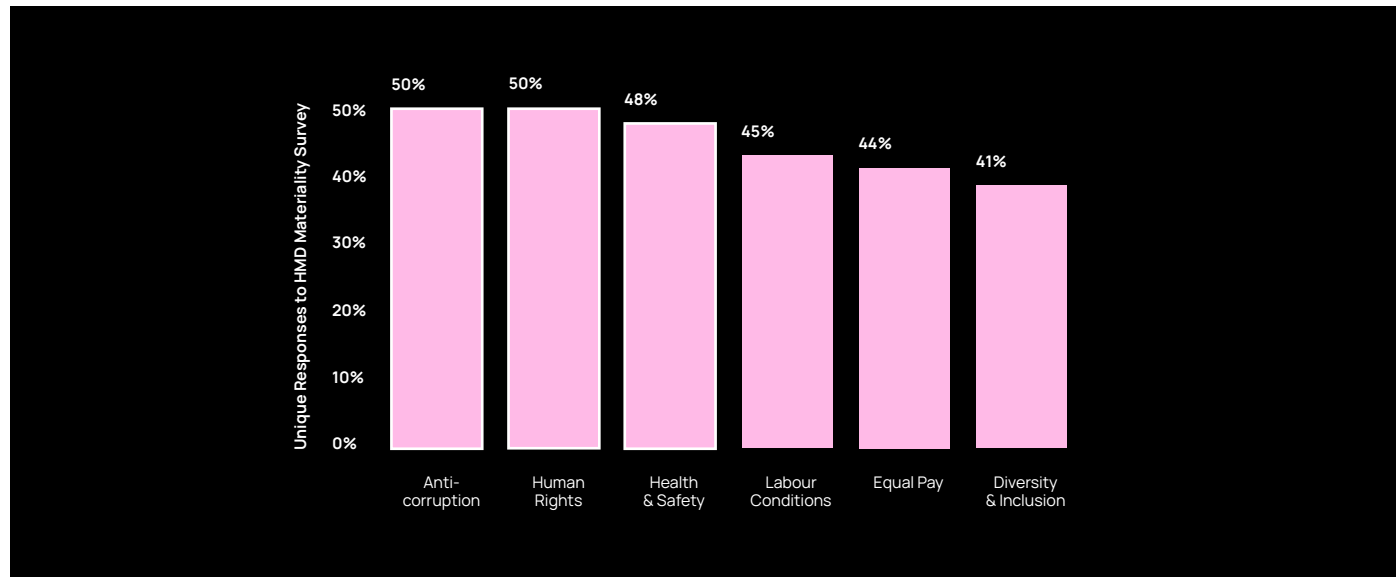
- Product longevity
- Waste reduction
- Repairability
- Product materials
- Packaging materials



Labour and Ethics Topics.

The most important topics related to Labour and business Ethics for our stakeholders are:

- Anti-corruption practices
- Human Rights
- Health and Safety practices



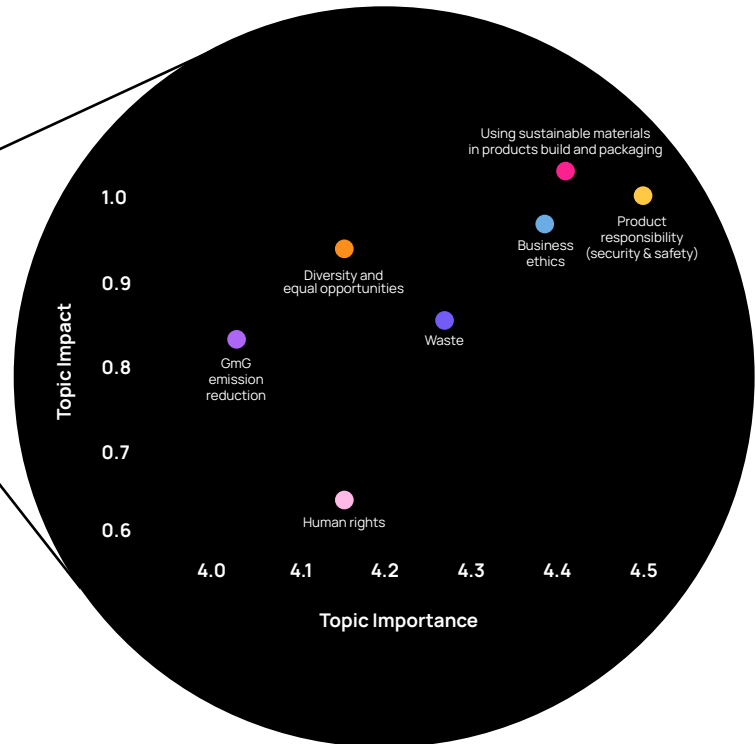
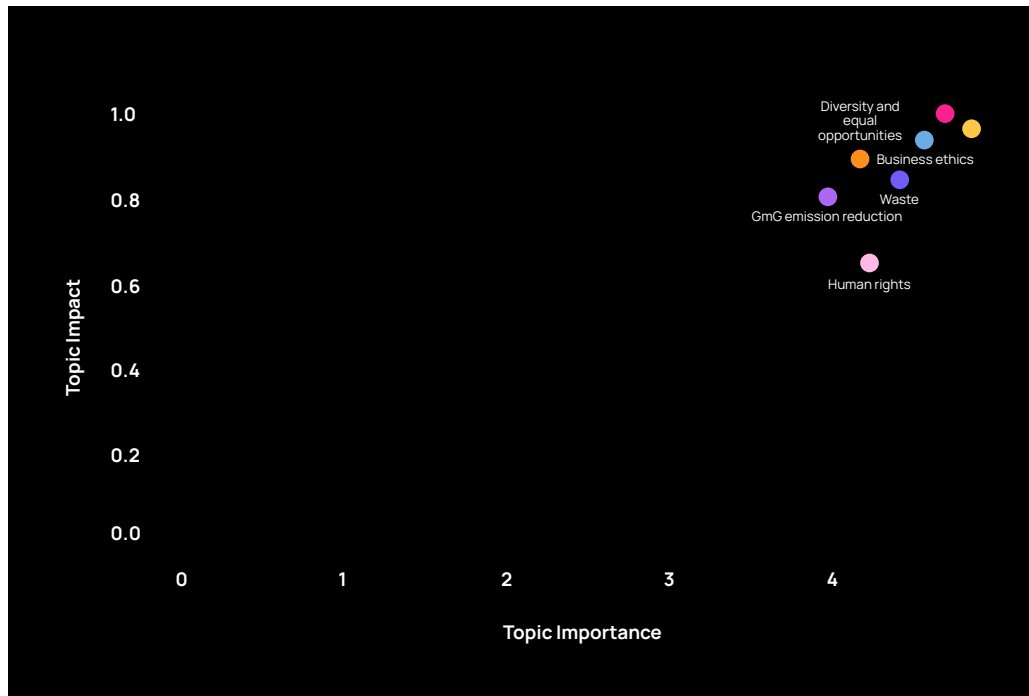
Overall materiality prioritization matrix - 2023

By grouping the topics most important to stakeholders and measuring them against our potential impact on a materiality matrix, we're able to determine what positive actions we should prioritize and topics we should report on.

The matrix below shows that there are some particularly important topics for shareholders and ones where there is a high degree of belief that HMD can influence them in a significant way.

Naturally, product design is one of those areas, and is a topic we're already covering in terms of our use of sustainable materials in products and packaging, as well as with an excellent record for product security and safety. Another area showing high importance and impact is business ethics. Many of our policies and procedures ensure that we follow positive practices, and we are always looking for ways to improve our corporate governance

Importance vs Impact Analysis



Spotlight On Consumer Insights

In 2023, we used first and third-party market research and insights to understand consumers' needs, attitudes, and preferences and ensure these are built into our products and strategies. When it comes to sustainability and repairability specifically, we regularly gather new information regarding what our consumers think about repairability and longevity. To do this, we use several methods of research and analysis.

First-party research

We run our own first-party customer research to explore specific questions about consumer behaviors and preferences. In 2023, these included:

- Qualitative research (May '23) in five markets to understand broad needs on repairability and what that means for consumers' product decisions.
- Quantitative (Sept '23) research in seven markets testing propositions on the reparability of smartphones as well as HMD's sustainability focus. We looked into elements such as how consumers view changing their own cracked screens or fixing battery problems.
- Qualitative testing (May '23) in five markets. There we investigated sustainable packaging and the interest from a consumer perspective.

Third-party insight and analysis

We use a variety of third-party proprietary and open-source insight tools and datasets to understand consumer behaviors and preferences. These include:

- Global Web Index (GWI): Longitudinal consumer survey panel available for 53 markets. Survey data includes multiple datasets covering broad topics, e.g. sustainability from a consumer perspective.
- CCS Insight: Ongoing market and consumer analyst reports from CCS Insight analyst team.
- Kantar Worldpanel: large global research panel focused on telecommunications and covering all smartphone related topics, including sustainability.
- Statista: broad aggregated data, with focused reports on sustainability as well as consumer insight panel data.
- Open-source data: desk research and consolidation of open-source data into insight and analysis reports (e.g. HMD Internal Sustainability Reporting 2023, PowerBI).

Here's an example of some of the qualitative output from our consumer research related to repairability:

Feedback:



“Taking a fraction of the time just to do it yourself. You're not wasting your time, you're doing your shopping, not wasting gas, you're not waiting on them and the other customers that come through, so you're saving time, you're saving money.”

Charlotte, Under 40



“If you give your phone for repair, he will say take it back tomorrow, if he replaces something from your phone you will not know as he will never replair it in front of you.”

Materiality Assessment

The topics below are integrated into our sustainability reporting framework, ensuring transparent disclosure of our approach, progress, and impacts. Our management approach for our impact



Material Topic	Impact and Boundary	Management Approach
Environment	Environment	Environment
Materials	Our devices have components that contain precious metals.	Ensuring our suppliers do responsible sourcing and are in compliance with conflict minerals regulations. Conflict mineral policy in place, and yearly Conflict Mineral Due Diligence report done 1H 2023 onwards. CSR audits.
Product Materials	Product: Recycled materials & eco-design.	Compliance with European regulation . Active engagement in searching for more sustainable material or production solutions . Participations in associations helping to gain understanding and knowledge – CDF (Circular Design Forum) . Calculation of individual products LCAs.
Packaging Materials	Packaging: Recycled materials & eco-design.	
Transportation Emissions	Transport method and biofuels.	Active transition towards more sustainable transportation methods – train, sea from air. Using biofuels.
Product energy	Product energy in used phase.	Compliance with European regulation related to battery.
Energy	Electricity used in our offices.	Green/renewable energy initiatives. All Finland and UK offices are using 100% renewable energy.
Manufacturing Energy	Production electricity & emissions.	Measuring of production Energy has been implemented in 2023. HMD is collaborating with ODMs towards implementing green energy solutions, as well as looking for less energy-intensive alternatives.
GHG Emissions	GHG emissions are presented in our yearly GHG reports.	Reduce emissions from our operations. SBTi targets established in 2023 and approval in 2024. CDP Climate program participation and annual reporting.
Water	Water used in our offices.	Calculated in 2023 and disclosed in this report. Sustainability procedure in place for Espoo office.
Manufacturing Water	Water used during production process.	Manufacturing process is managed by our ODMs. HMD Supplier Code of Conduct highlights importance of water management. As part of their EMS our suppliers shall identify and measure their water consumption and investigate ways in which they can reduce it.
Waste	Waste created from our offices.	Calculated in 2023 and disclosed in this report. We have Office Sustainability procedure in place for Espoo office.
Manufacturing Waste	Waste created during production process.	Manufacturing process is managed by our ODMs. HMD Supplier Code of Conduct highlights importance of waste management. As part of their EMS our suppliers shall identify and measure their waste. We also expect our suppliers to work towards reducing their waste creation and in turn increase the volume of recycled waste.
e-Waste	E- waste.	Collection initiatives of own electronic products as well as collaborations to reduce e-waste from countries not having proper collection legislation . WEEE regulation compliant.
Compliance	Local and global environmental regulations that apply to our operations.	Ensure compliance to applicable regulations and laws. Received ISO14001 EMS certification during 2020, and maintaining that.

Materiality Assessment Continued

Material Topic	Impact and Boundary	Management Approach
People	People	People
Non-Discrimination	Potential risk in our supply chain	Comprehensive contracts and requirements towards our suppliers followed with regular CSR audits.
Human Rights	Potential risk in our supply chain	Comprehensive contracts and requirements towards our suppliers followed with regular CSR audits.
Rights of indigenous peoples	Potential risk in our supply chain	Comprehensive contracts and requirements towards our suppliers followed with regular CSR audits.
Freedom of Association and Collective Bargaining	Potential risk in our supply chain	Comprehensive contracts and requirements towards our suppliers followed with regular CSR audits.
Child Labour	Potential risk in our supply chain	Comprehensive contracts and requirements towards our suppliers followed with regular CSR audits.
Forced and Compulsory Labor	Highly skilled employees are important asset to our company.	Comprehensive contracts and requirements towards our suppliers followed with regular CSR audits.
Talent Management	Potential work place risk.	Attract, develop, retain and reward high-performing talent through active performance review programme and PDPs.
Occupational Health and Safety	Benefits for employees.	Maintain our health and safety management system, ISO45001 certification received 1H 2023.
Employment	Benefits for employees.	Offer benefits for employees beyond legal requirements.
Training & Education	Increase employee awareness and knowledge.	Mandatory policy related trainings, personal development plans and training budgets.
Diversity and equal opportunity	Global company serving global markets we understand the value of diversity within our employees.	Promote workplace diversity and equal opportunity. Robust policies in place and active DEI council.
Freedom of association and collective bargaining	Potential risk of not providing freedom of association and collective bargaining.	Policies in place, Speak up channel implemented internally and externally to report any incidents.
Anti-corruption	Increase employee awareness and knowledge.	Mandatory anti-bribery and anti-corruption training. In 2023, 83% of our people completed this training.

Materiality Assessment Continued

Material Topic	Impact and Boundary	Management Approach
Society	Society	Society
Corruption	Corruption and bribery can cause brand damage and legal ramifications.	Zero tolerance for bribery and corruption. Also internal policies in place to force this.
Tax	Tax governance, control, and risk management.	HMD Global's tax strategy is to fully comply with the tax laws in the jurisdictions in which we operate.
Sustainable Procurement	Economic, environmental and social impacts in our supply chain.	Implement sustainable procurement policies and processes followed by regular CSR audits. ISO20400 Sustainable Procurement system under construction.
Compliance	Local and global environmental regulations that apply to our operations.	Ensure compliance to applicable regulations and laws.
Anti-Competitive Behaviour	Can lead to brand damage and legal actions.	Comply with anti-competitive laws and regulations, internal policy in place as well.
Product Responsibility	Product Responsibility	Product Responsibility
Customer Health and Safety	Potential risk to our end consumers of our devices.	Comply with product safety regulations, and have robust control processes in place to minimize the impact of potential situation.
Marketing and labeling	Risk of false marketing or labeling.	Comply with all applicable regulations, and extend our product development requirements to go beyond legally required levels.
Compliance	Potential risk to our end consumers of our devices.	Comply with all applicable regulations, and extend our product development requirements to go beyond legally required levels.
Personal Data Protection	We have responsibility to protect consumer's personal and confidential information.	Policies in place, Implement information security management system, and maintenance of ISO 27001 certification received during 2022.

By following the GRI 2021 Standard closely throughout our materiality assessment process, we have been able to prioritize and focus on the most relevant sustainability topics. This has enabled us to drive informed decision-making and enhance stakeholder trust and confidence in HMD's sustainability performance. We will keep monitoring and reviewing materiality to adapt to changing stakeholder expectations, emerging risks, and potential opportunities .

Sustainable Procurement



Curating and supporting a responsible value chain

Throughout 2023, we spent time measuring the sustainability of our supplier network.

Our direct sustainability impacts chiefly stem from our offices. All other impacts relate to our value chain. This is because our business model involves ODMs that manufacture HMD products on our behalf. We're hands-on with sales and distribution to our customers, either directly or via distributors. We also handle our own after-sales support and logistics. Although our direct social and environmental impacts are minimal, we're acutely aware that our responsibility for environmental and social stewardship extends far beyond our company walls to encompass our suppliers, partners, and more. By taking responsibility for these indirect impacts, we hope to lead better ways of doing business within the telecommunications equipment and electronic sector.

Our global network of ODMs

We have Original Design Manufacturers (ODM) with factory facilities across the globe. The six state-of-the-art facilities situated in China, these hubs of innovation are chiefly tasked with crafting devices. Two of these are our largest suppliers. Beyond our Chinese facilities, the factories we work with in other nations are dedicated to creating devices specifically for local markets. This approach doesn't just ensure tailored technology for the specific context; it also fosters job creation and opens up new opportunities to these communities. Our device and accessories ODMs work with their own suppliers, which we refer to as Tier 2 suppliers. Tier 2 suppliers procure plastics, various components, and precious metals for the manufacturing process.

Nurturing direct relationships

Fostering direct relationships with our suppliers is essential. These close ties allow us to engage in meaningful dialogues concerning material social and environmental topics. This also often has co-benefits in terms of assuring competitive prices, uncompromising quality, and enhanced security. For instance:

- We maintain direct connections with leading chipset vendors in the mobile device industry for seamless collaboration.
- Expanding our local manufacturing presence across more countries not only reduces our carbon footprint but also empowers us to closely monitor and address social issues.
- Our dedicated Quality Control team actively collaborates with factory teams in China, strategizing on energy-efficient practices. By understanding their challenges and opportunities, we aim to champion greener workflows for a sustainable future.



Our Supplier Code of Conduct

Safeguarding positive social and environmental practices

Building strong partnerships with our suppliers is fundamental to our business ethos and the realization of our sustainability goals. We clearly communicate our expectations around environmental protection and social responsibility to our suppliers, and we ask that they share our values and standards.

Supplier code of conduct

Central to our approach is our Supplier Code of Conduct (SCoC) to which all new suppliers must sign up to. The SCoC outlines what we expect from our suppliers in relation to Human Rights and Labor, Business Ethics, Environmental Processes, Health and Safety Policy, as well as Management practices. We conduct regular assessments to ensure suppliers' adherence to these principles. Any deviation from our SCoC incurs corrective measures, and persistent non-compliance may lead to termination of the business relationship. Toward the end of 2023 we also conducted training on our SCoC directly with our ODMs.

Environmental standards

With respect to the environment, our Supplier Code of Conduct (SCoC) states that suppliers must have an Environmental Management System (EMS) in place that aligns with the ISO14001 standards. We require suppliers to regularly review applicable environmental legislation, regulations, and customer requirements. They must be able to supply evidence of their compliance if requested. For our direct manufacturing partners, we request full compliance with ISO14001 or the Eco-Management and Audit Scheme (EMAS)

as part of our contractual requirements. Another requirement in our supplier contract is that suppliers implement an Occupational Health and Safety management system that complies with the ISO 45001 international standard.

Ethical standards

When it comes to business ethics, the SCoC stipulates that suppliers operate by the same ethical standards as we set ourselves. This includes complying with related policies and procedures, and all applicable national and international laws. Similarly, we expect suppliers to commit to creating jobs that have a positive impact on people's lives. This applies to all direct or indirect workers, permanent and temporary workers, as well as students and migrant workers, or any other type of worker.

During the reporting year, 100% of ODMs agreed to our Supplier Code of Conduct.



ISO 20400: Sustainable Procurement

We started to build our Sustainable Procurement Management System (SPMS) in 2023 according to ISO 20400 standards and received our 3rd party compliance statement for this in January 2024. Also, in 2023, we released our new Sustainable Procurement Policy.

What is Sustainable Procurement?

Sustainable procurement is a strategic approach that considers social, environmental, and economic factors in the procurement process. It involves integrating sustainability considerations into the procurement decision-making process to minimize negative impacts and maximize positive contributions. Sustainable procurement goes beyond traditional procurement practices by emphasizing the long-term value and benefits associated with sustainable sourcing, supplier engagement, and responsible consumption.

We have established, implemented, and continue to maintain processes to control the procurement of products and services in order to ensure their conformity to our Sustainable Procurement Management System (SPMS). Our ODM partners manufacture all our products.

The principles of Sustainable Procurement

The principles of sustainable procurement provide a foundation for guiding procurement activities in a sustainable manner. These principles include:

- **Accountability:** Procurement professionals (sourcing and procurement team members, or anyone working in this area at HMD) take responsibility for the social, environmental, and economic impacts of their procurement decisions and actions.
- **Transparency:** Information related to procurement processes, supplier selection criteria, and sustainability requirements is communicated openly and transparently.
- **Ethical Conduct:** Procurement professionals uphold ethical standards, including fairness, integrity, and respect for human rights.
- **Stakeholder Engagement:** Engaging with relevant stakeholders, such as suppliers, employees, and customers, fosters collaboration and improves the effectiveness of sustainable procurement initiatives.
- **Continuous Improvement:** Sustainable procurement is an ongoing process of learning, adaptation, and improvement. Regular evaluation and monitoring of performance are essential for achieving sustainability objectives.



Core Subjects of Sustainable Procurement

The core subjects of sustainable procurement encompass various aspects that need to be addressed to achieve sustainability goals. **These subjects include:**

Environmental impact:

Assessing and reducing the environmental impact of procurement activities, such as resource consumption, waste generation, and greenhouse gas (GHG) emissions. We have created our GHG reports from the year 2020 onwards on a company level and are improving measuring methods and elements every year for more and more accurate results. We also have GHG reduction targets defined, and we are participating in SBTi and CDP. To further emphasize our commitment to environmental aspects, we have held ISO 14001 EMS certification since 2020 and maintain this through yearly third-party audits.

Social impact:

Considering the social dimensions of procurement, including human rights, labor standards, diversity and inclusion, and community development. We use a third party to conduct regular CSR audits (based on SA8000 requirements) of our ODM partner factories on our behalf. We also have robust social responsibility-related policies in place, such as Human Rights and Labor policy, Business Ethics Policy, Supplier Code of Conduct, and so on.

Economic impact:

Evaluating the economic aspects of procurement decisions, such as value for money, whole-life costing, and support for local economies. One project we are looking at is putting a monetary value on GHG reduction topics.

Innovation:

Encouraging innovation in procurement processes and product/service development to promote sustainable solutions and technologies. We encourage human-centered innovation from product design to production, delivery to after-sales care.

Our ISO 20400 targets and achievements so far

Objective 1: Policy Commitments

1. Maintain a Sustainable Procurement Policy from Q3 2023 onwards. This has been achieved and will be monitored and checked during our yearly Management Review Meeting.
2. These policy commitments are available to access for 100% of our people via our Internal Onboarding site in SharePoint.

Objective 2: Carbon Footprint Reduction

1. Reduce the carbon footprint associated with procurement activities by sourcing from suppliers with lower greenhouse gas emissions or using more energy-efficient products and services.
2. Compare year-after-year results and make these publicly available in our Sustainability report.

Objective 3: Socially Responsible Labor Practices:

1. Set requirements for suppliers to comply with labor standards, including fair wages, safe working conditions, and adherence to international labor conventions. Requirements are in place, e.g., the SA8000 and JAC audit level B.
2. Report our labor practices through our public annual sustainability report. This is in progress as per this document.

Objective 4 : Ethical Supply Chains

1. Develop a supplier code of conduct that includes provisions for ethical business practices, anti-corruption measures, and human rights protection throughout the supply chain. We have this in place.
2. 100% of our suppliers should commit to our Supplier Code of Conduct. This has been achieved and we are continuously monitoring their adherence.
3. Reporting through a public yearly sustainability report. This is in progress as per this document.

Spotlight On Monitoring Energy Use

Going the extra mile to measure our footprint

Dedicated power meters
-combatting energy use in supply chain.

Each of our ODMs in China produces items for several brands. HMD has collaborated with these factories to address the necessity for improvements in energy consumption and the implementation of green energy solutions.

The challenge

We know most of our ODMs are still reliant on fossil fuels for their energy needs, which we know is the largest contributor to climate change. That is why we are keen to influence and engage our factories to explore alternative ways to generate energy, such as hydro (water) energy.

The factory owners are receptive to this discussion. In fact, some of them are already experiencing secondary results of climate change and are looking at ways to mitigate long-term climate risks, including extreme weather conditions. However, for these and energy-related infrastructure updates, there is a significant cost involved, which is often a barrier to change.

Leveraging legislative pressure

In response to green legislation and initiatives in other countries, China's government released funding to support businesses in installing solar panels and gradually transitioning to renewable energy. This initiative was adopted by Mobewire, one of our main production facilities in central China. Mobewire has successfully installed solar panels on their factory roofs, which produce 1 million kWh per year per day. That's enough energy to power an average electric vehicle for 100 miles or 160km every day of the year and covers 10% of the facility's energy needs.

Supporting the move to green energy

Using **Mobiwire** as an example, we have engaged with each of our other **ODMs** to provide us with data to understand the following:

- What infrastructure and investment capability they have to enable them to switch to renewable energy sources
- What the financial impacts might be for them in doing so.

Installing meters

We have worked hard on engaging all our factories to install a power meter on their production lines for each of our products. This enables us to better understand the specific KW of energy that is being used to produce our devices.

This was no easy feat! Each factory uses different levels of energy as they produce many other products for different companies. Also, the installation process required intelligent meters, IT infrastructure, writing of policies, and operations management.

However, in 2023, we Installed power meters in all five ODM factories in China (South, Central West, Central East, and North East). Embedding these power meters will now enable us to retrieve precise data on energy usage in the production of all our devices. Similar installations are planned to be implemented to other factories outside of China.

Data objectives

We intend to analyze the energy data we are capturing to develop concrete actions on reducing energy consumption in 2024 and beyond. We are focused on working hand-in-hand with our ODMs on this initiative. Maintaining positive relationships throughout this process is very important to us, as is ensuring that our contract does not negatively affect their local economies.

What's next?

Of course, energy use extends beyond the production of devices to their packaging, transportation, delivery, and so on. In an effort to reduce this, our Quality

Control team has been engaging China's individual factory teams in exploring their challenges as well as their opportunities to promote greener ways of working. For example, with HMD devices being shipped from China, we have engaged with local printing and packaging suppliers to reduce the weight of the packing units. This is helping to actively reduce the amount of waste and GHGs being produced in our Scope 3.

India has the highest volume of units that go out; we are using local printing and packing companies there, too. This includes the incorporation of local phone chargers, locally produced front and back covers, and locally sourced batteries. Our aim here is to reduce the transportation journeys for each device, thereby reducing our transportation-related emissions.

We will continue to engage our partners in innovating to reduce negative impacts in 2024 and beyond.



Corporate Social Responsibility



Auditing and alignment

We have clear requirements for all suppliers to meet Corporate Social Responsibility (CSR) rules. We also ask them to ensure their own suppliers meet the standard CSR requirements.

Following the approval of a new supplier, a periodic evaluation is performed. We utilize Quarterly Business Review (QBR) practices and other leadership reviews as deemed appropriate. During this evaluation, various elements are considered including development, manufacturing, care and service quality. Sustainability elements are also part of that assessment process. Best performing suppliers are awarded with a certificate showing their rank compared to the other suppliers which aims to provide an incentive for the supplier to keep performing well.

To ensure that our suppliers comply with our ScoC, we perform periodic on-site audits aligned with the JAC and SA8000 requirements. Here are some of the areas we audit our suppliers on:

- Non-tolerance for child labor and juvenile workers
- Non-tolerance for forced labor
- Health and Safety compliance
- Freedom of Association for workers
- Non-tolerance for discrimination
- Disciplinary practices
- Working hours
- Wages and compensation
- Environment
- Business ethics

We have been auditing suppliers in China, Vietnam, and India since 2020. In 2022, we included an ODM in Bangladesh for local manufacturing.

In 2023, we continued to audit new ODM factories for HMD manufactured devices to ensure our high standards are supported. An additional three factories in China were inspected and it was shown that all required ISO45001 certificates were valid. Our global mobile device ODM factories are audited by a third party as per the JAC/SA8000 requirements. The minimum rating requirement for HMD is B or higher and we are pleased to share that we have met this target with all our ODM factories.

These audits have enabled us to slim down the number of tier one suppliers we are working with to only include those meeting very clear standards that match our people and planet goals. We continue to deep our relationships and strategic goals with these suppliers as we recognize that they are integral to our success. Relationship building and collaboration in 2023 included quarterly one-to-one discussions between our SLT and ODM leaders on reparability in particular. We will continue to collaborate closely with these partners in the future on ever more sustainable solutions.

Anti-Corruption & Anti-Competitive Practices



Anti-Corruption and Anti-Competitive Practices

Our Business Ethics Policy

HMD is committed to complying with the highest ethical standards. To provide overarching guidelines, we have implemented a Business Ethics Policy and a Company Code of Conduct outlining our values, principles, standards, and norms of behavior. These provide clear guidance on what we expect from our employees and external partners working on our behalf. They cover a range of issues including anti-corruption and bribery, gifts and hospitality, conflicts of interest and risk management.

Annual training

Every employee is expected to understand and comply with these policies at all times. All employees, including management, receive frequent training and updates on business ethics, as well as access to resources via our company intranet.

Regular risk assessments

We conduct regular compliance risk assessments that cover anti-corruption and anti-competitive practices across all sites. Awareness of any potential risks within our value chain enables us to set up the appropriate preventative measures and control mechanisms

to mitigate the risks. These control measures include obtaining all necessary approvals before conducting any transaction (e.g. contracts, placing orders, receiving goods, processing invoices and making payments). All our internal control mechanisms are implemented according to our Internal Controls Policy and Framework.

Reporting violations

Employees must report all suspected ethics violations promptly through our Speak Up Channel or via their manager, our legal department, compliance, or human resource teams. Concerns can also be submitted directly. Any subsequent internal investigations are conducted by dedicated compliance and legal specialists who are experienced in investigation procedures. It is our aim to review any reports within three business days. Should any breaches of our guidelines occur, disciplinary action will be taken.

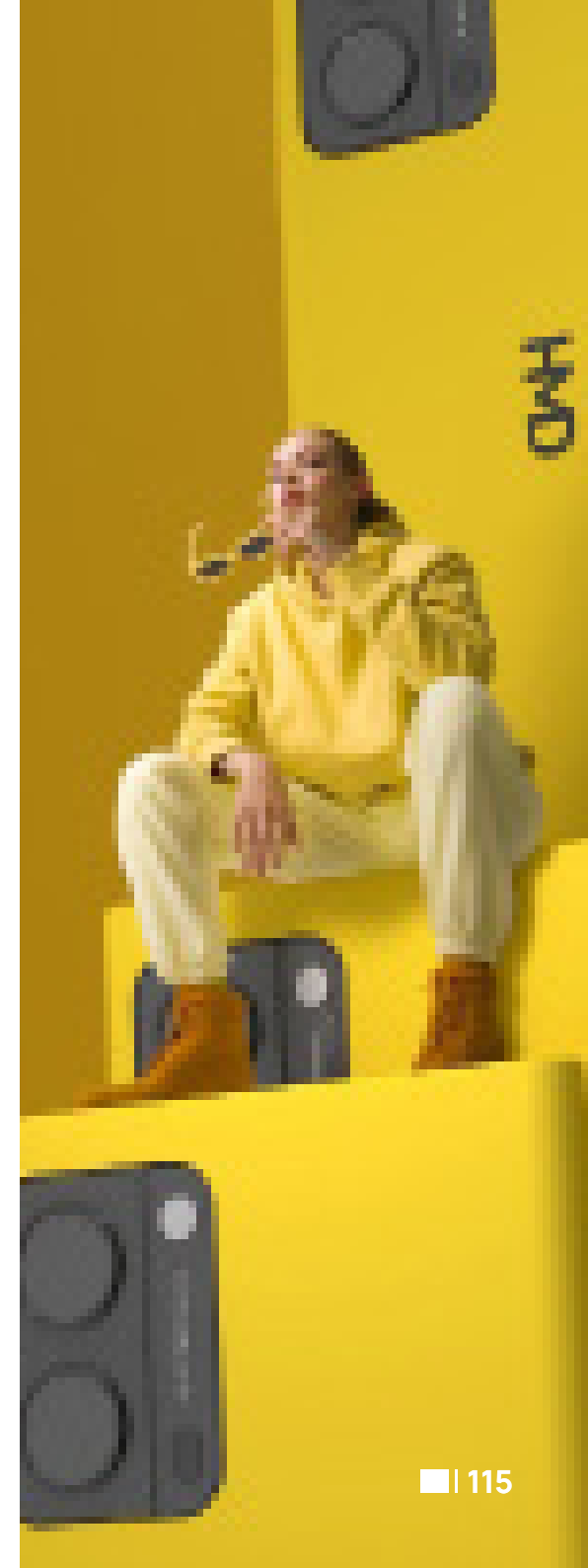
Implementing accountability

Our Code of Conduct and ethical expectations are set and overseen by the management team who are held accountable to establish and implement effective risk management and internal control frameworks. The same applies to

our business partners, who we expect to uphold the same standards. The effectiveness of our control mechanisms is measured in the number of confirmed incidents in relation to corruption, fraud, conflict of interest, and anti-competitive practices within our own operations as well as our supply chain.

2023 results

In 2023, we recorded zero confirmed corruption incidents and zero legal actions for anti-competitive behavior, anti-trust, or monopoly practices. We are proud to achieve this for another year in a row.



Potential High Risk areas for corruption

We have **assessed** the possible risk areas within our operations, and the following areas are considered **high risk** for corruption:

- Organizing hospitality events (e.g. accepting an extravagant dinner with a possible vendor)
- Making charitable donations.
- Attempting to speed up bureaucratic procedure (e.g. obtaining permits, licenses, or other government approvals).
- Legislation in some countries excludes some small payments (e.g. facilitation or 'grease' payments) from the scope of bribery. However, as a global company, HMD strictly prohibits all such payments.

Senior leader roles in preventing corruption

Our senior leaders take an active role in preventing corruption across the organization. Specific areas of ownership are outlined below:

Role	Responsibility
Board	Defining the accepted ethical behaviour through corporate policies
C-Level management team	Setting the tone from the top of the organisation
Leadership team	Overseeing, identifying and managing risks through regional compliance committees
Controls and compliance team	Providing training and support to the organisation, monitoring compliance
Legal	Providing legal support and guidance
Direct line managers	Supervising and supporting employees, management control

We are pleased to report zero incidents of corruption in 2023

Key policies

All of our key policies are published online at www.hmd.com including our:

- Code of Conduct
- Supplier Code of Conduct (SCoC) Health & Safety policy Environmental policy
- Human rights and labor policy
- Anti-bribery and anti-corruption policy
- Anti-discrimination and anti-harassment policy
- UK modern slavery act statement

We also have a Speak-up channel for anyone, internal or external, to report any violations of these policies. It can be accessed from our website ¹⁷.

Empowering People To Speak Up



Providing a platform to voice concerns

We cannot live up to our commitment to integrity if employees cannot speak up freely. So, we actively foster an environment where open, honest communication is the expectation, not the exception. Our people know that to help protect themselves, each other, and the organization, they have several opportunities to raise concerns as soon as they occur.

For situations where there is a preference to report information anonymously and in confidence, we have a formal **'Speak Up' channel**¹⁸ hosted by a third party provider, EthicsPoint. This channel is available for employees to disclose non-public information that they believe is evidence of a breach of ethical or legal norms, such as:

- A violation of law or a regulation
- A violation of HMD Code of Conduct or other company policies
- A gross mismanagement or waste of company funds.

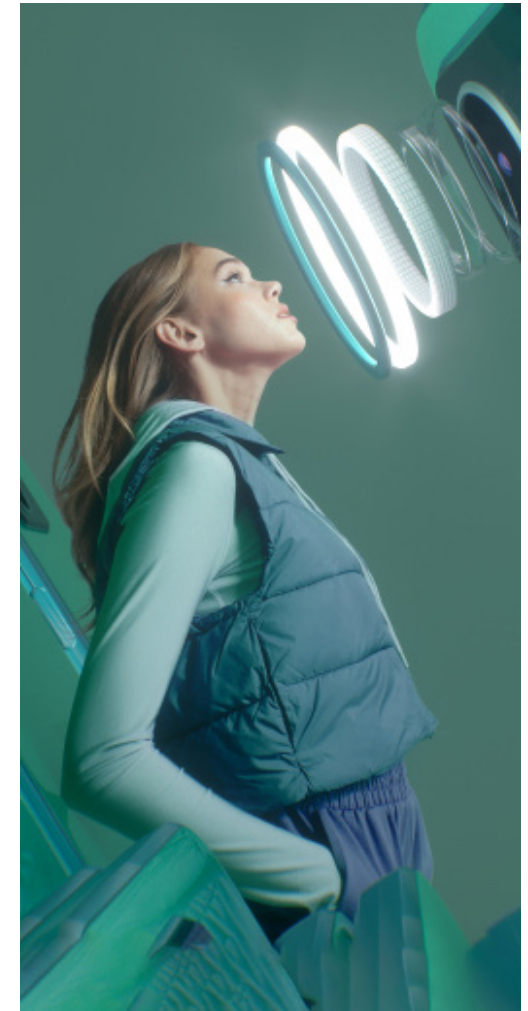
All HMD employees have a responsibility to disclose known or suspected unethical behavior. Not reporting known or suspected unethical behavior is also a violation of our code of conduct. We are fully committed to protecting employees who raise concerns in good faith. Our zero-retaliation policy protects anyone using the Speak Up channel in good faith.

Conflict of interest

We have a robust approach towards any conflict of interest, as outlined in our Code of Conduct and Conflict of Interest declaration. All our employee contracts, including Senior Management/SLT, contain clauses to protect against this.

Grievances

For the purposes of this document, we have used the context of pay equality along with the overall grievance measures that we have in place. We are strongly committed to conducting our activities in accordance with the highest standards of ethical conduct. Our Ethics and Compliance team monitors the reports that come in from our Speak Up channel and reviews and handles any grievances as needed. If the matters require investigation, they manage that process. If the report involves another team within HMD, then the Ethics and Compliance team asks them to address the concern raised in the report. We receive reports pertaining to a variety of different topics and each is handled promptly and thoroughly after a review from a member of the Ethics and Compliance team.



Responsible Information Management



Privacy and data protection

For our people, partners and consumers

We respect everybody's right to privacy and comply with all applicable data protection and privacy laws including the EU General Data Protection Regulation (GDPR). We do not, and will not, include any censorship capabilities or features on our devices.

We achieved ISO 27001 certification for our Information Security Management System in 2022. ISO 27701 is the privacy extension to ISO 27001 and we received the certification in March 2024

Data Protection Officer (DPO)

To monitor compliance, we have nominated a Data Protection Officer (DPO) who reports to our SLT. The DPO prepares an annual plan to determine the appropriate level of priority for the DPO duties and to define the time needed to carry out necessary tasks to maintain compliance.

Protecting customer data

We are committed to protecting personal information data and we are responsible for any data that we hold, collect or use. The storage and processing of customer data collected from our global phone and tablet device variants is centralized on a Google Cloud Platform based in Finland, complying with the GDPR requirements.

Open communication

Honesty and transparency are important to us as an organization. Customers can easily access information about our privacy policies on our website, including what types of data is collected when a mobile device is first activated. By providing links to privacy documents on the first page of device setup we give information in an easily understandable form to keep customers informed. We clearly communicate software updates and critical alerts online and to each device.

Security is a priority

Our security updates go hand in hand with our ethos of democratizing security and going beyond the already stringent Android Enterprise Recommended requirements. Information security and privacy are not only taken seriously for the products and services that we deliver, but the same approach is taken for our own internal processes as well. From our Information Security, Personal IT and Business Ethics policies to our company Code of Conduct, we set out clear and responsible information management guidelines for every employee to comply with.

Managing risk

We have both proactive and reactive

risk management mechanisms. We host training and security risk assessments regularly, and take preventative measures to ensure information and physical security. We limit access to our databases containing personal information to authorized personnel only. Personal data is never transferred without ensuring it is safe and compliant. We also have Data Retention Guideline to ensure that personal data is only retained for as long as it needed and for the purpose it was collected.

Incident response procedure

As part of our reactive risk management mechanism, we have implemented an incident response procedure (IRP) to manage any occurring breaches of confidential information. Security breaches, and any concerns about the integrity of our responsible information management systems, can be reported via our security mailbox available at hmd.com website or SpeakUp channel. Reported cases are being screened and passed to responsible teams. We maintain a breach tracker to document any data breaches and solutions being implemented. In March 2024, HMD implemented a new tool where UK customers can report security vulnerabilities. If a vulnerability is discovered in a product manufactured

by HMD, consumers can complete the form on the [HMD website](#). HMD will communicate with the customer via email regarding the case details and resolution.

In 2023, 200 incidents were reported in relation to our disclosure of non-public information, all were carefully processed in line with ISO27001 standard

Compliance And Transparency



We hold ourselves to the highest standards

As part of our commitment to continuous improvement, we've aligned our sustainability strategy with a number of internationally recognized associations; these include:

The Carbon Disclosure Project (CDP)

Member since 2020. Our emissions were reported for the first time in 2023.

Science Based Targets initiative (SBTi)

Official committed member (as seen on their website). Assessment complete and targets approved in February 2024.

United Nations Global Compact (UNGC)

HMD has been a UNGC member since 2021, with reports submitted annually.

Global Reporting Initiative (GRI)

We have been GRI reporting since 2020. First report published in 2021.

About This Report

This is our fourth annual sustainability report, and it has been prepared in accordance with the GRI 2021 standards: core option. It covers the reporting period from 1 January 2023 to 31 December 2023. Our reporting periods are aligned with both the financial year and the reporting year.

This document reflects our passion, dedication and contribution to sustainability as outlined by the UN Sustainable Development Goals (SDGs) and the 10 Principles of the UNGC.

Data presented is from our global offices and operations, including transportation of goods. Manufacturing is outsourced to our ODM partners and is out of scope for this report. However, we have chosen to include information on how we govern and manage our relationships with our ODM partners and suppliers.

This information is reported to the best of our knowledge and in good faith. This report has been externally audited by WSP in line with the Type 2 Moderate level of Assurance using the AA1000 Assurance Standard (AA1000AS v3) and an assurance statement is attached in the appendix to this report

We're always looking for opportunities to improve our processes and ways of working, and we welcome all

feedback from stakeholders.

Please direct any questions or comments to sustainability@hmdglobal.com

You can find our latest news via our press releases page at: www.hmd.com/business-knowledge-hub
For more information on our recycling policies visit: www.hmd.com/ethics

PUBLISHED ON 28.6.24

Innovating for a brighter tomorrow and beyond

It has been wonderful to reflect on HMD's progress through this report. All our people and stakeholders can be proud of what we accomplished in 2023.

Our sustainability journey continues.

Looking to the future, we will protect and build on our targets while consistently turning goals into action. In practical terms, that means that repairability will continue to be central to our product proposition, we will keep working to combat e-waste, and – above all – we will continue doing our best to cherish and protect all the people who come into contact with our company.

We might encounter a few obstacles in our path, which is to be expected in our ever-changing world. However – given the steadfast resilience and dedication of our global team - these potential pitfalls do not concern me. Our employees' energy and unique problem-solving approaches inspire me daily. So, I have no doubt that, by working closely with our partners, we will continue to develop solutions to suit our consumers' greatest needs, while reducing harm to our natural environment and society wherever we possibly can.

What is clear from our sustainability efforts so far, is that it is possible to drive positive impact and simultaneously open the door to economic opportunity. Sustainable business practices can genuinely yield positive impacts for all. With this in mind, we will continue learning, developing, and innovating for a brighter tomorrow and beyond.

Jean Francois Baril
HMD Executive Chairman



Appendixes

1. GRI Content Index
2. Detailed KPIs for People, Planet and Positive Practices
3. Diversity, Equality and Inclusion in numbers
4. Third party assurance Letter
5. SBTI Near-Term Approval Letter
6. Ecovadis certificate
7. ISO Certificates
8. Sources and Disclaimers

GRI Content Index



Statement of Use:

HMD Global Oy has reported in accordance with the GRI Standards (2016 & 2021) for the period **1 January 2023 – 31 December 2023**.

We publish GRI based Sustainability Report once a year.

* Financial reporting following the same period.

Date of publishing report: 28.6.2024

Our reporting is prepared in accordance with the GRI Standards. This means that our reporting covers all the General Disclosures, as well as the Topic-specific Standards we deem material. In this online GRI Content Index, we list our disclosures with reference to the GRI Standards. The location references are complemented in the index with additional information, such as explanations on reasons for omission as necessary.

In terms of the GRI Standards, the management approach to sustainability is described in the Strategy, governance, and stakeholders chapter. In addition, topic-specific chapters in the report describe the respective opportunities and challenges, while providing context on why the topic is material. Topic-specific chapters further explain respective strategies and policies as well as respective processes, procedures and systems.

GRI 1 used:

GRI 1: Foundation 2021

GRI #	Content indicator	Pages	Notes and omissions	UNGC principles	SDGs
GENERAL DISCLOSURES					
GRI 2: GENERAL DISCLOSURES 2021					
2-1	Organizational Details	5, 9, 10	About HMD		
2-2	Entities included in the organization's sustainability reporting	See note	HMD Global Oy, a limited liability company domiciled in Espoo, Finland (company ID 2724044-2) is the ultimate parent company for all its subsidiaries ("HMD Group" or "Group"). The Group's headquarters are in Espoo, Finland. The consolidated financial statements of HMD Global Oy have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements include the accounts of the parent company HMD Global Oy and its subsidiaries over which the company has control. The sustainability reporting also includes the whole Group.		
2-3	Reporting period, frequency and contact point	125			
2-4	Restatements of information	See note	No restatements of information.		
2-5	External assurance	See note	This report has been externally audited by WSP in line with the Type 2 Moderate level of Assurance using the AA1000 Assurance Standard (AA1000AS v3) and an assurance statement is attached in the appendix to this report.		
2-6	Activities, value chain, and other business relationships	9-10; 105; See note	HMD is a manufacturer of mobile phones, tablets and accessories. We also provide services for enterprise customers. We outsource our manufacturing process to our Original Design Manufacturers (ODMs). A significant upcoming change for HMD will be our transition into a multibrand company. This means that during 2024 HMD will launch devices with our own HMD brand and also other exiting brands on top of the Nokia brand. We closed 7 offices, and the latest status of 2023 used offices can be found from page 10.		
2-7	Employees	47; 58-59, Appendix page no 142			

GRI Content Index



GRI #	Content indicator	Pages	Notes and omissions	UNGC principles	SDGs
GRI 2: GENERAL DISCLOSURES 2021					
2-8	Workers who are not employees	See note	HMD uses external workforce in many of the regions, where we operate. These workers are not calculated as internal employees, and their work is not controlled in the same way as our internal employees. This workforce is divided into 2 categories: 1. Contracted staff and 2. Field Force workforce. The contracted staff is included into our Human Resources database, but these are not considered internal employees and are not included in the headcount of HMD employees. In 2023 HMD had [183] contracted staff. The Field Force workforce is not included into our Human Resources database, since these are employees of our contractors. In general, HMD does not interact directly with the Field Force workforce but only through a third party.		
2-9	Governance structure and composition	90-93			
2-10	Nomination and selection of the highest governance body	90-93			
2-11	Chair of the highest governance body	90-93			
2-12	Role of the highest governance body in overseeing the management of impacts	90-93			
2-13	Delegation of responsibility for managing impacts	90-93			
2-14	Role of the highest governance body in sustainability reporting	91			
2-15	Conflicts of interest	90; 115, 118	Conflict of Interest: A conflict of interest occurs when an employee, officer or director has an undisclosed personal or financial interest in a matter that could influence his professional role. Conflicts of interest involve a state of opposition between an individual's personal and professional interests, and they can occur in various ways. HMD's good reputation is crucial to us and we avoid any activity at work or at home that could jeopardise it. Hence, we organise regular training on the topic of Conflict of Interest and require all of our employees to fill out a Conflict of Interest declaration. The last Conflict of Interest training was launched in 2023.		
2-16	Communication of critical concerns	118; See note	HMD SpeakUp channel. Any critical concern is escalated from the SpeakUp channel to our Compliance team, and if necessary, escalates to the Global Compliance Committee, which includes our CEO. No critical concerns were raised to the Global Compliance Committee in 2023.		

GRI #	Content indicator	Pages	Notes and omissions	UNGC principles	SDGs
GRI 2: GENERAL DISCLOSURES 2021					
2-17	Collective knowledge of the highest governance body	See note	Competence matrix on Page No 90		
2-18	Evaluation of the performance of the highest governance body	See note	Highest governance body participates to the frequent board meetings, but no formal performance assessments are done.		
2-19	Remuneration policies	58-59			
2-20	Process to determine remuneration	58-59			
2-21	Annual total compensation ratio	See note	Data premature to be disclosed, not disclosed in this report.		
2-22	Statement on sustainable development strategy	8			
2-23	Policy commitments	23; 47-49; 52; 55-56, 76; 83; 107-109; 115-118			
2-24	Embedding policy commitments	23; 47-49; 52; 55-56, 76; 83; 107-109; 115-118			
2-25	Processes to remediate negative impacts	118			
2-26	Mechanisms for seeking advice and raising concerns	118	Speak up channel in our web pages www.hmd.com for internal and external stakeholders.		
2-27	Compliance with laws and regulations	19,23,41, 47,48, 50, 56, 102, 103, 106	There were no recorded significant instances of non-compliance with environmental laws and regulations and no environmental related fines were paid during the reporting period (January 1st – December 31st, 2023).		
2-28	Membership associations	24; 122		Principle 8: Undertake initiatives to promote greater environmental responsibility	
2-29	Approach to stakeholder engagement	95-97			
2-30	Collective bargaining agreements	47, 148		Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	
MATERIAL TOPICS					
GRI 3: MATERIAL TOPICS 2021					
3-1	Process to determine material topics	98- 103; See note.	Material topics were detected throughout multiple internal workshops and inputs from stakeholders to focus on the important topics. Materiality Assessment was done based on these inputs. In 2023 HMD has conducted 2 dedicated surveys with shareholders groups		
3-2	List of material topics	98- 103	See materiality analysis in the report.		
3-3	Management of material topics	98- 103	See all relevant disclosures below, by topic.		
TOPIC STANDARDS					
GRI 200: ECONOMIC TOPICS					
GRI 201: ECONOMIC PERFORMANCE					
3-3	Management of material topics	See note	Not material, not applicable to HMD Global Oy.		
201-1	Direct economic value generated and distributed	See note	Not material, not applicable to HMD Global Oy.		

GRI #	Content indicator	Pages	Notes and omissions	UNGC principles	SDGs
GRI 201: ECONOMIC PERFORMANCE					
201-2	Financial implications and other risks and opportunities due to climate change	See note	Target to get that completed in 2025		
201-3	Defined benefit plan obligations and other retirement plans	See note	Not material, not applicable to HMD Global Oy.		
201-4	Financial assistance received from government	See note	Not material, no financial assistance received from government.		
GRI 202: MARKET PRESENCE					
3-3	Management of material topics	See note	Not material, not applicable to HMD Global Oy.		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	See note	Majority of workers or employees are not compensated based on minimum wages, so this is deemed not material		
202-2	Proportion of senior management hired from the local community	See note	Senior management is hired globally no matter the location, so this is deemed not material		
GRI 203: INDIRECT ECONOMIC IMPACTS					
3-3	Management of material topics	See note	Not material, not applicable to HMD Global Oy.		
203-1	Infrastructure investments and services supported	See note	Not material, no major infrastructure investments done.		
203-2	Significant indirect economic impacts	See note	Not material, no major indirect economic impacts.		
GRI 204: PROCUREMENT PRACTICES					
3-3	Management of material topics	See note	Not material, not applicable to HMD Global Oy.		
204-1	Proportion of spending on local suppliers	See note	Not to be shared at this point		
GRI 205: ANTI-CORRUPTION					
3-3	Management of material topics	102-103 See note	This is material topic and references to report pages provided below.	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
205-1	Operations assessed for risks related to corruption	23; 55; 103; 115-116	HMD has identified corruption as a risk for HMD business.		
205-2	Communication and training about anti-corruption policies and procedures	115-116	100% of employees are aware of the policy and have access to the training as part of the Code of Conduct (CoC). In 2023, 83% of the employees completed the CoC training. For new employees, this training is part of the onboarding process. All our suppliers are committed to the Supplier Code of Conduct (SCoC), which includes anti-corruption clauses.		
205-3	Confirmed incidents of corruption and actions taken	14; 115; See note	Zero confirmed corruption cases during reporting period.		
GRI 206: ANTI-COMPETITIVE BEHAVIOR					
3-3	Management of material topics	115-116 See note	This is material topic and references to report pages provided below.	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	115-116 See note	Zero confirmed incidents or actions related to anti-competitive, anti-trust or monopoly topics.		

GRI #	Content indicator	Pages	Notes and omissions	UNGC principles	SDGs
GRI 201: ECONOMIC PERFORMANCE					
GRI 207: TAX					
3-3	Management of material topics	102-103 See note	This is material topic and references to report pages provided below.		
207-1	Approach to tax	See note	HMD Global's tax strategy is to fully comply with the tax laws in the jurisdictions in which we operate.		
207-2	Tax governance, control, and risk management	See note	<p>The tax governance and control framework are embedded in HMD's internal controls and compliance framework. The Corporate Controller is ultimately responsible for tax compliance.</p> <p>Our approach regarding tax disclosures is included in HMD's Financial Statements, which are audited by independent external auditors (PwC). Concerns about unethical or unlawful behavior can be reported through our Speak Up - channel.</p>		
207-3	Stakeholder engagement and management of concerns related to tax	See note	<p>HMD operates in several different countries and jurisdictions and is exposed to several different tax legislations. HMD engages with tax authorities in various jurisdictions through routine tax inquiries and audits. HMD is subject to income taxes in numerous jurisdictions and the calculation of the Group's tax expense and tax liabilities involves a degree of estimation and judgement.</p> <p>Tax balances reflect the management's understanding and interpretation of existing tax laws and regulations. Management periodically evaluates positions taken in tax returns with respect of situations in which the applicable tax regulation may be subject to interpretation and adjusts income tax liabilities where appropriate</p>		
207-4	Country-by-country reporting	See note	HMD is filing annually country by country reporting to the Finnish Tax Administration as the ultimate parent entity of the HMD Group is domiciled in Finland.		

GRI 300: ENVIRONMENTAL DISCLOSURES					
GRI 301: MATERIALS					
3-3	Management of material topics	See note	This is material topic and references to report pages provided below.	Principle 9: encourage the development and diffusion of environmentally friendly technologies	SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation SDG 12: Ensure sustainable consumption and production patterns
301-1	Materials used by weight or volume	See note	Confidential information that can't be shared publicly.		
301-2	Recycled input materials used	13; 14; 17; 21,29, 30, 35, 37,39, 66, 74-76; 84, 102, 139, 140	In our move towards using sustainable packaging, all of our G-, X-, XR-, and T-series devices launched after September 2022, along with the accessories packaging, were made of certified FSC-Mix materials. In addition to that effort, we are continuing to minimize sales box sizes by limiting accessories, chargers, and printed materials. We also use waterbased ink for printing.		
3-3	Reclaimed products and their packaging materials	13; 14; 17; 21,29, 30, 35, 37,39, 66, 74-76; 84, 102, 139, 140 See note	Through the component harvesting process run by our Care department, we harvested 387 kg of parts for reuse during 2023. This activity led to 7,342 kg of production avoidance. The total amount of products placed on global markets in 2023 was 9,439,543 kg. The percentage of Waste Electrical and Electronic Equipment (WEEE) collected, compared to the total Electrical and Electronic Equipment (EEE) placed on the market for which HMD has evidence, was minimal—below 1%. Several factors contribute to this low percentage. Notably, HMD lacks evidence regarding how products are ultimately recycled by end users. While customers are advised in our user manuals on how to recycle their devices, the final action depends on the customer. HMD offers a free-of-charge collection process in 33 countries around the globe where our products can be returned. Additionally, we run a trade-in initiative in selected countries for old products, regardless of the brand. Consumers who trade in their products receive a discount on a new device. We believe many of our products are returned to electronic waste collection points, but we do not have evidence to include in this report. A key activity to successfully combat the waste problem is extending lifecycle of the product, which is why we are so engaged in developing repairability in our devices.		
GRI 302: ENERGY					
3-3	Management of material topics	See note	This is material topic and references to report pages provided below.	Principle 7: Businesses should support a precautionary approach to environmental challenges Principle 8: Undertake initiatives to promote greater environmental responsibility	SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all SDG 13: Take urgent action to combat climate change and its impacts
302-1	Energy consumption within the organization	79			
302-2	Energy consumption outside of the organization	76; 78; 110-111			
302-3	Energy intensity	See note	HMD Energy intensity for own operations in 2023 : was electricity 45 kWh/m ² ; electricity and heating combined 79kWh/m ²		
302-4	Reduction of energy consumption	79			
302-5	Reductions in energy requirements of products and services	29-30			

GRI #	Content indicator	Pages	Notes and omissions	UNGC principles	SDGs
GRI 303: WATER AND EFFLUENTS					
3-3	Management of material topics	82 See note	This is not a material topic for HMD Global since water use is limited to IT office use, and not measured since it is part of the office lease agreements. We do have a procedure in place to minimize water use in the offices.		
303-1	Interactions with water as a shared resource	82 See note	This is not a material topic for HMD Global since water use is limited to IT office use, and not measured since it is part of the office lease agreements. We do have a procedure in place to minimize water use in the offices.		
303-2	Management of water discharge-related impacts	82 See note	This is not a material topic for HMD Global since water use is limited to IT office use, and not measured since it is part of the office lease agreements. We do have a procedure in place to minimize water use in the offices.		
303-3	Water withdrawal	82 See note	This is not a material topic for HMD Global since water use is limited to IT office use, and not measured since it is part of the office lease agreements. We do have a procedure in place to minimize water use in the offices.		
303-4	Water discharge	82 See note	This is not a material topic for HMD Global since water use is limited to IT office use, and not measured since it is part of the office lease agreements. We do have a procedure in place to minimize water use in the offices.		
303-5	Water consumption	82 See note	This is not a material topic for HMD Global since water use is limited to IT office use, and not measured since it is part of the office lease agreements. We do have a procedure in place to minimize water use in the offices.		
GRI 304: BIODIVERSITY					
3-3	Management of material topics	See note	Not material for HMD at this point		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	See note	No offices in such areas.		
304-2	Significant impacts of activities, products, and services on biodiversity	See note	No such activities		
304-3	Habitats protected or restored	70 See note	Ecologi tree planting. Over 502,000 trees have been planted since the start of the project up to the moment this report was issued.		
304-4	"IUCN Red List species and national conservation list species with habitats in areas affected by operations"	See note	No impacts of our operations.		
GRI 305: EMISSIONS					
3-3	Management of material topics	See note	This is material topic and references to report pages provided below.	Principle 7: Businesses should support a precautionary approach to environmental challenges Principle 8: Undertake initiatives to promote greater environmental responsibility	SDG 13: Take urgent action to combat climate change and its impacts
305-1	Direct (Scope 1) GHG emissions	77-81			
305-2	Energy indirect (Scope 2) GHG emissions 77	77-81			
305-3	Other indirect (Scope 3) GHG emissions	77-81			
305-4	GHG emissions intensity	See note	We are not currently calculating this data.		
305-5	Reduction of GHG emissions	77-81			
305-6	Emissions of ozone-depleting substances (ODS)	See note	We are not currently calculating this data.		
305-7	"Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions"	See note	Not applicable for our line of business.		

GRI #	Content indicator	Pages	Notes and omissions	UNGC principles	SDGs
GRI 306: WASTE					
3-3	Management of material topics	82 See note	HMD Global, since we only have leased offices, and the waste is limited to IT office waste. Industry averages are used to calculate waste in our GHG reporting.		
306-1	Waste generation and significant waste-related impacts	82 See note	HMD Global, since we only have leased offices, and the waste is limited to IT office waste. Industry averages are used to calculate waste in our GHG reporting.		
306-2	Management of significant waste-related impacts	82 See note	HMD Global, since we only have leased offices, and the waste is limited to IT office waste. Industry averages are used to calculate waste in our GHG reporting.		
306-3	Waste generated	82 See note	HMD Global, since we only have leased offices, and the waste is limited to IT office waste. Industry averages are used to calculate waste in our GHG reporting.		
306-4	Waste diverted from disposal	82 See note	HMD Global, since we only have leased offices, and the waste is limited to IT office waste. Industry averages are used to calculate waste in our GHG reporting.		
306-5	Waste directed to disposal	82 See note	HMD Global, since we only have leased offices, and the waste is limited to IT office waste. Industry averages are used to calculate waste in our GHG reporting.		
GRI 307: ENVIRONMENTAL COMPLIANCE					
3-3	Management of material topics	102 See note	This is a material topic.		
307-1	Non-compliance with environmental laws and regulations	See note	We have had zero non-compliance issues with environmental laws and regulations during the reporting period. No fines or sanctions received.		
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT					
3-3	Management of material topics	See note	This is a material topic.	Principle 8: undertake initiatives to promote greater environmental responsibility	SDG 12: Ensure sustainable consumption and production patterns
308-1	New suppliers that were screened using environmental criteria	107-115			SDG 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development
308-2	Negative environmental impacts in the supply chain and actions taken	107-115			
GRI 400: SOCIAL DISCLOSURES					
GRI 401: EMPLOYMENT					
3-3	Management of material topics	See note	This is a material topic.		SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
401-1	New employee hires and employee turnover	51; 56-57			
401-2	"Benefits provided to full-time employees that are not provided to temporary or part-time employees"	See note	At HMD full-time and part-time employees are subject to the same benefits		
401-3	Parental leave	47	401-3		
GRI 402: LABOR/MANAGEMENT RELATIONS					
3-3	Management of material topics	See note	This is a material topic.		"SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"
402-1	Minimum notice periods regarding operational changes	51			

GRI #	Content indicator	Pages	Notes and omissions	UNGC principles	SDGs
GRI 403: OCCUPATIONAL HEALTH AND SAFETY					
3-3	Management of material topics	See note	This is a material topic.		SDG 3: Ensure healthy lives and promote well-being for all at all ages SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
403-1	Occupational health and safety management system	14; 19; 41; 48; 104, 108, 113	Certification for ISO45001 received during 1H 2023.		
403-2	Hazard identification, risk assessment, and incident investigation	48	HMD suppliers are subject to regular audits run by HMD and CSR audits conducted by third-party companies in line with SA 8000 principles.		
403-3	Occupational health services	48 See note	Available for 100% of employees.		
403-4	Worker participation, consultation, and communication on occupational health and safety	14; 19; 41; 48; 104, 108, 113			
403-5	Worker training on occupational health and safety	14; 19; 41; 48; 104, 108, 113			
403-6	Promotion of worker health	14; 19; 41; 48; 104, 108, 113			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	14; 19; 41; 48; 104, 108, 113			
403-8	Workers covered by an occupational health and safety management system	14; 19; 41; 48; 104, 108, 113			
403-9	Work-related injuries	48 See note	We had zero work-related injuries during the reporting period.		
403-10	Work-related ill health	48 See note	We had zero work-related ill health issue reported during the reporting period.		
GRI 404: TRAINING AND EDUCATION					
3-3	Management of material topics	See note	This is a material topic.		SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
404-1	Average hours of training per year per employee	13-14; 19; 26-27; 44-45; 54-56; 60; 83; 103, 108, 116, 122 See note	We are using Claned tool as training platform. Average training time per employee on the platform was 1 and 48 min in 2023		
404-2	Programs for upgrading employee skills and transition assistance programs	54-56			
404-3	Percentage of employees receiving regular performance and career development reviews	See note	99% of employees receive yearly performance and career development reviews.		
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY					
3-3	Management of material topics	See note	This is a material topic.	Principle 6: the elimination of discrimination in respect of employment and occupation	SDG 5: Achieve gender equality and empower all women and girls SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
405-1	Diversity of governance bodies and employees	55-61			
405-2	Ratio of basic salary and remuneration of women to men	See note	Details can not be shared externally at this point		

GRI #	Content indicator	Pages	Notes and omissions	UNGC principles	SDGs
GRI 406: NON-DISCRIMINATION					
3-3	Management of material topics	23; 45, 47, 50, 54-56, 103; 115; 117 See note	This is a material topic.	Principle 6: the elimination of discrimination in respect of employment and occupation"	SDG 5: Achieve gender equality and empower all women and girls SDG 10: Reduce inequality within and among countries
406-1	Incidents of discrimination and corrective actions taken	23; 45, 47, 50, 54-56, 103; 113; 116, 137, 141 See note	Zero discrimination incidents reported during reporting year.		
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
3-3	Management of material topics	47, 103, 138 See note	This is a material topic.	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	47, 103, 138 See note			
GRI 408: CHILD LABOR					
3-3	Management of material topics	19, 23, 50, 103, 113 See note	This is a material topic.	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights Principle 2: make sure that they are not complicit in human rights abuses Principle 5: the effective abolition of child labour	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
408-1	Operations and suppliers at significant risk for incidents of child labor	19, 23, 50, 113 See note			
GRI 409: FORCED OR COMPULSORY LABOR					
3-3	Management of material topics	50, 103, 113, See note	This is a material topic.	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights Principle 2: make sure that they are not complicit in human rights abuses Principle 4: the elimination of all forms of forced and compulsory labour"	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	50, 103, 113, See note			
GRI 410: SECURITY PRACTICES					
3-3	Management of material topics	49 See note	This is a material topic.	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	
410-1	Security personnel trained in human rights policies or procedures	49 See note	Security personnel receive the same formal training as all other employees on human rights policies.		
GRI 411: RIGHTS OF INDIGENOUS PEOPLES					
3-3	Management of material topics	103, See note	This is a material topic.	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights Principle 2: make sure that they are not complicit in human rights abuses	
411-1	Incidents of violations involving rights of indigenous peoples	103, See note	Zero incidents during reporting period regarding violations involving rights of indigenous peoples.		
GRI 412: HUMAN RIGHTS ASSESSMENT					
3-3	Management of material topics	14-15, 23; 47, 49- 50, 55, 83 103, 99, 100,106-109 116, 137, 138 See note	This is a material topic.	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights Principle 2: make sure that they are not complicit in human rights abuses	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
412-1	Operations that have been subject to human rights reviews or impact assessments	14-15, 23; 47, 49- 50, 55, 83, 103 99, 100,106-109 116, 137, 138			
412-2	Employee training on human rights policies or procedures	See note	79% of employees receive training on human rights policy. Avaliale in onboarding section		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	See note	All supplier contracts contain requirements on Supplier Code of Conduct which references all HMD Global policy compliancy.		
GRI 413: LOCAL COMMUNITIES					
3-3	Management of material topics	See note	This is not a material topic for HMD Global.		
413-1	Operations with local community engagement, impact assessments, and development programs	67-72			
413-2	Operations with significant actual and potential negative impacts on local communities	See note	No actual or potential negative impacts on local communities during reporting period.		

GRI #	Content indicator	Pages	Notes and omissions	UNGC principles	SDGs
GRI 414: SUPPLIER SOCIAL ASSESSMENT					
3-3	Management of material topics	See note	This is a material topic.	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights Principle 2: make sure that they are not complicit in human rights abuses Principle 3: Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining Principle 4: the elimination of all forms of forced and compulsory labour Principle 5: Effective abolition of child labour Principle 6: Elimination of discrimination in respect of employment and occupation	SDG 12: Ensure sustainable consumption and production patterns SDG 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development
414-1	New suppliers that were screened using social criteria	23; 86	New suppliers, as a first step, are provided with a self-assessment questionnaire that includes a set of criteria important to HMD. After that, an HMD on-site audit is performed. As the collaboration progresses, regular CSR audits, including those by third-party auditors, are conducted based on JAC and SA8000 requirements.		
414-2	Negative social impacts in the supply chain and actions taken	See note	Zero reported negative social impact incidents reported during reporting period.		
GRI 415: PUBLIC POLICY					
3-3	Management of material topics	See note	This is not a material topic for HMD Global.		
415-1	Political contributions	See note	No political contributions were made during the reporting period.		
GRI 416: CUSTOMER HEALTH AND SAFETY					
3-3	Management of material topics	See note	This is a material topic.	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights Principle 2: make sure that they are not complicit in human rights abuses	SDG 3: Ensure healthy lives and promote well-being for all at all ages
416-1	Assessment of the health and safety impacts of product and service categories	40, 41	Product health & safety impacts are assessed throughout the product lifecycle for all device models.		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	See note	Zero incidents of non-compliance concerning the health and safety impacts of products or services during reporting period. Any risks raised for health or safety related incidents are handled through our IRM Incident Response Management process.		
GRI 417: MARKETING AND LABELING					
3-3	Management of material topics	See note	This is a material topic.		
417-1	Requirements for product and service information and labeling	See note	HMD requirements that suppliers need to follow are part of our mutual agreement. Ecoprofiles for each device are available to users on our website. User guides and product safety instructions are included in the sales boxes of the products.		
417-2	"Incidents of non-compliance concerning product and service information and labeling"	See note	"Zero Incidents of non-compliance concerning product and service information and labeling during reporting period."		
417-3	Incidents of non-compliance concerning marketing communications	See note	Zero Incidents of non-compliance concerning marketing communications during reporting period.		
GRI 418: CUSTOMER PRIVACY					
3-3	Management of material topics	See note	This is a material topic.		
418-1	"Substantiated complaints concerning breaches of customer privacy and losses of customer data"	120 See note	In 2023, 200 incidents were reported in relation to our disclosure of nonpublic information, all were carefully processed in line with ISO27001 standard privacy and losses of customer data during reporting period.		
GRI 419: SOCIOECONOMIC COMPLIANCE					
3-3	Management of material topics	See note	This is a material topic.		
419-1	Non-compliance with laws and regulations in the social and economic area		We had zero non-compliances reported with laws and regulations in the social and economic area during the reporting period.		

Detailed KPIs for People, Planet and Positive Practice

People



Diversity and Inclusion	Gender	2021	2022	2023 Result	Target 2025	Target 2027
	Female employees as of total HC	32%	32%	32%	36%	38%
Female employees as of total managerial positions	22%	21%	22%	25%	27%	
Zero gender pay Gap by 2027	NA	NA	NA	NA	0%	
Diversity and Inclusion	2021	2022	2023 Result	Target 2025	Target 2027	
HMD does a good job of fostering a diverse and inclusive environment	NA	79%	80%	83%		
I feel that all have equal opportunities to succeed at HMD	NA	72%	73%	80%		
If I raised a concern about discrimination, I am confident HMD would do what is right	NA	82%	83%	83%		
Diversity & Inclusion Employee Engagement index	NA	78%	79%	83%		
Leadership training - with inclusion model	NA	Training in plan, not launched yet	Training in plan, not launched yet	70% managers completed		
100% employees trained on anti-discrimination and harassment	NA	all new highered employees	51%	100%		
Number of DE&I initiatives introduced to HMD global	NA	NA	DEI survey completed, Unconscious bias training part 1 done in Nov.	2		
Wellbeing index	NA	68%	72%	90%		
Percentage of disabled workers employed in relation to the whole organization	NA	NA	0%	0%		
Percentage of disabled workers employed in top executive positions	NA	NA	0%	0%		
Training and Education	Learning	2022	2023	Target 2024	Target 2025	Target 2027
100% of our employees with a performance review and a personalised career plan	100% of employees	99.64%	100% of employees			
Training hours per internal employee increase	base year	1h 48min per employee in 2023. +80% increase vs 2022	100% increase to base year - 2H per employee			
Sustainability strategy training	sales and marketing departments	88%	100% of employees			
Personal development via coaching	Europe based initiative for 2 key regions	Implemented in Europe and US. Due to internal reorganisations and reduction of training staff in India it was not appropriate to implement any Personal Development sessions in 2023. The objective is to engage them in 2024.	Further collaboration with covered markets + expansion to India			
HMD trainers hours spend on personal development and coaching per year	12h per person	87%	14h per person			

Detailed KPIs for People, Planet and Positive Practice

People



Labour & Human Rights	Labour & Human Rights	2021	2022	2023 Result	Target 2024	
	Zero Modern Slavery Act, discrimination or diversity violations/incidents through Speak Up channel.	0 incidents	0 incidents	0 incidents	0 incidents	
	100% of employees trained on child labour, slavery and human trafficking	NA	100% of employees	79%	100%	
	Zero incidents in relation to child labour and human rights	0 incidents	0 incidents	0 incidents	0 incidents	
	Zero confirmed corruption incidents, zero legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and zero non-compliances with other laws and regulations	0 incidents	0 incidents	0 incidents	0 incidents	
	employees based in Finland, Belgium, Austria, Italy and France covered by collective bargaining agreements	15%	Finland, Belgium, Italy, France	100%	100%	
	pension scheme in every country that HMD operates in	NA	42 pension schemes	34 pension schemes	100%	
	Health and Safety	Health and Safety	2021	2022	2023 Result	Target 2024
100% of Yearly Health and Safety Risk assessments completed	100% completed	100% completed	100% completed	100% completed	100%	
every employee is also entitled to flexible work arrangements such as remote work and flexi-time	Available for 100% of employees	Available for 100% of employees	Available for 100% of employees	Available for 100% of employees	Available for 100% of employees	
work-life balance satisfaction	NA	73% 1st Pulse, 76% 2nd Pulse	84%	90%		
100% of Employees receiving health coverage	Available for 100% of employees	Available for 100% of employees	Available for 100% of employees	Available for 100% of employees	Available for 100% of employees	
100% paid annual leave	Available for 100% of employees	Available for 100% of employees	Available for 100% of employees	Available for 100% of employees	Available for 100% of employees	
100% Employees receive 24 hours rest within a time frame of 7 consecutive days.	Available for 100% of employees	Available for 100% of employees	Available for 100% of employees	Available for 100% of employees	Available for 100% of employees	
work-related illness, injury or fatality situations reported	zero incidents	zero incidents	zero incidents	zero incidents	zero incidents	
LTI frequency and severity	zero incidents	zero incidents	zero incidents	zero incidents	zero incidents	
product health and safety impact assessments for 100% of our products.	0 incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of our products	0 incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of our products	zero incidents	zero incidents	zero incidents	

Detailed KPIs for People, Planet and Positive Practice

Planet



CO2e reduction	CO2e	2022	Target 2030	2023 GHG emission decrease	Target 2050
	Scope 1	base year	42% reduction*	56%	net zero**
	Total emissions, t CO2-eq	6.98	4.05	3.1	
	Scope 2	base year	42% reduction*	11%	
	Total emissions, t CO2-eq	506.2	293.60	448.6	
	Scope 3	base year		15%	
	Total Scope 3 target/results in t CO2-eq	671,860		570,639	
	Emissions reduction target/results in purchased goods and services in %	base year	42% reduction*	13,7%	
	Emissions reduction target/results in purchased goods and services in t CO2-eq	545,632	316,467	471,028	
	Emissions reduction target/result - Upstream transportation and distribution in %	base year	5% reduction	26%	
	Emissions reduction target/result - Upstream transportation and distribution in t CO2-eq	25,743	24,456	18,970	
	Emissions reduction target/result - Use of sold products in %	base year	5% reduction	23%	
	Emissions reduction target/result - Use of sold products in t CO2-eq	91,192	86,632	70,540	
	* Absolute contraction approach, 1.5C, % SBT reduction				
**Absolute contraction, 90 % absolute reduction, i.e HMD Global Oy commits to reduce category emissions 90% by 2050 from a 2022 base year					
	Renewable electricity	2021	2022	2023 Result	
	Share of renewable electricity (%) in HMD offices	NA	8%	12%	
Product Design	Product Design	2021	2022	2023 Result	Target 2025
	Packaging made of certified FSC- Mix materials	selected models	selected X and G series	all X and G series	All products
	Use of recycled materials in products (aluminium and plastic)	NA	X series	X and Gseries	All products
	% of sold smartphones with consumer reparability globally	0	0	11%	50% (2024)
	% of sold smartphones with consumer reparability - Europe	0	0	27%	75% (2024)
	% of product shipped w/o charger plug	NA	1% of total smartphone sales 0% of feature phones sales	5% of total smartphone sales 4% of feature phones sales	10% of smartphones sales 5% of feature phones sales
	Minimalising energy need during product use phase	NA	NA	NA	Energy Labelling score A for smartphones
	% of phones with Ecorating LCA calculated	38%	53%	53%	
	Products with own LCA calculation	NA	NA	NA	80% in 2024

Detailed KPIs for People, Planet and Positive Practice

Planet



Product Design	Conflict minerals	2021	2022	2023 Result	Target 2024
	100% of phone and tablet models have CMRT file fulfilled.	100% coverage	100% coverage	100% coverage	100%
	100% of materials used in our phones/tablets/accessories are compliant with our Restricted Mineral Guidelines	100% coverage	100% coverage	100% coverage	100%
	100% free of nickel on product surface	100% coverage	100% coverage	100% coverage	100%
	100% of products comply with EU RoHS Directive 2011/65/EU	100% coverage	100% coverage	100% coverage	100%
	100% of products comply with European REACH Regulation 1907/2006/EC	100% coverage	100% coverage	100% coverage	100%
Waste and second life	Waste	2021	2022	2023 Result	Target 2024
	% of R2 accredited recycling partners	0	25%	25%	50%
	New Purchase avoidance - kg	3943 Kg	3473 Kg	7342 Kg	5400kg
	OCR for Smart Devices	2%	1.9%	1.46%	1.75%
	Office recycling	Procedure in place for Espoo office recycling	Procedure in place for Espoo office recycling	Procedure in place for Espoo office recycling	Procedure in place for Espoo office recycling
	Water consumption in HMD officess	NA	NA	1.6 mega liters	
	Waste generated in HMD officess	31.4 tons	34.0 tons	29.8 tons	

Detailed KPIs for People, Planet and Positive Practice

Positive Practices



Business Ethics	Business Ethics, Code of Conduct	2021	2022	2023 Result	Target 2024
	% of employees trained on Code of Conduct	100%	100%	83%	100%
	To record 0 violations against the rules set out in this code of conduct	Zero violations from year 2017 onwards.	Zero violations from year 2017 onwards.	0 incidents	0 incidents
	Non-compliances with environmental laws and regulations	0 incidents	0 incidents	0 incidents	0 incidents
	Business Ethics, Anti-bribery and corruption Policy, anti-competitive practices	2021	2022	2023 Result	Target 2024
	Bribery and corrupt activities	Zero bribery and corrupt incidents since year 2017	Zero bribery and corrupt incidents since year 2017	0 incidents	0 incidents
	% of employees trained on anti-bribery and anti-corruption issues since 2017	100% employees trained on anti-bribery and anti-corruption issues since 2017	100% employees trained on anti-bribery and anti-corruption issues since 2017	83%	100%
	Facilitation payments	Zero incidents of facilitation payments allowed since 2017	Zero incidents of facilitation payments allowed since 2017	0 incidents	0 incidents
	Neptism or cronyism in recruitment decisions	Zero incidents of cronyism or nepotism in recruitment decisions since 2017	Zero incidents of cronyism or nepotism in recruitment decisions since 2017	0 incidents	0 incidents
	Number of reported incidents due to anti-competitive practices	0 incidents	0 incidents	0 incidents	0 incidents
	Business Ethics, Anti-Discrimination and Anti-Harassment	2021	2022	2023 Result	Target 2024
	Infrastructure for employees with disability available	100%	100%	100%	100%
	Number of discrimination reports reported to ethics hotline Zero	0 incidents	0 incidents	0 incidents	0 incidents
	Privacy and compliance	2021	2022	2023 Result	Target 2024
	zero authority reported incidents in relation to disclosure of non-public information	0 incidents	0 incidents	200 incidents were reported, all were carefully processed in line with ISO27001 standard	0 incidents
	Sustainable procurement	Sustainable procurement	2021	2022	2023 Result
100% of our contractors and suppliers to follow the standards set by the EICC.		100% Coverage	100% Coverage	100%	100%
100% of our factories were audited by HMD quality team		100% Coverage	100% Coverage	100%	100%
100% of our ODM global Device factories were CSR audited		100% Coverage	100% Coverage	100%	100%
% of our accessories factories were CSR audited		100% Coverage	100% Coverage	100%	100%
minimum CSR B score for our global device factories		100% Coverage	100% Coverage	100%	100%
100% of all our suppliers adhered to our SCoC		100% Coverage	100% Coverage	100%	100%
100% of all relevant suppliers have provided their conflict mineral reporting template (CMRT).		100% Coverage	100% Coverage	100%	100%
% of sourcing team trained on social and environmental issues within the supply chain		NA	NA	NA	100%
% of suppliers engaged in capacity building	NA	NA	NA	80%	
ISO	ISO Certifications	2021	2022	2023 Result	Target 2024
	ISO 14001 EMS certification - our Environmental Management System - expansion to key 11 locations	9%	9%	9%	
	ISO 45001 certification- Occupational Health and Safety Management system-expansion to key 11 locations	NA	NA	9%	
	ISO 9001 QMS certification - our Quality Management System -expansion to key 11 locations	18%	18%	18%	

Diversity, Equality and Inclusion in numbers

Our teams all employees

Age	Non-Manager			Manager			Total		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
20-29	15	17	32				15	17	32
30-39	56	89	145	12	15	27	68	104	172
40-49	54	118	172	19	73	73	73	191	264
50-59	14	28	42	4	34	38	18	62	80
60-69		1	1				0	1	1
Grand Total	139	253	392	35	122	157	174	375	549

Age	Male			Female			Grand Total		
	Full-Time	Part-Time	Total	Full-Time	Part-Time	Total	Female	Male	Total
20-29	14	1	15	17	0	17	15	17	32
30-39	68		68	104	0	104	68	104	172
40-49	72	1	73	191	0	191	73	191	264
50-59	18		18	62	0	62	18	62	80
60-69				1	0	1	0	1	1
Grand Total	172	2	174	375	0	375	174	375	549

Row Labels	Male			Female			Grand Total		
	Full-Time	Part-Time	Total	Full-Time	Part-Time	Total	Female	Male	Total
Fixed Term Contract	2	1	3	3	0	3	3	3	6
Permenent	170	1	171	372	0	372	171	372	543
Grand Total	172	2	174	375	0	375	174	375	549

Senior leadership

Age Groups	Female	Male	Grand Total
40-49	0	4	4
50-59	1	2	3
60-69	0	1	1
Grand Total	1	7	8

Age Groups	Female	Male	Grand Total
40-49	0%	50%	50%
50-59	12.5%	25%	37.5%
60-69	0%	12.5%	12.5%
Grand Total	12.5%	87.5%	100%

	Female	Male	Grand Total
Count of Citizenship	1	5	6

Third party assurance Letter

HMD GLOBAL OY SUSTAINABILITY IMPACT REPORT ASSURANCE STATEMENT

Scope and Objectives

WSP was commissioned by HMD Global Oy ("HMD"), to undertake a review of the activities and processes, including data and information, used to prepare HMD's 2023 GRI aligned Sustainability Impact Report. WSP has provided this assurance in line with Type 2 Moderate level of Assurance using the AA1000 Assurance Standard (AA1000AS v3) principles of Inclusivity, Materiality, Responsiveness and Impact as summarised below.

- **Inclusivity** – has the organisation included its stakeholders in developing and achieving its accountable and strategic response to sustainability?
- **Materiality** – has the organisation included in its report the material information and data required by its stakeholders to make informed judgements, decisions and actions?
- **Responsiveness** – has the organisation responded to stakeholder concerns, policies and relevant standards and communicated these in its reports?
- **Impact** – has the organisation measured, assessed and is accountable for how their actions affect their broader ecosystems?

WSP's review is based on information being provided by HMD being accurate and complete and WSP is entitled to rely on such information on that basis. HMD remain responsible for the accuracy of the information it has provided and for the content included in the 2023 GRI aligned Sustainability Impact Report (the "Report"). The WSP assurance team was not involved in the report compilation. This statement is the responsibility of WSP and represents an independent opinion. The intended users of this statement are the readers of HMD's 2023 GRI aligned Sustainability Impact Report, and it is intended for this statement to be used in its entirety.

Assurance capabilities and responsibilities

Our team has the appropriate experience and competency to complete this assurance engagement. This work was undertaken in line with the AA1000AS assurance standard. WSP has a Business Management System (BMS) which is certified to ISO EN ISO 9001 under which all our work is managed.

Methodology

Our assurance work commenced in 2024 Q1 and was completed by the end of Q2. This was conducted via Teams meetings, email, and discussions with HMD responsible for the management, collection and content creation of the GRI aligned Sustainability Impact Report.

Evidence provided by HMD was collated from a range of sources including:

- Internal reports, statements and spreadsheets;
- Stakeholder interviews;
- Internal communications;
- Public press releases;
- Social media communications;
- Third party webpages and
- Photographs.

Opinion

Our assurance work found that HMD's GRI aligned 2023 Sustainability Impact Report meets the principles, content, and quality requirements of AA1000AS v3 for a Type 2 Moderate Level of Assurance. During the work completed, WSP made a number of findings and observations and have summarised these in the below.

Materiality

HMD's sustainability strategy and the Report are predominantly guided by the results of their materiality assessment, most recently conducted in 2023. This assessment takes into account the expectations of key stakeholders, in addition to other stakeholder engagement channels. Through gaining an understanding of the increasing importance of sustainability and statutory industry collaboration needed to achieve positive change, HMD has engaged in many in-depth discussions about the materiality of issues in the 2022 materiality assessment. HMD use the results of the assessment to inform their key measures and targets.

The relative importance of material issues is regularly reviewed through engagement and open communication with stakeholders, reflecting the evolving nature of the sustainability landscape and the markets in which HMD operate. While HMD currently align their materiality assessment process with the Global Reporting Index (GRI) 2021 Standard, the Corporate Sustainability Reporting Directive (CSRD) will require them to undertake a double materiality assessment before 2025 in preparation for reporting in 2026, encompassing a greater range of topics for materiality consideration and as a collection. HMD has acknowledged this requirement.

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Third party assurance Letter

Inclusivity

HMD demonstrate the extent to which they value, recognize, and incorporate stakeholder priorities throughout the Report and within their sustainability strategy. Ongoing engagement involves key stakeholders such as consumers, employees, and suppliers, through a range of engagement channels including meetings, letters, emails, press releases, workshops, surveys, amongst others. HMD has established specialised forums and groups, in particular, a Sustainability Council, HMD Being, a Diversity, Equity and Inclusion Council, a Safety Committee which involves employee representatives and cross functional sustainability Working Groups. HMD demonstrate inclusivity by considering the views of stakeholders within their sustainability strategy, which is focused on delivering value for stakeholders.

Responsiveness

HMD's Report was prepared in accordance with the GRI Standards and is structured into four clear chapters of Products, People, Planet and Positive Practices, providing for the clear signposting of material topics within individual sections. HMD aligned its Greenhouse Gas (GHG) emissions reporting with the GHG Protocol, in response to the high level of materiality placed on GHG emissions reduction. Furthermore, HMD has achieved a range of ISO certifications in response to material topics such as health, safety, and well-being. HMD collaborated with the Science Based Target Initiative (SBTI) to develop approved GHG emissions targets in 2022, in accordance with best practice and climate science. Responding to SBTi feedback, analysed HMD's efforts in GHG reduction efforts directly addressing stakeholder concerns. HMD has integrated materiality assessment outcomes and survey responses regarding emissions reduction across the supply chain through ongoing implementation of energy meters in their factories, collaboration to promote renewable sourced energy in the production of their goods and the development and implementation of employee sustainability training throughout the business.

Impact

Each sustainability goal in the Report includes progress performance of the objectives and targets in the short to medium term, including a longer term target aligned to industry standard both with the opening section for each topic providing business activities and targets. This has resulted in HMD for future reporting requirements, such as CSRD, will require further monitoring, reporting and governance processes being implemented. The material sustainability issues continue to be monitored and reported internally via the bi-annual pulse survey. As a result of the pulse survey results, HMD set up a Diversity, Equity & Inclusion (DEI) Council called HMD Jelong. HMD being has clear KPIs to implement initiatives across the organisation and monitor them through analysing survey data and assessing the impact of DEI initiatives.

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HMD has demonstrated development and evolving maturity of their sustainability strategy which was initially established through aligning with ISO9001 in 2018. This has developed to a more proactive approach conducting their first materiality assessment to identify what is material to the business and required to be addressed, supported with the publication of their first environmental sustainability report in 2021. HMD is aware and reacting to upcoming stakeholder and legislative demands they are faced with and should continue with the existing proactive approach on sustainability and CSO issues whilst incorporating further recommendations identified during this assurance engagement.

Neal Barker
 Director / Head of Sustainability and Safety Advisory, WSP

June 2024

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SBTI Near-Term Approval Letter



SCIENCE
BASED
TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

APPROVED NEAR-TERM SCIENCE-BASED TARGETS

The Science Based Targets initiative has validated that the science-based greenhouse gas emissions reductions target(s) submitted by HMD Global Oy conform with the SBTi Criteria and Recommendations (Criteria version 5.1).

SBTi has classified your company's scope 1 and 2 target ambition as in line with a 1.5°C trajectory.

The official near-term science-based target language:

HMD Global Oy commits to reduce absolute scope 1, 2 and scope 3 GHG emissions from purchased goods and services 42% by 2030 from a 2022 base year.

DATE OF APPROVAL
17 January 2024

Partner Organizations

In collaboration with

Ecovadis certificate



ISO Certifications

Bureau Veritas Certification



HMD Global Oy
Bertel Jungin aukio 9, FI-02600 Espoo, Finland

This is a multi-site certificate, additional site(s) are listed on the next page(s)
Bureau Veritas Certification Holding SAS - UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 9001:2015
Scope of certification

Design, development, sales, delivery and customer care of our mobile devices, accessories and services

Original cycle start date:	03-04-2018
Expiry date of previous cycle:	NA
Certification / Recertification Audit date:	NA
Certification / Recertification cycle start date:	12-03-2024
Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on:	02-04-2027

Certificate No.: **FI008641** Version: 1 Issue date: 12-03-2024



Signed on behalf of BVCH SAS UK Branch
Certification Body Address: 5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom
Local office: Bureau Veritas Certification Finland, Sörnäisten rantatie 29, FI-00500 Helsinki, Finland



0008



Further clarifications regarding the scope and validity of this certificate, and the applicability of the management system requirements, please call: +358 10 8308630
UKAS Certificate Template Multi Site Rev.4.1

28 Aug 2023

Bureau Veritas Certification



HMD GLOBAL OY
BERTEL JUNGIN AUKIO 9, FI-02600 ESPOO, FINLAND

Bureau Veritas Certification certify that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 45001:2018
Scope of certification

PEOPLE AND PROCESSES ENABLING DESIGN, DEVELOPMENT, SALES, DELIVERY AND CUSTOMER CARE OF OUR MOBILE DEVICES, ACCESSORIES AND SERVICES

Original cycle start date:	02-05-2023
Expiry date of previous cycle:	N/A N/A
Certification / Recertification audit date:	02-05-2023
Certification / Recertification cycle start date:	
Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on:	01-05-2026

Certificate No.: **FIHSK181595345** Version: 1 Issue Date: 02-05-2023



Salla Runkaa, Certification Manager, Bureau Veritas Certification Finland



0008

Further clarifications regarding the scope of this certificate and the applicability of the Management System requirements may be obtained by contacting the Bureau Veritas branch office for Finland. Please refer to page 29, FI-00000 methods, related.
check the validity of this certificate please call: +358 10 8308630.

28 Aug 2023

ISO Certifications



Bureau Veritas Certification

HMD Global Oy
Bertel Jungin aukio 9, 02600 Espoo, Finland

Bureau Veritas Certification certify that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

STANDARD
ISO 27001:2013
SCOPE

All people, processes and ICT systems enabling design, development, sales, delivery and customer care of HMD Global products and services to trade customers and consumers

Statement of Applicability, Version 1 – 10.1.2022

Subject to the continued satisfactory operation of the organisation's Management System, this certificate is valid until: 17-02-2025

Certification / Recertification cycle start date: 18-02-2022 Original cycle start date: 18-02-2022

Expiry date of previous cycle: -

Certification / Recertification audit date: -

Certificate Number: FIHSK 11420040F Version 1, Revision date: 18-02-2022



Salla Punkari, Certification Manager,
Bureau Veritas Certification Finland



FINAS
Finnish Accreditation Service
8005 (EN ISO/IEC 17021-1)

Bureau Veritas Branch office for Finland, Sörmästen rantatie 20, FI-00500 Helsinki, Finland
Further clarifications regarding the scope of this certificate and the applicability of the Management System requirements may be obtained by consulting the signatory. To check the validity of this certificate please call, tel. +358 10 830 8630.



Bureau Veritas Certification

HMD Global Oy
Bertel Jungin aukio 9, 02600 Espoo, Finland

Bureau Veritas Certification certify that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

STANDARD
ISO 27701:2019
SCOPE

People, processes and ICT systems handling the customer personally identifiable information in the company

Subject to the continued satisfactory operation of the organisation's Management System, this certificate is valid until: 10-03-2027

Certification / Recertification cycle start date: 11-03-2024

Original cycle start date: 11-03-2024

Expiry date of previous cycle: -

Certification / Recertification audit date: -

Certificate Number: FIHSK17256605F Version 1, Revision date: 11-03-2024



Salla Punkari, Certification Manager,
Bureau Veritas Certification Finland

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Further clarifications regarding the scope of this certificate and the applicability of the Management System requirements may be obtained by consulting the organisation. To check the validity of this certificate please call, tel. +358 10 830 8630.

ISO Certifications



¹ - https://www.hmd.com/en_int/ethics/code-of-conduct/hmd-global-supplier-code-of-conduct

² - https://www.hmd.com/en_int/ethics/code-of-conduct/hmd-conflict-mineral-policy

³ - https://www.hmd.com/en_int/ethics/code-of-conduct/hmd-conflict-mineral-policy

⁴ - <https://www.statista.com/statistics/499891/projection-ewaste-generation-worldwide/>

⁵ - [https://www.who.int/news-room/fact-sheets/detail/electronic-waste-\(e-waste\)](https://www.who.int/news-room/fact-sheets/detail/electronic-waste-(e-waste))

⁶ - <https://www.ifixit.com/repairability>

⁷ - https://www.hmd.com/en_int/ethics/code-of-conduct/hmd-global-supplier-code-of-conduct

⁸ - https://www.hmd.com/en_int/ethics/code-of-conduct

⁹ - <https://secure.ethicspoint.eu/domain/media/en/gui/104743/index.html>

¹⁰ - <https://unglobalcompact.org/>

¹¹ - <https://sdgs.un.org/goals>

¹² - https://www.hmd.com/en_int/ethics/code-of-conduct

¹³ - https://www.hmd.com/en_int/blog/flip-phone-february-2024

¹⁴ - https://www.hmd.com/en_int/ethics/code-of-conduct/hmd-global-supplier-code-of-conduct

¹⁵ - https://www.hmd.com/en_int/ethics/code-of-conduct

¹⁶ - https://www.hmd.com/en_gb/ethics/code-of-conduct/hmd-conflict-mineral-policy

¹⁷ - <https://secure.ethicspoint.eu/domain/media/en/gui/104743/index.html>

¹⁸ - <https://secure.ethicspoint.eu/domain/media/en/gui/104743/index.html>

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HMD Annual Sustainability Report 2023

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Here to make **devices**,
And a real **difference**.

HMD