At Nokia, we embed environmental considerations into everything we do, and we believe in an inclusive diverse world where nobody is left behind.

Within an end-to-end telecommunications network, broadband is a significant contributor to greenhouse gas emissions. Yet the use of broadband actually contributes to a net reduction in emissions as it enables efficiency gains, reduced transportation, and a host of other benefits. Nokia is committed to bringing the socio-economic and environmental benefits of fixed broadband to as many people as possible. In doing so, we set ambitious sustainability goals on our own business operations and on the design of broadband products and services that help our customers reduce energy consumption in their networks.

Our goal is Broadband Zero: we use our innovation power to ensure zero communities are excluded from broadband; in which zero people are left behind; and in which we aim for zero waste.
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>The role of global digitalization</td>
<td>3</td>
</tr>
<tr>
<td>Our sustainability commitments</td>
<td>4</td>
</tr>
<tr>
<td>Enabling sustainable living with ubiquitous broadband</td>
<td>5</td>
</tr>
<tr>
<td>Nokia Design for Environment: A circular approach</td>
<td>6</td>
</tr>
<tr>
<td>Circular product passport</td>
<td>7</td>
</tr>
<tr>
<td>Hazardous chemicals</td>
<td>7</td>
</tr>
<tr>
<td>Transportation</td>
<td>7</td>
</tr>
<tr>
<td>Circularity</td>
<td>8</td>
</tr>
<tr>
<td>Broadband energy consumption</td>
<td>9</td>
</tr>
<tr>
<td>Fiber for Broadband Zero</td>
<td>10</td>
</tr>
<tr>
<td>Fixed wireless access to bridge the digital divide</td>
<td>12</td>
</tr>
<tr>
<td>Constructing broadband networks</td>
<td>13</td>
</tr>
<tr>
<td>Conclusion</td>
<td>14</td>
</tr>
</tbody>
</table>
Introduction

Climate change is by far the greatest challenge of our time. At Nokia, we believe it is the duty of every government, business and citizen to do what they can to minimize their impact on the planet. Some changes can have a big impact, others only small. The important thing is that whatever the change, big or small, we should maximize our positive impact on the planet and all that live on it. We are at the beginning of the decisive decade and we all must act now.

As a leading telecommunications provider, we develop and enhance network solutions and technologies that improve lives and provide greater opportunities for people and the planet. Our products inevitably affect the environment because making, distributing and operating them uses energy and other resources. To reduce our environmental impact, we set ambitious sustainability goals on our own business operations and on the design of products and services that help our customers reduce energy consumption in their networks.

The role of global digitalization

Today, the ICT industry is responsible for around 5-9% of electricity consumption and 2% of global greenhouse gas emissions, equivalent to that of all air traffic\(^1\). However, ICT technologies have the opportunity to help other industries reduce global greenhouse gas emissions. Despite its own carbon footprint, ICT carries a 7-fold net positive effect on the world’s greenhouse gas (GHG) emissions due to the savings it creates; reducing global CO\(_2\) emissions by up to 15%. Digitalization in general and broadband in particular contribute by cutting transportation, creating gains in productivity, efficiency, and boosting economic growth for individuals, countries, cities, and society as a whole.

Figure 1. ICT helps other industries reduce global greenhouse gas emissions

\(^1\) Source: European Commission fact sheet, “Supporting the green transition”, February 2020
The environmental benefits of digitalization are at their greatest when there is innovative cross-collaboration in the tools and solutions we create. Nokia continues to play its part in improving energy efficiency and circularity in order to encourage the ICT sector in limiting in its own emissions. And we continue to minimize our own ecological footprint while also maximizing the beneficial handprint of the fixed broadband technology we produce, allowing every household not just to work or play from home, but also access vital digital services.

- **Transportation.** eCommerce, eLearning, telemedicine, homeworking and video conferencing, all reduce the need for transportation. Whether it’s a shopping trip to the mall, your local postal or delivery driver, or a massive global distribution network involving land, air and sea freight, electronic transactions lead to fewer physical displacements. Smart Roads and Smart Cities rely on broadband connectivity to regulate traffic flow, also contributing to lower GHG emissions.

- **Production.** The last 30 years have seen many physical products digitized: movies and music, newspapers and books, through to invoices and receipts. Digitization leads to significant savings in the use of plastics, minerals, paper and other physical materials and of course the energy required in the manufacturing process. None of these savings could be made without broadband being available to consumers and businesses.

- **Smart Grids.** The Smart Grid minimizes electricity wastage by providing accurate real-time insight into demand, regulating both production and consumption, and encouraging more responsible usage. The Smart Grid depends on robust and reliable broadband connectivity across the whole electricity network.

- **Internet of Things.** The ability to connect anything to anybody enables both automation and the sharing of data for better decision-making, reducing physical displacements, saving time and creating efficiencies.

**Our sustainability commitments**

Nokia is committed to reducing the carbon footprint of broadband connectivity. Why does this matter? The peripheral parts of the network dominate the overall power consumption. Numerous studies point out that home and access infrastructure are the most energy-consuming segment in a telecommunications network and, that they dominate in the energy intensity of the Internet over core and metro networks. The total network energy consumption still represents more than all data centers in the world, or more than the national energy consumption of some countries.

Our priorities have been set to meet key frameworks like the United Nations Sustainable Development Goals and the European Green Deal, where specific objectives include decoupling economic growth from resource use, and leaving no person and no place behind. The European Green Deal aims to achieve greenhouse gas neutrality by 2050 with an intermediate target of 50% reduction in GHG emissions by 2030. In the fall of 2020, China and Japan followed Europe’s initiative and announced to reduce net emissions to zero and also the US seeks to rejoin the Paris accord to boost international climate action.

Embedding science-based targets as a fundamental component of sustainability management practices is crucial in achieving this. In 2017, Nokia became the first telecommunication equipment supplier to join the Science-Based Targets initiative, which provides companies with a clearly defined pathway how much and how quickly they need to reduce their GHG emissions.
In September 2019, at the United Nations climate summit, we joined a select group of companies in committing to recalibrate our existing climate targets in line with the 1.5°C scenario. Our current science-based targets are set to reduce scope 1 and 2 GHG emission by 41% and reduce absolute scope 3 GHG emissions by 75% between 2014 and 2030. Scope 1 and 2 cover emissions from our activities as an organization which we can reduce, for example, through using renewable and self-generated electricity, reducing electricity consumption for our real estate and low emission company car policies. Scope 3 covers emissions from customer use of our products, which is by far the greater part of our total carbon footprint.

Figure 2. Nokia was the first telecommunication equipment supplier to join the Science-Based Targets

In 2020, Nokia achieved the A listing for climate change performance in the Carbon Disclosure Project. We encourage our suppliers to report their climate impacts and set carbon reduction targets through CDP and work with them to build improvement programs. Nokia is committed to expanding the environmental transparency and coverage of corporate responsibility topics. If you want to learn more, please consult our Sustainability webpage and download the Nokia People and Planet report. Our sustainability priorities relate to product safety, product misuse, environmental concerns, health, privacy, security and risk of non-compliance with regulations.

**Enabling sustainable living with ubiquitous broadband**

Fast and widely available broadband is a key ingredient for growth and prosperity. Yet, a substantial number of citizens and companies do not have sufficiently fast broadband at their disposal. Nokia is committed to bring better broadband to more people as quickly as possible.
According to independent market analysis and consulting firm Broadbandtrends, there are still more than 1.4 billion households in the world with no or with slow broadband. While it is not evenly distributed, “white spot” areas also exist in highly developed countries and are often eligible for a subsidized broadband deployment. National and local government initiatives, like the EU’s Digital Agenda for Europe and the Rural Digital Opportunity Fund (RDOF) in the US, are designed to improve broadband connectivity for underserved regions.

Without a reliable high-speed fixed connection to the internet, it makes it more challenging to enable economic welfare and provide access to basic human rights such as good healthcare and education. It is evident that households without broadband are extremely vulnerable, both socially and economically, as shown during the COVID-19 lockdowns, due to reduced access to information, essential services and connectivity to others. In light of this, fixed broadband connectivity programs must be accelerated. First, every household without a fixed broadband connection must be connected; second, minimum service levels need to be guaranteed to give every household the same opportunities.

Nokia Design for Environment: A circular approach

Operators have been building networks for years to deliver broadband services to enterprises and residential customers. In the recent past, a “design-to-cost” mantra drove the reduction of direct costs, through lower power and eliminated central office real estate. Now, operators are increasingly turning their attention to fully sustainable development goals. They are striving to become carbon neutral by reducing emissions and executing on renewable energy plans. Using green technologies becomes increasingly important when building fixed access networks.

As the original equipment manufacturer of broadband solutions, Nokia maintains well-established circular lifecycle practices that keep products at their highest value and quality for multiple uses and the longest time possible. Our Design for Environment approach ensures we create technologies that take into account all sustainable aspects. Lifecycle thinking is a key component of this approach: it helps us reduce our environmental impact and improve material and energy efficiency across our production, operations, product use-time and takeback, and through to our suppliers.

Figure 3. The lifecycle in Nokia’s Design for Environment approach
Compliance with relevant environmental regulations is an important part of our environmental policy. Extended Producer Responsibility regulatory programs strive to decrease the environmental impact of products by making the manufacturer responsible for the entire lifecycle of the product, especially end-of-life management through product takeback. We have 25+ years of OEM-quality remanufactured products where we offer takeback, repair, refurbish and recycle services to maximize the value of the obsolete equipment. Remanufacturing used products versus building new ones avoids a minimum of 40% of CO2 emissions.

Circular product passport

Nokia is working with leading operators on sustainable product initiatives, such as circular product passports, eco-cost calculations, and recommendations for improvements in raw materials used and recyclability. Based on the Recycling and Reuse Metric that we pioneered with the INEMI organization, we are now better able to evaluate new product designs with an eye towards improving materials choice, ease of parts and materials liberation, and available recovery technology in countries where the products are sold.

Hazardous chemicals

Materials and restricted substances are another key part of our Design for Environment program. We give extreme importance to the preservation of the environment through the implementation of production standards approved by the United Nations.

Global legislation or regulations ban or restrict several substances that are hazardous to either humans and/or the environment. These substances must not be present in our products, components, and materials that are selected during the product design phase.

We comply with all applicable substance requirements from environmental laws and regulations such as

the EU RoHS Directive (2011/65/ EU), WEEE Directive (2012/19/EU) and REACH Regulation (EC 1907/2006). These European-based initiatives have helped electronics companies to move away from lead-soldered products and introduce solder alternatives that are more environmentally friendly. A ban on halogens has resulted in looking for alternative materials for our cables: materials containing halogens release toxic elements if they catch fire.

Transportation

In product transportation and distribution, we aim to cut airfreight transportation and choose greener transportation modes. Air transportation is a big GHG contributor with a CO2 factor of 9 kg per tons- kilometer. Road haulage (with the evolution to electric engines), rail (low use of space, low energy and low noise levels) and sea (sustainable fuel) have over 85% lower emission factors. We also continue to improve our demand planning accuracy and buffer stocks on long lead time components to better anticipate market dynamics and reduce express shipments.
We always aim to save space, reduce the amount of packaging materials used, and maximize our transport efficiency through pallet or container load optimization. This minimizes the number of trucks or containers required on both inbound and outbound shipments. We also maximize the use of eco-packaging materials fit for the circular economy. We have started to replace traditional foam shock buffers with corrugated cardboard buffers and are investigating the use of biodegradable Electrostatic Discharge (ESD) bags. A smaller total package allows more cards to be shipped per pallet, reducing the overall carbon footprint.

**Circularity**

The practice of recycling is as old as humankind and has proven its value in the reuse of materials from items that have reached the end of their life or use. We look to use as much recycled material as possible and so avoid using newly sourced raw materials.

Thorough investigation has proven that stainless steel is the most ecologically-sound material to use for the chassis of our modular network equipment (Nokia FD/FX/MX portfolios). No other material is comparable when considering the environmental cost to build and re-use it. Stainless steel is the best choice for containing radiation, minimizing interference, conducting heat, and giving the right mix of strength and rigidity. It is easily recycled, and the recovered raw material can be used for new products.

End-user products are usefully built from plastic. We have applied best practices from other industries in the re-use of plastics for new products. Plastic that is no longer used is granulated and sorted and can be reused, partially or fully. Exercises are ongoing to determine how much re-used plastic can be applied to our equipment designs.

The most challenging components to be made circular are printed circuit boards (PCB). These complex stacks of copper and fiberglass are difficult to disassemble and hence recycle or re-use. Nor are there suitable alternative materials to manufacture PCBs. PCBs remain an area of investigation for the ICT industry.
For our end-user products such as gateways, optical network terminals and Wi-Fi devices, Nokia pays particular attention to the environmental impact with high device recyclability potential and eco-packaging (100% paper and cardboard). Where possible, our products are easy to dismantle via commonly available tools and parts requiring separate treatment are easy to disassemble. Products allow easy repair, on-site configuration changes, remote software downloads and extension of the capacity of existing product features.

**Figure 5. Separable components of a Nokia Wifi Beacon**

### Broadband energy consumption

When we measure our carbon footprint from our operations through the complete lifecycle of our products—design, manufacture, distribution, use, and treatment at end of life—we find that product usage and energy consumption accounts for about 89% of the total carbon footprint. This is why we invest heavily in power-saving innovations to reduce this impact.

**Figure 6. Comparison of GHG emissions through the product lifecycle of fixed access nodes**

One example is with our proprietary Quillion chipset, designed and developed in-house. The power consumption of fixed network telecom equipment is mostly driven by the chipsets used. Quillion allows us to build power-optimized line cards for fiber and copper broadband with higher port density, integrated energy-saving features and higher throughput per watt. Quillion includes advanced features such as powering down unused optics (saving up to 1.5W for GPON optics) and improved intelligent fan tray control algorithms to reduce energy consumption and cooling when not required. Our G.fast nodes
have next-gen processors with more functionality embedded, which reduces the number of components and bring power savings of more than 50%. The G.fast nodes only draw power for ports that are in use, with smart SR2 reverse power feeding (RPF) coming from the customer premises. One active user requires only 7W of power, equivalent to powering a single LED lamp.

More power-efficient chipsets lead to smaller power-optimized nodes, which occupy less space, use less power and can be passively cooled (up to operating temperatures of 65°C). This also reduces the installed battery capacity. When installed in street cabinets, they require less grid protection equipment, smaller power supplies and only “heatwave days” fan ventilation backup.

Figure 7. Energy savings with power-optimized line cards and next-generation processors

<table>
<thead>
<tr>
<th>Powered by our in-house Quillion chipset</th>
<th>Power reduction per fiber port (GPON-XGS-PON)</th>
<th>Power reduction per copper port (vectored Vplus-VDSL2)</th>
<th>Power reduction for 2nd Gen G.fast nodes</th>
</tr>
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<td></td>
<td>&gt;50%</td>
<td>20-35%</td>
<td>&gt;50%</td>
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We apply the same energy-efficiency mindset to our end-user products. The Wi-Fi 6 technology in our Nokia WiFi Beacons allows new power saving modes with scheduled sleep/wake times for longer battery life and up to 67% lower power consumption. Our home devices also operate up to 45°C without any additional cooling.

We apply the same energy-efficiency mindset to our end-user products. Our products help save energy and support WMM Power Save certifications. The Wi-Fi 6 technology in our Nokia WiFi Beacons allows power saving modes with scheduled sleep/wake times for longer battery life and up to 67% lower power consumption for end devices. We are also an EnergyStar-certified supplier. When shopping for small network equipment, look for the EnergyStar logo, which means that the model uses 20 percent less power than a conventional unit. Our home devices operate up to 45°C without any additional cooling.

Fiber for Broadband Zero

New fixed broadband networks are now predominantly based on fiber optic technology. Most operators are also in the process of upgrading older copper and cable networks to deep fiber or full fiber-to-the-home networks. Fiber is a significantly more sustainable technology than other types of fixed broadband as well as being more cost- and power-efficient to operate.

Since 2009 we have annually reported product energy consumption according to the Code of Conducts for Broadband Communication Equipment from the European Commission.
The figures show the per subscriber power consumption of various technologies over time and illustrate the significant differences between technologies. One note: VDSL17 and VDSL30/35 2020 targets for network equipment are in practice higher, amounting to about 2W with improvements like vectoring and long-range high transmit power evolutions.

Figure 8. Power consumption per subscriber by technology

Future-proof scalability and higher capacity make full-fiber networks the most energy efficient solution. Since 2007, power consumption has been reduced by 38% while broadband speeds have increased by a factor of 64. This trend is important as it shows that the explosion in demand for data does not necessarily lead to a massive increase in emissions; emissions have actually decreased in recent years since the shift from copper to fiber. The results of a study by Nokia Bell Labs (see Figure 9) show that fiber-to-the-home (FTTH) with XGS-PON consumes x2 more energy for 5x the speed of GPON for the access network. This means that FTTH XGS-PON is the most power efficient broadband technology. The fiber extension technology G.fast is able to deliver similar broadband speeds as GPON but consumes 1.6 times more energy in the end-to-end network. With reverse powering from the home, the power of FTTB is at the same level as FTTH GPON on operator side.

Fiber is clearly the green technology for the future. With the shift to fiber and passive power splitting, fewer ports and active electronics are needed to serve end users, requiring less power provisioning in the network. Fiber has extremely low attenuation (0.2 dB/km) due to the purity of the glass and the confinement of light emitted by the laser inside the core of the fiber cable. Passive fiber networks deliver the lowest ecological footprint. Point-to-point fiber technologies like GigE and 10GigE are competitive in power per bit, but they cannot benefit from the same infrastructure sharing efficiencies. It makes PON technologies the ideal fit to deliver mass-market enterprise services and robust fiber transport for many 4G and 5G cell sites.
Reduced energy consumption and increased network reliability (through absence of active network elements in the field) mean that the FTTH network costs less to run and operate. Moving to a full-fiber network allows also to consolidate central offices, again reducing energy consumption. The network also has a longer lifespan. A more reliable network requires fewer field support staff and less travel to network locations to carry out maintenance and repairs. This results in a better customer experience in the form of superior service quality (bandwidth, latency, etc.), higher reliability and lower OPEX. FTTH combines the lowest energy requirements and GHG emissions with superior scalability and bandwidth evolutions to 25G, 50G and beyond.

Figure 9. Power consumption comparison for fiber and FWA technologies

Fixed wireless access to bridge the digital divide

Being the most future-proof and energy-efficient infrastructure, full-fiber networks are key contributors to reducing power consumption in the telecoms sector. But another goal of broadband networks is to close the digital divide as fast as possible.

Fiber broadband solutions will reach 860 million households worldwide by 2024, yet that represents only about one third of all households. The primary reason for unserved and under-served populations is economics. The coverage gaps tend to be the hard-to-reach locations and areas with low population density, making it more challenging to generate the revenues to make fiber broadband investment viable. In these situations, fixed wireless access (FWA) technology has a strategic role to play as there is no physical last mile connection to deploy.
However, 5G FWA is 8 times less power efficient than GPON. This comes as no surprise as power consumption is largely determined by the channel attenuation, which is much higher for radio compared to wireline communication and exacerbated by any obstacles they must penetrate, e.g. foliage and walls. As a consequence, only a small fraction of the energy transmitted arrives at the receiver. This is unavoidable for mobile communication, where there is no prior knowledge of where the radio antenna and user are in relation to each other.

Nokia mitigates these factors in the design of its FWA solutions. We use high-gain antennas, 5G massive MIMO and outdoor receivers to improve throughput and radio efficiency. High-gain antennas confine the radiation from an omnidirectional pattern, as used in cell phones, to a beam that is directed towards the cell site. High gain antennas also limit interference, because of their directivity. Within the radio access network, the massive MIMO arrays of 5G help radio efficiency in a similar way. The use of outdoor or window mount devices ensures that first wall penetration losses are avoided, strongly contributing to radio efficiency and, hence, power efficiency. This creates a 30 dB improvement in signal loss and five times better energy efficiency compared to mobile cell phone communications.

Constructing broadband networks

Constructing a broadband network inevitably results in GHG emissions and other environmental damage. It is therefore extremely important to build robust network infrastructure that can cope with future demands in a sustainable way.

Fiber is created from simple materials (glass, silica, quartz, plastic). This means production can be carried out locally from start to finish and does not require the highly polluting extraction and transportation of ore from all over the world. For the roll-out of the fiber cables, alternative trenching methods, trenchless technologies and, co-deployment in non-telecommunication infrastructure have been developed that slash the carbon emissions of deployment, with less waste, less backfill material, and less time consumption.

Nokia offers special outside plant design services with benefits for the environment in resource optimization and waste reduction. Smart outside plant design maximizes the utilization of all reusable existing infrastructure to reduce the direct environmental impact as well as the cost and duration of the rollout: for example, a greenfield underground deployment can be up to three times the cost of brownfield deployments.

Material selection is another important criterion, and we exclude non-desired materials. For example, we use recyclable HDPE instead of harmful PVC for pipes. We also manage material purchasing to avoid inventory waste, reduce logistical costs and limit truck rolls to sites.

In areas where multiple FTTH networks are not viable, overbuilding should be avoided. Network sharing and slicing can help to connect all users in those areas without resource waste. This relies on an incumbent operator or alternative infrastructure provider who builds a FTTH network and gives wholesale access to various virtual network operators, who don’t need to deploy duplicate infrastructure. At the same time, this may also be the best business model to ensure that a maximum number of end users are connected with full-fiber networks, attracting even more interest of responsible investors in future-proof fiber infrastructure.
Where FWA is deployed, there are no civil works for the last mile connectivity. Nokia enables easy guided self-installation of the FWA gateways and receivers using user-friendly web portals to minimize truck rolls, cost per activation and travel to end-user premises. FWA can generally be deployed more quickly and easily than fiber, helping an operator trend to 100% coverage and increase take up-rates which, again, pushes down the power consumption per subscriber.

Finally, it should be noted that - as fiber is a more efficient technology in operation than FWA - the CO₂ emissions of a FTTH construction are compensated within 4–7 years when compared to FWA using existing macro towers².

Conclusion

If money were no object, and time were not a factor, fiber would be used for every broadband connection. From all the technologies available, fiber is the least power-hungry means of transporting high data rates. However, commercial considerations and regulatory mandates drive the increasing trend for operators to mix different broadband technologies: it ensures the digital divide does not widen between those who have access to fiber and those who do not.

Being a champion and market leader of fiber technology, Nokia is committed to reduce the environmental impact of all the technologies we develop and all the projects we serve, because we believe in the power of broadband to transform the quality of life for people, economies, and the world in which we live. In product design and manufacture, packaging and transportation, usage, and end of life recycling: at every stage in the lifecycle of our products we are taking meaningful action to reduce our own environmental impact and help the operators and consumers using our products to reduce theirs.

Through initiatives such as Design for Environment, power-saving innovations, circular economy principles, and our commitment to bridging the digital divide, we are pursuing Broadband Zero: delivering the benefits of broadband to as many people as possible while minimizing environmental impact.

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² Source: Lifecycle Analysis performed by Nokia Bell Labs